



**ONE PLANET
SWF NETWORK**

Framework
**Companion
Document**
2023

About the One Planet Sovereign Wealth Fund Network

Championed by President Emmanuel Macron, the One Planet Sovereign Wealth Fund (OPSWF) network was launched as a working group of five founding sovereign wealth funds. OPSWF has since expanded to include private investors and asset managers, with plans to become a permanent network and incorporate as an association under French law. As of November 2023, the OPSWF network includes 47 total members, comprising 18 sovereign wealth funds, 18 asset managers, and 11 private investment firms, which collectively have more than \$ 37 trillion in assets under ownership and management. Members commit to collaborate actively to implement the principles of the OPSWF Framework, published at the Élysée Palace in 2018.

ABOUT THIS DOCUMENT

OPSWF's annual *Companion Document* describes the Network's major activities and achievements during the reporting period generally ending 30 November each year. Published this year to coincide with the 28th session of the Conference of the Parties (COP28), the 2023 *Companion Document* highlights the steps that Network members have taken to advance the principles set forth in the OPSWF Framework. Along with providing an overview of the Network's objectives, structure, and functioning, the report also reviews the major findings of three member-led workstreams of key importance to the aims of the Paris Agreement: (1) climate data; (2) clean hydrogen; and (3) renewables in emerging and developing economies. The *Companion Document* thus provides one of the most authoritative sources of information on the evolution of sovereign wealth funds in their climate journeys.

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“To reach net zero, we can’t simply flip a switch. Transition means transition—we need to deliver a green economy based on more affordable, secure, and healthier energy, but this requires complex transformation of entire sectors.”

Dr Mary Schapiro,
Task Force on Climate-Related Financial Disclosures
 Address to the OPSWF CEO Summit, 22 June 2023

GLOSSARY

AUA	Assets under advisement	MW; MWh	Megawatts; megawatt hours
AUM	Assets under management	NGFS	Network for Greening the Financial System
CCS	Carbon capture and storage	OECD	Organisation for Economic Co-Operation and Development
CDP	Carbon Disclosure Project	PCAF	Partnership for Carbon Accounting Financials
CO₂e	Carbon dioxide equivalent	PRI	Principles for Responsible Investment
CSRD	Corporate Sustainability Reporting Directive	SASB	Sustainability Accounting Standards Board
EMDE	Emerging and developing economies	SBTi	Science-Based Targets Initiative
ESG	Environmental, social, and governance	SDGs	Sustainable Development Goals (also UNSDGs)
GHG	Greenhouse gas	SFDR	Sustainable Finance Disclosure Requirements
GHGP	Greenhouse Gas Protocol	TCFD	Task Force on Climate-related Financial Disclosures
GRESB	Global Real Estate Sustainability Benchmark	TW	Terawatt
GRI	Global Reporting Initiative	UNSDGs	United Nations Sustainable Development Goals (also SDGs)
GSR	Governance, sustainability, and resilience		
GW; GWh	Gigawatts, gigawatt hours		
ISO	International Organisation for Standardization		
kW; kWh	Kilowatts, kilowatt hours		

Ton: An imperial unit of mass equivalent to 1,016.047 kg or 2,240 lbs.

Tonne: A metric unit of mass equivalent to 1,000 kg or 2,204.6 lbs.

BACKGROUND

A global crisis

The evidence of climate change is everywhere—and it is overwhelming. Each year brings heat waves of record intensity and duration. Extreme weather events, including hurricanes, drought, wildfires, and flooding have all become more frequent and more destructive. The threats these events pose to biodiversity, to human life and health, and to property are unparalleled in modern history, and the scientific consensus is that all these risks will escalate the more the planet warms.

To avoid the most catastrophic effects of climate change, the 2015 Paris Agreement on Climate seeks to keep the rise in mean global temperature (relative to pre-industrial levels) to well below 2°C (3.6°F), and preferably limit the increase to 1.5°C (2.7°F). Achieving the 1.5°C target requires reducing carbon dioxide emissions to half of their 2010 levels no later than 2030, and reaching net zero, where the amount of any emissions that are produced is equaled by those removed, by 2050.

The pathways to achieving these goals include:

- Transitioning to renewable energy sources
- Energy efficiency
- Carbon capture through nature-based solutions (e.g. reforestation) and new technologies

All three of the pathways along the “green transition” require a willingness—from private citizens, their governments, corporations, multinationals, the financial sector, and all other stakeholders—to change behaviors and rethink incentives.

Our approach

Through enhanced engagement and guidance on disclosures, sovereign wealth funds can manage climate-related risks and opportunities, fostering long-term sustainable value creation.

To better address climate-related risks and advance the opportunities, the One Planet Sovereign Wealth Funds (OPSWF) initiative was announced on 12th December 2017 at the inaugural One Planet Summit in Paris. Championed by French president Emmanuel Macron, OPSWF provides a common platform to improve climate-related investment decision-making. Since its inception, the OPSWF Network has expanded to include asset managers and private equity funds along with more sovereign wealth funds. OPSWF Network members work to:

- Accelerate efforts to integrate climate-related financial risks and opportunities in the management of large, long-term asset pools.
- Help mobilise the capital of sovereign wealth funds towards the implementation of the Paris Agreement, including by working to grow the investable market for climate solutions.
- Leverage the scale and benefits of knowledge-sharing, while preserving flexibility and agility.

Along with pursuing their individual initiatives, OPSWF Network members collaborate via topic-specific Working Groups, at an annual two-day CEO Summit, and informally amongst themselves. The work is supported by a secretariat based in Paris.



“We need the private sector and indeed the OPSWF Network and what we have managed to create together in the One Planet mechanism. In order to succeed in overcoming poverty, climate change, or biodiversity, it is absolutely impossible to do it just with public money and official development assistance.”

President Emmanuel Macron,
addressing the 6th Annual OPSWF CEO Summit, June 2023

A growing network

The OPSWF Network has expanded rapidly, with the number of financial institutions supporting the goals and principles of the OPSWF Framework growing from 33 institutions (14 SWFs, 14 asset managers and five private equity funds) at the 3rd Annual Summit in 2020 to 47 institutions by the 6th Annual Summit in 2023.

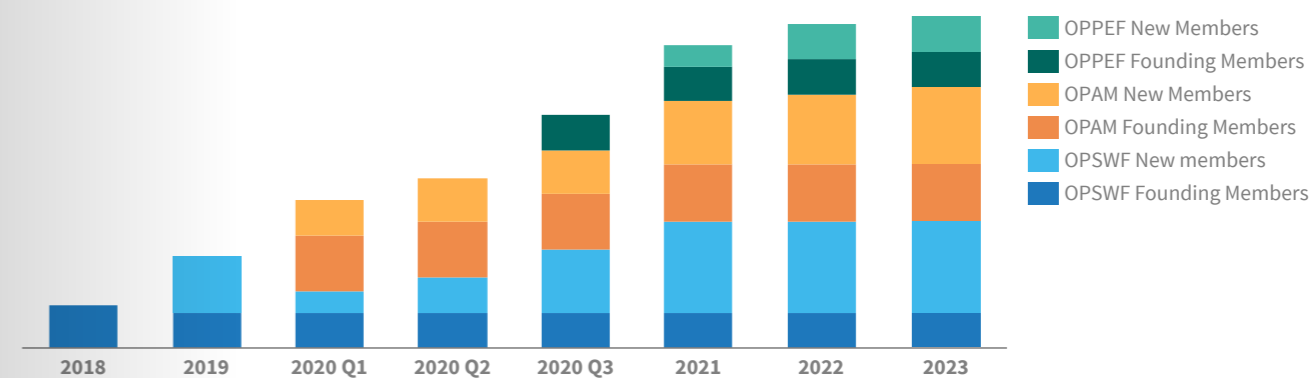
**The OPSWF Network now includes:
18 OPSWF (sovereign wealth fund) members,
18 OPAM (asset manager) members,
and 11 OPPEF (private equity fund) members.**

This expansion is a result of concerted outreach efforts by the founding members and demonstrates **the reputation and relevance of the initiative** as providing a unique forum for best practice exchange and accelerated action on the topic of climate change.



The Network was pleased to welcome Los Angeles-based Fifth Wall to OPPEF in 2023. The firm, whose name refers to a fifth wall of technology it provides in addition to the four physical walls of a building, is the largest venture capital firm focused on the global real estate industry and property technology for the built world. The addition of Fifth Wall brings to 11 the number of leading private equity players who are now working within the OPSWF Framework to share information and to engage with other key actors, including standard setters, regulators, and the broader private equity industry.

OPSWF NETWORK EVOLUTION
NUMBER OF MEMBERS, 2018 - 2023



GLOBAL NETWORK OF OPSWF FRAMEWORK SUPPORTERS

Sovereign Wealth Funds

Asset Managers

- AllianceBernstein
- Allianz Global Investors
- Amundi Asset Management
- Axa Investment Managers
- BlackRock
- BNP Paribas Asset Management
- Federated Hermes Limited
- Fidelity International
- Goldman Sachs Asset Management
- HSBC Asset Management
- Invesco
- Legal & General Investment Management
- Morgan Stanley Investment Management
- Natixis Investment Managers
- Northern Trust Asset Management
- PIMCO
- State Street Global Advisors
- UBS Asset Management

Private Investment Firms

- Ardian
- BeyondNetZero
- The Carlyle Group
- Eurazeo
- Fifth Wall
- Global Infrastructure Partners
- Industry Capital Partners
- Macquarie Asset Management
- SoftBank Investment Advisers
- Tikehau Capital
- TPG



TIMELINE OF OPSWF ACTIVITIES TO DATE





ADVANCING THE OPSWF FRAMEWORK

OPSWF members have developed a unique framework to support the alignment of large, long-term and diversified asset pools with the goals of the Paris Agreement. Launched in July 2018, the OPSWF Framework was the first global strategic guidance for sovereign wealth funds on the topic of climate change. It remains a seminal document that drives the actions of the Network's membership which has expanded to include not only many more sovereign wealth funds but also leading private investors and asset managers. The Framework includes 12 recommendations based around three guiding principles.

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.

The Framework was designed to accommodate countries at different levels of development and sovereign wealth funds of different sizes and with different investment strategies. It is implemented subject to domestic legal and regulatory requirements.

The pages that follow detail our Network members' recent activities to advance each of these Principles.

EXAMPLES OF SOVEREIGN WEALTH FUNDS ALIGNMENT WITH THE OPSWF FRAMEWORK - 2022 TO 2023

PRINCIPLE 1 ALIGNMENT

\$ 525 million

Mubadala, in partnership with BlackRock Real Assets, invested \$ 525 million in Tata Power Renewables to support the significantly growing demand for new sources of clean energy in India.

€ 5.5 billion

Bpifrance has financed Greentech with € 5.5 billion since September 2020 to accelerate decarbonisation and innovate, being one of the France 2030 hydrogen plan operators, notably.

Carbon markets

A PIF portfolio company holds the world's largest carbon credit auctions in the world in Riyadh and Kenya, selling more than 3.6 million tons of voluntary carbon credits.

\$ 8.5 billion

in green financing - PIF is the first SWF in the world to issue green bonds, including the first ever 100-year green bond. PIF's green bonds will finance or refinance PIF's green investments in accordance with its Green Finance Framework. PIF completed two green bond issuance which raised a total of \$ 8.5 billion.

Net Zero Emissions Transition Plan

At COP 27, PIF became the first SWF in the Middle East region, and one of the first in the world, to announce a Net Zero Target by 2050

Joined PRI

KIC joined PRI in 2022 to enhance its global network and responsible investment capabilities.

€ 17.3 billion

Bpifrance had deployed € 17.3 billion of the 2020-2024 Climate Plan as of July 2023.

100%

stake - Mubadala joined forces with Global Infrastructure Partners (GIP) to acquire a 100% stake in Skyborn Renewables, the largest private offshore wind developer in the world

Commitment to leading on sustainability

PIF ranks 1st in the Middle East and 7th among 100 SWFs assessed by Global SWF on Governance, Sustainability and Resilience (GSR). In 2023, PIF was the most improved SWF with a score improving from 40% in 2021 to 92% in 2023 due to improved sustainability practices and enhanced transparency and disclosure.

€ 600 million

Bpifrance has invested more than € 600 million in green funds, catalysing €6.6 billion in investment raised.

4th ESG Days

KIC held its 4th ESG Days for global experts to present the latest trends of green technologies.

PRINCIPLE 2 OWNERSHIP

NZX50

NZ Super Fund engages with top 50 NZ companies.

€ 2.4 billion

Bpifrance engaged € 2.4 billion in green loans to small and medium enterprises to finance their ecological and energy transition.

Aquaculture

PIF; NEOM signed an agreement with ARASCO and Cargill to support the sustainable expansion of the Saudi aquacultural sector.

3rd year in a row

Bpifrance issued for the 3rd year in a row a biodiversity footprint analysis on the Lac1 fund's portfolio, establishing climate and biodiversity considerations.

90% SDGs-linked

KIC has considered the SDGs in its stewardship approach and more than 90% of KIC's engagement are linked with SDGs.

Energy transition_{PIF}

ACWA Power is driving the implementation of ESG considerations across its operations and investing in energy transition.

30 GW

KIA through incorporation of EnerTech Holding Company which is owned by National Technology Enterprise Company (NTEC), manages a portfolio of more than 30 GW worth of clean energy projects in various development stages.

1,512

Bpifrance has accompanied 1,512 businesses with Diag Décarbon'ation, to move from brown to green business models.

135

More than 135 of KIA's asset managers continue to monitor and report their implementation of the OPSWF Framework

150,000 tonnes per year

Mubadala's part-owned EGA to build a 150,000 tonnes/year aluminium recycling facility

1st time

The Korea Investment Corporation (KIC) has implemented direct voting strategies to address material ESG issues, including climate change and other environmental topics since 2023.

1,539

Bpifrance has accompanied 1,539 businesses with Diag Eco-Flux.

Wildlife and Ecosystem Study_{PIF}

RSG released the findings from its Wildlife and Ecosystem Study, one of the world's largest environmental surveys conducted by a developer, carried out along 250 kilometres of Red Sea coastline.

PRINCIPLE 3 INTEGRATION

\$ 474 million

QIA invests \$474 million stake in Adani's Green Energy

\$1.2 billion

QIA joins consortium investing \$1.2bln in EV battery-maker SK On

5.4 million tons of CO₂

NIIF through its portfolio fund GGEF, has enabled reduction / avoidance of 5.4 million tons of CO₂ equivalent emissions.

57.9 million kWh

NIIF through its portfolio fund GGEF has enabled production of 57.9 Million kWh of energy from Bio-CNG.

€ 2.43 billion

QIA invests € 2.43 billion to accelerate RWE's Growing Green strategy.

\$ 8.4 billion

NEOM Green Hydrogen Company (NGHC) - PIF; NGHC, closed on a deal for the world's largest green hydrogen production facility at a total investment value of \$ 8.4 billion.

50% reduction -

ADIA's CPD investment mandate successfully reduces climate change risk exposure.

10 MW

NSIA developed a 10 MW Solar Photovoltaic Power Plant located in Kumbosto Local Government Area of Kano State, Nigeria. The project is recognized as Nigeria's largest and first-ever grid-connected solar power plant and is a manifestation of NSIA's ambition to propel investment into Nigeria's power sector, especially in renewable energy.

452,262 MT CO₂e

KIC reduced greenhouse gas emissions by 452,262 MTCO₂e through its green projects.

9 GW

PIF - Hitachi Energy, signs agreements with the Saudi Electricity Company (SEC) and ENOWA. The three HVDC links will have a total power capacity of up to 9 GW.

€ 250 million

QIA led a €250 million Series D financing round for Innovafeed, a global biotech company and a leader in the production of insects-based protein for animal and plant nutrition.

3.7 million tons of waste

NIIF through its portfolio fund GGEF has enabled recycling of 3.7 million tons of waste

Portfolio analysis - Bpifrance and PwC have identified positions at risk in Bpifrance's midcap portfolio in terms of climate-related sustainability and resilience and have taken action to reduce the risks.

OPSWF MEMBERS

Alignment

Abu Dhabi Investment Authority (ADIA)

- ADIA's Core Portfolio Department supports integration and alignment towards a more sustainable, low-carbon economy. As part of the investment guidelines, Indexed Equities Pool considers climate-related opportunities in the development and execution of its strategy.
- ADIA's Core Portfolio Department is exploring investment mandates with external asset managers that incorporate Sustainable Development Goal and climate analytics.
- ADIA Private Equities portfolio continues to engage with climate change-focused asset managers to establish differentiated private equity partnerships and investment vehicles to invest rigorously behind the energy transition.
- ADIA's Infrastructure Department is steering the Organisation of an ADIA-wide Energy Transition event to accelerate awareness of climate change, its implications for the existing portfolio, and to generate new investment ideas.
- In the run-up to the summit for a New Global Financial Pact that took place in Paris in June 2023, ADIA, with the Agence Française de Développement, co-chaired a working group comprising representatives of some 60 public and private institutions. The group spent three months reflecting on practical ways to increase financing for sustainable infrastructure in emerging and developing countries. The working group presented

its recommendations, which included the strengthening of countries' public policies and tools for sharing data and risks, at the Summit.

Bpifrance

- Since September 2020, Bpifrance has financed greentech companies with € 5.5 billion, made € 680 million in direct investments in the Greentech innovation initiative, and provided Greentech with more than 100 support missions. Public intervention in France towards the Greentech aims largely at developing clean hydrogen. The hydrogen acceleration strategy consists in a public support of € 9 billion, with € 2 billion from France 2030. Bpifrance is one of the three operators of the France 2030 hydrogen development plan.
- Fund of Funds: Since 2017, Bpifrance has invested more than € 600 million in funds specialized in ecological and energy transition, and its action has been pivotal to raise more than € 6.6 billion in most stages of capital investment. Between 2022-2023, Bpifrance invested € 260 million in 17 funds.
- In July 2023, Bpifrance had deployed € 17.3 billion out of the 2020-2024 Climate Plan, in cooperation with the Banque des Territoires. Both operators are meant to deploy € 20 billion. The Climate Plan aims to accelerate the energy and ecological transition of territories and businesses through funding and technical assistance to double the funds directed to renewable energies, to support the emergence of international champions, and to fund greentechs and general innovation.

Cassa Depositi e Prestiti (CDP Equity), Italy

- In September 2022 CDP Group adopted the "Responsible Investing General Policy" to align its financial sources with United Nations Sustainable Development Goals and Italy's strategy for sustainable international development. The investment activity is managed within the context of CDP's Strategic Plan which has set "climate change and ecosystem protection" as one of four focus areas.
- Two examples of CDP's contribution to accelerate Italy's energy transition are the investments in GreenIT and Renovit.
- Established in 2021, GreenIT is a joint venture owned 51% by Plenitude (Eni) and 49% by CDP Equity which produces electricity from renewable sources. The company plans to invest a total of € 1.7 billion in Italy by 2027 for the development and construction of greenfield offshore and onshore plants, the carrying out of already authorised projects, and the repowering of existing plants nearing the end of their useful lives with the aim of extending and enhancing their production (target of 1,000 MW of installed capacity by 2027).
- Renovit is an Italian platform launched by Snam (which holds 60% of the company) and CDP Equity (30%) to promote energy efficiency of apartment buildings, businesses, and the public buildings to foster the sustainable development and energy transition in the country. Its mission is to enable the sector's further growth, contributing to the 2030 domestic energy efficiency targets and helping decarbonise the economy.

GrowthFund, the National Fund of Greece

- Growthfund aims to deliver long-term returns through well governed and sustainable assets, and by adopting appropriate strategies between asset classes, sectors and companies. Growthfund seeks to instill an ESG mindset "as if listed" throughout all state-owned enterprises' operations, management processes, and investment decisions. Growthfund also aims to become an active role model to all state-owned enterprises, following best practices of privately-held companies in Greece. Sustainability and ESG strategies will be fully aligned with the 2015 Paris Agreement and the EU Green Deal, in order for state-owned enterprises to support climate change mitigation.
- Growthfund will drive its Sustainability & ESG strategy through a three-pronged approach:
 - **Principle Based Strategy:** Growthfund has set performance targets and non-financial key performance indicators and has agreed to ESG targets for each company in its portfolio. The 3-year ESG roadmap is an integral part of Growthfund's new strategic plan for the 2022-2024 period, approved by its sole shareholder (Ministry of Finance).
 - **ESG Policy:** With the technical assistance of EBRD, Growthfund developed and endorsed an ESG Policy which ensures that all of its new investments shall consider climate change and overall ESG concerns in their business operation and decision-making parameters, tailored to the investment type and sector. In addition, an ESG Handbook was developed to support Growthfund's investees (existing and future). The ESG Policy launch event, along with a training session on the ESG policy

principles for executives from Growthfund and its subsidiaries, took place in May 2023.

- **Stewardship:** Growthfund, in collaboration with experts, has provided ESG trainings and crash courses to c-suite executives and board members of its investees.
- Growthfund embraces the most current sustainability disclosures & reporting practises, such as TCFD and GRI standards. The first corporate sustainability report for Growthfund has been published and includes the results of the Materiality Analysis as well as a dedicated TCFD section.
- In addition, Growthfund in collaboration with its ESG advisors has determined the sustainability reporting standards to be requested from each of its subsidiaries, depending on their sector of activity, legal requirements (i.e., Greek climate law, EU Taxonomy) and TCFD recommendations.
- Through Growthfund, Greece's 2023 ranking rose by 14 positions, scoring more than 20 points higher than in 2022, according to the GSR Scoreboard among 81 countries and 200 Public Investment Funds for progress in Governance, Sustainability, Resilience.
- Growthfund launched an international concession tender for the right to manage, operate, develop, expand, and maintain Kalamata International Airport for a period of approximately 40 years. The concession agreement text negotiated with the bidders included ESG provisions, the first time such considerations were incorporated into an agreement of this kind.
- Growthfund has set a Mega KPI target to achieve by 2024, relating to a 15% reduction of the Decarbonisation Index. For 2022, Growthfund achieved a 6% reduction of CO₂ emissions at a portfolio level, based on 2021 actual measurements.
- Transition to Net Zero: Growthfund has committed to reach EU targets to reduce emissions by 55% by 2030, and achieve the 100% target for 2050 at net zero with special focus on state-owned enterprises in the energy, real estate, transport and food supply sectors.
- Growthfund has prepared the first of a series of Expectation Documents, which covers the topic of Climate Change. The document presents Growthfund's expectations of its investees in relation to climate change and resilience, with a focus on transparent sustainability reporting (TCFD, GRI, SASB, etc.) and climate scenario analyses.
- Growthfund is working steadily to align investment plans with the green transition. Obtaining an "ISO 14001: Environmental Management" certification has been set as a key performance indicator for all its subsidiaries, all of which are currently doing preparatory works for achieving it.
- Substantially reduce waste in Greece focusing on water & food waste, supporting the country to improve its position in Waste. Growthfund as a holding company has also introduced a "zero waste offices" collaboration through which organic and non-organic waste produced in its workspace becomes sorted at the source daily and is then diverted by experts to certified units that recover it.
- Performed a CSRD Readiness Exercise – Gap Analysis for Growthfund' subsidiaries as well

as introduction of an ESG Data Template based on GRI, UN SDGs and ISO certificates' requirements for environmental management and occupational health and safety.

- HRADF's Project Preparation Facility (PPF) has climate related project namely the "Forests' Protection Plan" aiming to the implementation of fire protection actions including among others cleaning up the forest areas, maintenance of forest road network and of fire protection zones etc.; the plan also includes long term actions for 38 critical forestry ecosystems across the country.
- Growthfund supports the Greek Ministry of Energy and Environment's "Just Transition Development Plan" for the decarbonisation of the country by 2028. Growthfund supports stakeholder dialogue based on three pillars: employment protection, compensation of the socio-economic impact of the transition, and energy self-sufficiency of lignite areas and the country at large.

Korea Investment Corporation (KIC)

- KIC joined Principle for Responsible Investment (PRI) in 2022. KIC aims to become a leading responsible investor by broadening its global network and strengthening its responsible investment capabilities via the PRI.
- KIC has been hosting 'ESG Days' events to discuss global ESG investment trends and share expertise with local public investors since 2019. In 2022, KIC held its 4th ESG days inviting domestic and global experts specializing in green technologies to present the latest developments in the field and introduce practical investment cases.

Kuwait Investment Authority (KIA)

- KIA recently released an upgraded version of their internal ESG Risk Report, now on a quarterly distribution to its stakeholders. This newly enhanced report incorporates the most recent metrics available in the industry, with a heightened emphasis on aspects related to climate change. It has evolved beyond its initial scope by focusing more on the "environmental" component of ESG, integrating extensive climate change and consciousness analytics. This comprehensive revision of the ESG Risk Report has been presented to and has received positive feedback from the board of directors of the KIA, demonstrating unified commitment to evolving sustainability practices.

Mubadala Investment Company

- In line with the UAE Government's commitment, Mubadala is committed to achieving net zero greenhouse gas emissions across all scopes of its global portfolio and corporate activities by 2050.
- The key strategic pillars for achieving net zero include:
 - Driving decarbonisation across its corporate operations
 - Integration of climate into the investment lifecycle
 - Investing in global solutions
 - Convening the investment community to advance best practice.
- In 2022 Mubadala, in partnership with BlackRock Real Assets, invested \$ 525 million in Tata Power Renewables, to support the significantly growing demand for new sources of clean energy in India. With a proven track record of green and clean energy generation, Tata Power Renewables is one of India's largest integrated power companies and

is well positioned to support the country's energy independence and transition. It is one of the largest renewable energy companies in India, and over the next five years aims to achieve a portfolio of more than 20 GW of renewable energy generation capacity. Tata Renewables aims to contribute 6%, or electricity capacity of 30 GW, to India's grid by 2030 – which is enough energy to power the whole of Belgium today.

- In 2022, Mubadala joined forces with Global Infrastructure Partners (GIP) to acquire a 100% stake in Skyborn Renewables, the largest private offshore wind developer in the world. Skyborn Renewables has a proven track record of accelerated project development and a strong presence in Europe and Asia Pacific. As part of the investment, Mubadala also acquired a stake in GIP's 50% interest in New York Bight, Bluepoint Wind, an innovative 1.6 GW offshore wind project located in the United States. Skyborn Renewables has a track record of delivering more than 7 GW of energy capacity in offshore wind to date. The group currently has a 30 GW pipeline of highly diversified offshore wind projects in various stages of development.
- In 2022, Mubadala acquired a strategic stake in AirCarbon Exchange (ACX), the first fully regulated carbon trading exchange and carbon clearing house in Abu Dhabi. ACX is a global environmental commodities exchange which allows corporations to finance and trade such commodities in a similar way to conventional financial assets. ACX is a Recognized Investment Exchange and a Recognized Clearing House in Abu Dhabi Global Markets (ADGM). This regulatory framework brings increased trust, integrity, and market structure to the voluntary carbon market, with rules

supervised by the local Financial Services Regulatory Authority that ensure fair and orderly trading, real-time trade surveillance, full market transparency and price discovery, regulated spot carbon contracts, and real-time settlement. Additionally, in January 2022, AirCarbon Exchange joined forces with the UN Framework Convention on Climate Change (UNFCCC) to promote the trade of carbon credits through UNFCCC Certified Emission Reductions (CERs). CERs are certificates issued by the UN to member nations which represent the prevention of one tonne of carbon dioxide emissions. This partnership allowed clients from 30 countries to purchase and retire CERs.

New Zealand Superannuation Fund (NZSF)

- NZ Super Fund has adopted off-the-shelf scenarios to inform its investment strategies and processes. The Network for Greening the Financial System scenarios are regularly updated based on leading international climatic and economic research. NZSF's approach blends the use of top-down climate scenarios to inform detailed, bottom-up scenario testing, integration and risk analyses. NZSF calculates climate value at risk in its assets using three primary NGSF scenarios: Net Zero (1.5), Delayed Transition (2.0) and Current Policies (3.0).

National Investment Corporation of the National Bank of Kazakhstan (NIC NBK)

- NIC NBK has initiated a series of knowledge sharing sessions with its fellow sovereign wealth funds to learn more about their experience in implementing ESG policies in investment processes, as well as investment assessments in relation to climate-related financial information. NIC NBK is developing its own ESG policy for inclusion in the due diligence process and is exploring opportunities in impact and thematic funds.

National Investment and Infrastructure Fund (NIIF), India

- NIIF's Master Fund has partnered with global logistics company DP World around a shared vision and commitment to create world-class ports and logistics infrastructure in India. DP World has committed to achieving net zero carbon emissions by 2040, with an intermediate target of a 28% reduction of carbon footprint by 2030. These targets have been aligned with the Science-Based Targets Initiative. DP World has committed to a global carbon reduction plan of 28% from 69.25 ktCO₂ (2019 baseline) to 22.50 ktCO₂ by 2030. This strongly aligns with NIIF's philosophy of responsible growth and reinforces its commitment to partner with organisations that are making significant contribution towards India's net zero ambition.

Nigeria Sovereign Investment Authority (NSIA)

- The NSIA developed a (i) comprehensive ESG Policy and Management System (ESG framework); (ii) supporting policies on Climate Action, Gender Inclusion and Development Impact and (iii) a sustainability strategy, which ensures that ESG considerations are embedded across its operations, investments, and partnerships.
- An ESG Unit was setup with a dedicated ESG Team that drives the implementation of its ESG framework and strategy.
- The NSIA developed and launched its maiden Impact Report highlighting the alignment of its activities and investments to 15 of the 17 United Nations Sustainable Development Goals.

Public Investment Fund (PIF)

- In November 2022, during the Middle East

Green Initiative Summit that coincided with COP 27 in Egypt, HRH Chairman of the Board of PIF announced that PIF will aim to reach net zero by 2050, in line with Saudi Arabia's circular carbon economy approach to climate action. This made PIF one of the first sovereign wealth funds in the world and the first in the Middle East to publicly commit to achieving net zero by 2050.

- As a result of efforts undertaken in 2022 and 2023, PIF improved its Governance, Sustainability and Resilience (GSR) score by Global SWF, from 40% in 2021 to 92% in 2023. Accordingly, PIF's ranking rose from #71 in 2021 to #7 globally in 2023 out of 100 SWFs assessed. PIF's 2023 ranking was the highest among Middle Eastern sovereign wealth funds.
- PIF continues on its journey to become one of the leading SWFs in terms of ESG integration. In 2022 and 2023, PIF developed ESG Performance Management frameworks to assess existing and future investments and identify value creation opportunities; announced a net zero emissions target and initiated work on a net zero transition plan; and provided ESG guidelines to portfolio companies.
- The publication of the Fund's Green Finance Framework in 2022 marked the establishment of the PIF's International Capital Markets Program which will allow PIF to further diversify its sources of financing and drive impactful investment within Saudi Arabia and internationally.
- In 2022, PIF became the first sovereign wealth fund in the world to issue a green bond, including the first ever 100-year green bond. PIF completed its first-ever green bond issuance, raising \$ 3 billion to finance

or refinance PIF's green investments, in accordance with its Green Finance Framework. Issuance was 8 times oversubscribed with books exceeding \$ 24 billion and interest from a wide range of global investors, showing PIF's outstanding credit strength. PIF's green bonds will finance projects that combat climate change and promote environmental sustainability. These projects include:

- Renewable energy
 - Sustainable water management
 - Pollution prevention
 - Green buildings
 - Clean transportation
- In February 2023, PIF completed its second green bond issuance which raised \$ 5.5 billion. This latest bond issuance was more than 6 times oversubscribed, with books exceeding \$ 33 billion. The bond was sold to a wide range of institutional investors globally, including Asia.
 - In October 2022, the Regional Voluntary Carbon Market Company (RVCMC) - a PIF portfolio company - held the largest voluntary carbon credit auction in the history of the market during the 6th edition of the Future Investment Initiative in Riyadh. 1.4 million tonnes of carbon credits were successfully auctioned at the event. This was followed by the world's largest sale of voluntary carbon credits at an auction in Nairobi, Kenya in June 2023. That auction sold more than 2.2 million tonnes of carbon credits to 16 Saudi and international buyers, over three quarters of which originated from countries in the Middle East, North Africa and Sub-Saharan Africa.

The Sovereign Fund of Egypt (TSFE)

- TSFE joined the International Forum of Sovereign Wealth Funds (IFSWF) as a full member adhering to the Santiago Principles

for better disclosures, governance, and transparency.

- TSFE's investment portfolio is built around ESG principles, integrating risks and opportunities related to climate change. This is evident in TSFE's portfolio and pipeline investments including green hydrogen projects, wind power plants, water desalination, EV charging stations and carbon credit funds.
- TSFE integrates the United Nations Sustainable Development Goals into its strategy and favors investment opportunities that deliver tangible, measurable, social, governance, or environmental benefits. The Fund's strategy to integrate ESG considerations into its investments, strategy, risk management and operations is aligned with Egypt's 2030 vision as well as the SDGs.



OPSWF MEMBERS

Ownership

Abu Dhabi Investment Authority (ADIA)

- ADIA's Core Portfolio Department continues to engage with external asset managers to identify opportunities and mitigate transition risk by exploring new decarbonisation investment approaches which seek attractive returns by enabling an economy-wide evolution towards a low-carbon future.
- ADIA created an ADIA-wide summit focused on energy transition to establish recognition of climate change and its implications for investment opportunities. The summit creates a platform for stakeholders to network and explore potential solutions to address climate-related challenges.
- ADIA's Core Portfolio Department is exploring investment opportunities in equities with a focus on transformation towards decarbonisation in high-emitting sectors that are essential to the world, as these companies account for 90% of carbon emissions globally.
- ADIA's Private Equities portfolio has completed landmark climate change-related investments, including:
 - Emerson Climate Technologies, the global market-leading provider of scroll compressors and controls crucial to driving greater energy efficiency in HVAC applications, alongside Blackstone.
 - Innio, a leading service provider to a growing installed base of reciprocating gas engines critical to the energy transition, alongside Advent International.
 - SK On, a leading producer of electric

vehicle batteries serving markets globally in support of decarbonising transportation.

- ADIA's Infra Department actively engages with general partners and portfolio companies to identify climate change risks and investment opportunities, and to monitor the adoption of leading sustainability-related reporting standards for infrastructure, such as PRI and GRESB.

Cassa Depositi e Prestiti (CDP Equity), Italy

- In July 2023, CDP Group launched the *ESG Community*, a new sustainability-dedicated network, which includes some of CDP group main investee companies and asset management companies aimed to encourage the adoption of a systemic approach to sustainability. The ESG Community will address the issue of sustainability reporting as well as stakeholder engagement and the development and implementation of diversity, equity and inclusion policies.

Growthfund, the National Fund of Greece

- **Sustainability Reporting:** Growthfund and all of its subsidiaries are in the process of preparing a Sustainability Report based on GRI and/or SASB and/or TCFD recommendations depending on their size, ESG maturity and sector of activity.
- **Growthfund's Online Sustainability Academy:** The Sustainability Academy is an initiative led by Growthfund in collaboration with the Institute for Sustainable

Development, EPLO (European Public Law Organisation). A total of 250 employees were trained through the Sustainability Academy initiative which aims to raise employee awareness and capacity around ESG issues. This innovative online platform offers ease of access to trainees who can attend the courses from any device and receive a certificate upon successful completion. This horizontal action targets the creation of a common sustainability culture across the Growthfund Group.

- **Training on Growthfund's ESG Policy:** Growthfund supports its portfolio members in integrating ESG criteria into their activities in alignment with Growthfund's ESG policy. A training session was delivered by the top executives and ESG teams of Growthfund and its investee companies.

ESG Accessibility Pilot project & People with Disabilities Index

- The central metro and electric railway station in Monastiraki (Athens) has become fully accessible for people with disabilities via an initiative of Growthfund and the Transport for Athens Group Investee. With a view to facilitating citizens' everyday lives, a pilot accessibility project and interventions were implemented to ensure improved services for people with disability.
- The innovative concept of the programme is that the pilot project is based on the core participation of users with disabilities, the evaluation and design of the products and services of Growthfund's subsidiaries. To ensure project effectiveness, a task force has been set up comprising staff of Growthfund and the Transport for Athens Group as well as passengers with disabilities.

- An index was formed to monitor public means of transport usage by people with disabilities, with a target to increase their usage. Q1 2023 saw a year-over-year increase of 18.2%.

Bpifrance

- Bpifrance issued, for the third year in a row, a responsible investment report on Lac1, a €5.3 billion fund which is the first fund open to international investors and SWF investing in French listed multinationals. The report evaluates the biodiversity footprint of Lac1's portfolio. To ensure its investments align with international climate change limitation objectives, the fund committed to engaging with invested companies to reach numerous climate-related objectives, notably by ensuring that Bpifrance maintains a presence in the governance bodies of each of its portfolio's companies.
- Bpifrance has engaged €2.4 billion in green loans mostly to small and medium enterprises to enable their energy and ecological transition. The loans can last up to 10 years, and amount up to €5 million. Bpifrance requires no warranties from entrepreneurs, however there must be a 50% cofinancing, in order to involve private actors after Bpifrance's signaling.
- 1,512 businesses have benefited from Diag Décarbon'action, which is a guidance plan implemented by Bpifrance, that provides businesses with a carbon footprint analysis, ways to reduce their emissions, and to value their effort among communities.
- 1,539 businesses have benefited from Diag Eco-Flux, that enables businesses to reduce their energy, water and material consumption as well as their waste production, enabling a more sustainable economic activity as well as savings for the businesses.

- 2,200 business leaders are now members of Bpifrance’s “Coq Vert” (Green Rooster) community, whose organising principle is that the ecological and energy transition is a necessity. Leaders can share their expertise and participate in multiple meetings across the French territory.

Korean Investment Corporation (KIC)

- KIC has implemented direct voting strategies to address material ESG issues, including climate change and other environmental topics since 2023. KIC supported shareholder proposals aimed at improving disclosures and advancing corporate governance.
- KIC, as a universal owner and global investor, has considered the UN Sustainable Development Goals (SDGs) into its stewardship activities. With more than 90% of KIC’s engagements being SDG-related, KIC remains committed to contributing actively towards achieving these goals.

Kuwait Investment Authority (KIA)

- KIA’s General Reserve Fund has now become an integral part of the OPSWF KIA team. This valuable addition signifies KIA’s deep-seated commitment to maintaining sustainable and responsible investment practices. Furthermore, the KIA team will champion the KIA’s interests at the ESG Working Team of the General Secretariat of the Supreme Council for Planning and Development for the State of Kuwait. This proactive incorporation of the OPSWF framework demonstrates KIA’s holistic approach towards the intersection of investment, sustainability, and national development. This integration will ensure synergistic decision-making that reinforces shared ESG values and strategic objectives.

- More than 135 of KIA’s asset managers now monitor and report their implementation of the OPSWF Framework.
- EnerTech Holding Company was incorporated in 2012 and is a fully owned subsidiary of the National Technology Enterprises Company (NTEC). NTEC, in turn, is fully owned by the KIA. EnerTech manages a project portfolio of more than 30 GW worth of clean energy projects in various development stages across Latin America, Africa, the Gulf Cooperation Council, and South Asia. Their major domestic task is the Sustainable City Kuwait project, which aims to harness sustainability and technology towards net zero goals.

New Zealand Superannuation Fund (NZSF)

- NZ Super Fund and its fellow Crown Financial Institutions (CFIs) have launched a collaborative engagement on climate change with the top 50 listed companies in New Zealand (NZX50). The engagement is to ensure that companies understand investor expectations in the transition to a low-carbon economy. The programme supports a new mandatory climate-related disclosure regime which has come into effect in New Zealand. The CFIs, who are significant investors in the New Zealand market, released a joint position statement on climate change in May 2023 and sent a joint letter to the Chairs of all companies listed on the NZX50 setting out their expectations and their commitment to net zero by 2050.

National Investment Corporation of the National Bank of Kazakhstan (NIC NBK)

- In 2021, for the first time, NIC conducted a survey among its investees on whether managers have investments related to climate change financing, carbon reduction, and whether they provide data in accordance with

TCFD. NIC updated the survey in August 2023 to track progress. ESG-related investments have increased by 57% compared to the first study. The share of investees who became signatory to TCFD also increased, from 25% to 49%.

Mubadala Investment Company

- In 2022, Mubadala convened its largest Responsible Investing Network to date, bringing UAE-based portfolio companies together to promote and drive ESG standards and stewardship. By sharing knowledge and experience across the Mubadala Group, the network aims to support the delivery of decarbonisation strategies and other ESG commitments across the various portfolio companies.
- As part of Mubadala’s efforts to transition to a low-carbon global economy and align with the UAE’s Net Zero Commitment, Mubadala is partnering with Solutions+, a leading provider of shared services, to implement decarbonisation pathway programmes with select UAE-based portfolio companies. Project Decarb is a significant portfolio engagement effort from Mubadala. It allows the company to actively partner with its UAE assets to help integrate climate-related risks into strategic decision-making and support them on their transition journeys.

This initiative involves:

- conducting energy audits for all companies
- measuring the carbon footprint across all emissions scopes
- assessing the most effective and feasible carbon reduction initiatives
- where appropriate, setting ambitious targets in line with global best practice

National Investment and Infrastructure Fund (NIIF)

- NIIF Master Fund backed Ayana Renewable Power Private Limited (Ayana), one of India’s fastest growing renewable energy producers. It has scaled up significantly in the past five years and is currently involved in the development and management of more than 5 GWac of solar, wind and hybrid power projects located across several resource-rich Indian states, including Andhra Pradesh, Tamil Nadu, Karnataka, Rajasthan, and Gujarat. This capacity addition will be enough to provide clean energy for nearly 4 million households. Ayana’s vision is to be the lowest cost power producer firm in the country and towards this end, it has tied up with Greenko for developing round-the-clock projects using pumped hydro as a storage solution. It has also partnered with Norway-based Greenstat ASA’s subsidiary Greenstat Hydrogen India to develop green hydrogen projects powered by renewable energy in India.
- NIIF’s Master Fund acquired two strategic road assets in the Union Territory of Jammu and Kashmir, providing an essential link between Jammu and Srinagar and enabling seamless movement of traffic and goods. The acquired road assets will cater to the needs of the local people who are adversely affected during climate-induced natural disasters such as landslides, erosions, and flash floods. Vulnerable communities are the most affected at such times, hampering access to economic opportunities, education, and healthcare. NIIF’s contribution in operating resilient transportation in such areas is critical to ensuring equitable economic development across the country.
- NIIF’s Master Fund acquired 49% economic interest in GMR Goa International Airport

(GGIAL). GGIAL currently operates the New Goa Manohar International Airport – which won the “Best Sustainable Greenfield Airport Award” at the 14th International Conference for Civil Aviation 2023 by Assocham at New Delhi (January 2023).

Nigeria Sovereign Investment Authority (NSIA)

- The NSIA has integrated environmental and social (E&S) metrics within its investment appraisal process. Thus, all potential projects and fund managers must undergo E&S due diligence for NSIA to identify and mitigate potential climate and social risks. The E&S due diligence forms a portion of the investment decision process.
- The NSIA is working closely with its subsidiary companies to ensure ESG considerations are embedded in their core business processes and operations.
- The NSIA signed a memorandum of understanding with the National Council on Climate Change to support development of the Nigerian climate change framework, guidelines for the domestic carbon market, and other steps towards achievement of Nigeria’s net zero commitments.
- The NSIA leads the Climate Financing and Energy Transition working group of the Africa Sovereign Investors Forum to progress dialogue and share lessons on African energy transition and sustainable infrastructure development while identifying investment and collaboration opportunities in the African climate space.

Public Investment Fund (PIF)

- King Abdullah Financial District (KAJD) partnered with the UN Country Team in

pursuit of the Sustainable Development Goals and national development priorities. KAJD commissioned the use of an Automated Waste Collection System (AWCS), an important step forward to decreasing carbon emissions and contributing to the community’s wellbeing.

- Saudi Investment Recycling Company (SIRC) has signed a research and development memorandum of understanding with global biotech provider VRM Biologik Group. Under the terms of the agreement, SIRC will evaluate applications of unique processes for conversion and reuse of a range of organic residues to manufacture catalysts for soil hydration and topsoil enhancement. SIRC will also implement VRM Biologik processes locally and monitor outcomes and benefits which can potentially be applied in a range of agricultural, revegetation and terraforming programmes across the Kingdom to support directives of the Saudi Green Initiative.
- Red Sea Global released the findings from its Wildlife and Ecosystem Study, one of the world’s largest environmental surveys conducted by a developer, carried out along 250 kilometers of Red Sea coastline.
 - Following its Environmental Baseline Survey, released in 2022, these studies form the initial benchmark for Red Sea Global to measure itself against its stringent commitment to leaving the environment across its destinations a more thriving and naturally healthier place than it was before.
- Red Sea Global supported the launch of The Red Sea Farm Cooperative, also known as Tamala, to enable farmers to sell their produce directly to its resorts as well as introduce new farming technologies to increase production while prioritising sustainability.

- ACWA Power – in 2022
 - A consortium led by ACWA Power closed on a transaction for the Red Sea multi-utilities project. The project will include one of the world’s largest off-grid battery storage systems.
 - First phase of operations begins at Al Taweelah Independent Water Plant, the world’s largest reverse osmosis desalination facility.
 - Power Purchase Agreements (PPAs) signed for the 1.5GW Sudair PV plant in Saudi Arabia. The plant will be the largest in the Kingdom and will be capable of powering 185,000 homes, offsetting nearly 2.9 million tonnes of emissions per year.
- In 2023:
 - Agreement signed to develop a green hydrogen facility and green ammonia pilot project in Uzbekistan with that country’s Ministry of Energy and state-owned chemical company Uzkimyosanoat. The project is expected to produce 3,000 tonnes of green hydrogen a year.
 - Commercial operation begins at Noor Energy 1 in Dubai, the world’s largest single-site concentrated solar power (CSP) facility. Noor Energy 1 is a hybrid plant consisting of 700MW of CSP and 250MW of photovoltaic.
 - ACWA Power and partners inaugurate Jubail 3A independent water desalination plant. The plant has achieved world-record efficiency of less than 2.80 kWh/cubic meter of final desalinated water, which includes the utilisation of 45.5 MW of solar PV generation to cover 20% of the plant’s energy consumption.
- ACWA Power wins the bid for Dubai’s Hassyan Seawater IWP by submitting the world’s lowest water levelized tariff of \$ 0.365 per cubic metre, setting a world record for DEWA’s first Independent Water Producer (IWP) model project.
- The largest wind turbine of its kind in Central Asia is installed at the 500MW Bash wind farm project. The single turbine has a capacity of 6.5MW.

Qatar Investment Authority (QIA)

- The QIA-backed Porta Nuova project received gold ratings in both LEED and WELL for community certifications. This makes it the first neighborhood in the world to have both prestigious global sustainability certifications.
- **Ahmed Al-Hammadi, Chief Investment Officer for Europe at QIA**, said: *“QIA is proud to have worked with the COIMA team over the last ten years to support the Porta Nuova project and to see the social, environmental, and economic sustainability benefits it brings to the community. Investments of this type demonstrate QIA aims to have a positive impact through all our investments. The Porta Nuova district is testament to the impact of building long-term supportive partnerships between investors, authorities, and communities. We are confident that the LEED and WELL certifications will propel Porta Nuova to become a global example in sustainable living for future generations.”*
- **Manfredi Catella, Founder, and CEO of COIMA SGR**, said: *“This is the result of a synergy between public and private sectors as well as our long-term strategic partnership with QIA, which has shared our objectives around*

sustainability and value creation. This is a key milestone for Milan and Italy, which today can claim it is home to the first sustainable and healthy neighborhood in the world.”

The Sovereign Fund of Egypt (TSFE)

- TSFE has a robust ESG governance framework across all levels, including Board’s oversight of ESG issues to ensure effective integration of ESG practices within TSFE’s activities and investments. TSFE will also publish an annual ESG highlights report. Solid governance and social responsibility are also prerequisites for investment committee approvals across the board.
- TSFE holds its sub-funds accountable for

incorporating ESG standards into their investment opportunities and assesses potential investors on their compliance with ESG principles. TSFE aims to use its ESG Framework as an ESG Score Enhancing Tool to motivate partners and stakeholders to enhance their ESG standards by cooperating with TSFE and investing in Egypt.

- TSFE will establish an Environmental and Social (E&S) monitoring process to ensure the continuous compliance of its assets and portfolio companies with ESG standards. TSFE will engage with investees’ management if ESG breaches are found, and will consider divesting those investments if breaches are not resolved.



OPSWF MEMBERS

Integration

Abu Dhabi Investment Authority (ADIA)

- ADIA’s Core Portfolio Department continues to manage and monitor its climate change investment mandate which systematically integrates low carbon optimisation and climate risk tilting. The mandate continues to successfully reduce climate change risk exposure by 50% while achieving market return.
- ADIA’s Private Equities portfolio has also involved in a number of its investments an ESG-focused operating partner, Nicoletta Giadrossi, who has extensive experience in oil, gas and other energy markets and wide engagement on environmental, social and governance initiatives. She currently serves as chair of the ESG committee for ADIA’s portfolio company ThyssenKrupp Elevators and will likely take on a similar role for Innio.
- ADIA’s Infrastructure Department (ID) is invested in Energy Impact Partners (EIP), a manager specializing in energy transition infrastructure, enabling the Department to actively monitor and invest into key building blocks of the energy transition ready to scale, as well as earlier stage key disruptive technologies.
- ID continues to actively invest in infrastructure companies that are pivotal for energy transition. In 2023, new investments included Energias de Portugal (EDP) a leading utility focusing on renewable energy, and First Energy Transmission (FET) a network utility playing a pivotal role in providing grid upgrades to integrate the growing renewables base in the U.S.
- In 2023, ID also invested in Port Arthur, a U.S. greenfield natural gas liquefaction and export terminal, contributing to abating the world’s energy security and decarbonisation challenges.
- ID continues to actively invest in existing portfolio companies that play an active role in decarbonisation, including renewables platforms such as Arevon, Greenko, Equis, and Renew, essential for power generation decarbonisation. Through its partnerships and investments ID supports over 22 GW of operating renewable energy projects, with an additional approximately 20 GW of projects under construction.
- ID continues to support the growth of its rail assets, such as the leading European freight railcar lessor VTG, and port assets including Port of Brisbane and NSW Ports in Australia that are contributing to reducing carbon emissions linked with road transport.
- ID’s strategy team continues to actively research emerging market opportunities driven by energy transition. In 2023, research focused on gathering more insights on the investability of e-mobility infrastructure, hydrogen, and renewables services platforms.
- ID has designed a reporting framework to systematically gather, monitor and visualize key ESG performance data for portfolio companies and key partners.

Bpifrance

- Bpifrance and PwC have conducted a joint

analysis of Bpifrance’s midcap portfolios to gauge risks related to climate sustainability and resilience. They identified portfolio positions at risk in private equity and in debt. Actions are underway to reduce these risks and decarbonise portfolios. The midcap portfolio is regularly reviewed by Bpifrance.

Cassa Depositi e Prestiti (CDP Equity)

- CDP Equity assesses, in both the pre-investment due diligence and the monitoring phase, investees’ ESG key risks (including climate change-related ones), the performance of investees’ main ESG key performance indicators (selected based on their materiality) and ESG safeguards measures adopted by the investees.
- Climate change monitored topics and operational metrics include, above all, carbon intensity, water consumption, waste management, potential impact on biodiversity and ecosystems, transition risk-related investments, and physical risks.

Growthfund, the National Fund of Greece

- Growthfund supports the “Triērēs” project, the aim of which is the development of the first Greek Hydrogen Valley, creating a hydrogen ecosystem comprising all the necessary links for the creation of viable value chain in Greece.

This entails different levels and types of contribution and support including future off-takers, relevant infrastructures, technology providers, research and innovation institutions, local and regional authorities, all together forming a small-scale hydrogen valley in Greece. Geographic point of reference will be the refinery facility at Agioi Theodoroi at Corinth, where the production of hydrogen will take place thereby becoming the starting point of the hydrogen value chain.

The hydrogen produced will cover at least three hydrogen applications—mobility (road, maritime), industrial, and energy—thus creating a fully integrated hydrogen valley.

Growthfund is supporting the project, including the investigation for use of hydrogen by new or retrofitted public buses and other modes of transportation.

- Growthfund’s subsidiary Transport for Athens campaigns for the use of public means of transport. Transport for Athens is the group of companies responsible for the public transport in the city of Athens. The group has launched a ticket re-use campaign and is also exploring ways to raise public awareness. It should be communicated that every citizen who consistently uses public transport saves 10 trees per year, which equals 220 CO₂ kg/year.
- Growthfund’s subsidiaries Central Markets & Fisheries Organisation (OKAA) and Central Market of Thessaloniki (KATH)
 - OKAA waste management Initiative, recycling up to 80% of its waste
 - OKAA is a food market which hosts more than 400 fruit, vegetable, fish, and meat vendors. OKAA applies a waste management policy on an ongoing basis, committed to minimize waste production with recycling techniques to operate in full compliance with environmental law.
 - KATH has run the “Social Plate” initiative since 2018. Social Plate is a food waste initiative, launched to help combat poverty and social exclusion. More than 1,000 tons of edible fruit and vegetables have been repurposed and distributed to vulnerable social groups in need. Moreover, KATH in 2023 is introducing a waste management programme.



- In February 2023 TIF hosted Detrop Oenos, its first zero waste exhibition. In collaboration with Polygreen, an expert waste management company, the total amount of materials collected at the sorting stations within TIF premises and pavilions, was as follows:
 - Of the total waste, 54% was recovered, of which 39% was composted and 15% was recycled.
 - Organic Waste - 600 Kg of liquid organic waste was composted
 - Recyclable materials (plastic, paper) collected = 230 kg.
 - In total, 3.11 kg of CO₂ emissions production was avoided.

Korea Investment Corporation (KIC)

- KIC has integrated ESG considerations into all its investment decisions since January 2020.

In line with the ESG integration scheme, KIC has carried out more than 150 assessments when selecting asset managers for direct and co-investments. These assessments not only examine potential ESG risks associated with target assets but also evaluate the ESG practices of the asset managers themselves.

- KIC has adopted multiple strategies to mitigate climate risks. These include ESG-dedicated funds, ESG quant, GSS bonds, and KIC Exclusion strategy targeting coal and other contentious themes. Through these efforts, KIC equity and fixed income portfolios record 17% and 25% lower carbon footprint (across Scope 1-3) than their benchmarks, respectively. KIC also has built up climate change modeling and carried out scenario analyses, aligning with the standard by



Task Force on Climate-Related Financial Disclosures (TCFD). Both transition and physical climate risks of traditional asset portfolios, which include equity and fixed income, appeared approximately 12% and 23% lower than their benchmarks when measured using Climate Value-at-Risk. KIC disclosed the result publicly via 2022 Sustainable Investment Report.

- KIC has invested in various green projects, using entrusted funds raised by the Korean government through the issuance of green bonds. According to KIC's 2022 Sustainable Investment Report, the projects accounted for annual GHG emission reductions of 452,262 MT CO₂e.

Mubadala Investment Company

- Climate integration at both the strategic and tactical level is a priority for Mubadala. Mubadala has been working for several years to gain a deeper understanding of the carbon footprint of its portfolio and the potential effects of climate change on its most impacted portfolio companies. Mubadala began by assessing the footprint of its directly-owned public and private portfolios as well as of its own corporate operations. They will continue to work diligently to better understand the footprint of their private market funds and alternative asset class portfolios. Mubadala is working with its peers and private market asset managers to advance climate data reporting across the marketplace, including through the One Planet Sovereign Wealth Fund (OPSWF) Network's Climate Disclosure Guidance.
- For new investments at Mubadala, climate risks and opportunities are considered alongside other ESG and investment risks, as part of due diligence and deal evaluation.

They have introduced a tool to estimate the carbon footprint of new investments, and provide preliminary insight into the potential impacts of carbon pricing on a company's operations. When analysing new private direct investments, Mubadala also uses an internally developed tool to review and assess the sophistication of a company's approach to environmental, social and governance-related matters and gain insight into their potential materiality to the transaction.

- Mubadala conducts an annual climate opportunities and risk assessment of its most material portfolio companies, based on the TCFD framework. This assessment provides insight into portfolio companies' respective climate performance, and identifies material climate-related opportunities and risks to which these companies are exposed. Mubadala works collaboratively with its portfolio companies to develop their strategies and management processes to increase their resilience, and encourages all of its portfolio companies to adopt robust TCFD reporting. Mubadala's latest assessment represented a significant majority of Mubadala's direct public and private portfolio carbon emissions.
- The climate risk assessment provides a basis for Mubadala to steer portfolio strategy and asset management activities. Based on the findings of the risk assessment, Mubadala prioritizes these companies for engagement on climate issues with the aim of increasing resilience to protect and create value.

New Zealand Superannuation Fund (NZSF)

- NZ Super Fund invested \$100 million in an innovative fund that supports reforestation in Latin America, with a focus on Brazil and Uruguay. The Reforestation Fund, managed by Timberland Investment Group, will invest in a

diversified pool of greenfield, climate-positive timberland and wood product processing assets. The fund undertakes to protect and restore natural forests and ecosystems across at least 50% of the entire portfolio landholdings, and to invest in processing facilities to produce climate positive forest products and create new jobs.

National Investment and Infrastructure Fund (NIIF)

- NIIF's Strategic Opportunities Fund (NIIF-SOF) invested in Ather Energy in May 2022, an Indian electric vehicle (EV) manufacturer. This investment aligns with NIIF's objectives to seek out businesses that deliver on national priorities and sustainable growth, with a focus on commercial viability. It is also expected to provide a further boost to India's EV market, increasing adoption of EV and thus contributing to India's decarbonisation goals. Ather Energy has developed a strong portfolio of performance EV scooters and has a manufacturing capacity of 420,000 units per annum. The company has scaled up significantly and sold 90,000+ vehicles in FY23. It has also installed a comprehensive public charging network with more than 1,200 charging points across India, making it one of the country's largest fast-charging networks for electric scooters.
- NIIF's Fund of Funds, along with Foreign Commonwealth and Development Office (FCDO), Govt. of UK, has anchored investment in the Green Growth Equity Fund (GGEF) as a dedicated fund to support climate change mitigation and contribute to sustainable development through low carbon economy, pollution prevention, and resource conservation. The fund is looking at decarbonising the economy by investing in green and scalable climate-positive

businesses across the energy and resource efficiency value chain to mitigate and adapt to climate change-related risks. Investment from its seven platform companies as of 31 March 2023 have helped reduce/avoid 5.4 million tons of CO₂ equivalent emissions, enabled recycling of 3.7 million tons of waste, and produced 57.9 million kWh of energy from Bio-CNG.

- NIIF, the investment manager, has integrated ESG risks and opportunity across its investment life cycle. As part of the pre-investment process, the E&S due diligence focuses not only on traditional aspects of environment and social risks and impact, but also on identifying risk that climate change poses to the asset or investment. NIIF looks at the potential scenarios of physical and transitional climate change risks affecting the quality of the investment, and based on the findings, additional in-depth studies are undertaken. This is expected to create a disaster-resilient asset class for NIIF and its platform companies. NIIF also focuses on opportunities for transitioning to lower carbon processes as part of climate change adaptation.

Nigeria Sovereign Investment Authority (NSIA)

- The NSIA launched its 10 MW Solar Photovoltaic Power Plant located in Kano State, Nigeria. The project, which is Nigeria's largest and first first-ever grid-connected solar power plant, was commissioned by the then president of Nigeria, Muhammadu Buhari. The project is expected to produce 415 GWh within its 25-year lifespan.
- The NSIA and Vitol signed definitive agreements and launched Carbon Vista, a joint venture aimed at investing in carbon

removal and avoidance projects in Nigeria that deliver against the United Nations Sustainable Development Goals and verified carbon emissions reductions. The joint venture will mobilise finance through the sale of carbon credits in the voluntary carbon market towards sustainable green projects in Nigeria.

Public Investment Fund (PIF)

- In May 2023, NEOM Green Hydrogen Company (NGHC) announced that, following signing financial documents with 23 local, regional and international banks and investment firms, it had closed financing for the world's largest green hydrogen production facility at a total investment value of \$ 8.4 billion. The plant is currently being built at Oxagon, NEOM's advanced manufacturing hub. NGHC has also concluded the engineering, procurement, and construction (EPC) agreement with Air Products as the nominated contractor and system integrator for the entire facility.
 - NGHC is an equal joint venture by ACWA Power, Air Products and NEOM, building the world's largest green hydrogen plant to produce green ammonia at scale in 2026.
 - Once operational in 2026, the Oxagon facility will produce an initial 600 tonnes of green hydrogen per day which will be available for global export, saving as much as 5 million tonnes of CO₂ emissions per year.
- In May 2023, Hitachi Energy, a global technology leader advancing a sustainable energy future for all, signed agreements under the supervision and management of the Ministry of Energy, with the Saudi Electricity Company (SEC) and ENOWA, the energy, water and hydrogen subsidiary of NEOM. The agreements include the supply of three high-voltage direct current (HVDC) transmission systems to end customer ENOWA, the utility company for NEOM. The three HVDC links will have a total power capacity of up to 9 GW.
- Red Sea Global (RSG) has now installed all 760,000 PV panels needed to power phase one of the Red Sea destination. This will ensure the destination is powered by sunlight, day and night. It is also building the world's largest battery storage facility at 1,000 MWh to ensure the destination is completely off grid.
- RSG's Landscape Nursery will provide more than 30 million plants for its destinations by 2030, and in 2023 hit the milestone of 4.5m trees planted.
- RSG successfully opened its first mangrove nursery. The project will advance RSG's goal of planting 50 million mangrove trees by 2030.
- RSG and Partanna signed a product supply agreement that could lay the future for carbon negative concrete in Saudi Arabia. The pilot programme will see the installation of 11,000 paving slabs made from Partanna's carbon negative concrete and includes scope for future pilots including within RSG's coral reef restoration schemes. Partanna is the pioneer of the world's first carbon negative concrete, with technology that not only avoids carbon emissions, but naturally removes it from the atmosphere.
- RSG in partnership with Zain KSA, unveiled the world's first zero-carbon 5G network at the Six Senses Southern Dunes resort at the Red Sea. The revolutionary 5G network will bring guests the highest speeds for 5G connectivity in the region and will be powered by 100% renewable energy.

Qatar Investment Authority (QIA)

- In 2022, QIA invested in the French start-up, Innovafeed, as it pursues its mission to build sustainable food systems.
- Dedicated to innovation, Innovafeed is using QIA's investment to continue investing in breakthrough technology, and research and development (R&D) for the formulation of high-precision, high-performance and highly sustainable ingredients for animal, plant and, in the future, for human food.
- In March 2023, the company was selected to join La French Tech NEXT 40, in recognition of its leadership in the deep tech and innovation space in France.
- In August 2023, QIA invested in Adani Green Energy Ltd. one of India's largest renewable companies and operator of solar and wind power stations across 12 states in India. Adani aims to build 45 GW of renewable energy capacity capacity by FY30.
- In June 2023, QIA joined a consortium investing \$1.2bln in EV battery-maker SK On. The investment is in line with QIA's strategy to invest in the sectors shaping the future global economy, such as tech-enabled industries, innovative start-ups, and companies helping to drive forward the global energy transition.
- In September 2023, QIA invested in Ascent Elements, the US-based manufacturer of sustainable engineered batter materials for electric vehicles. Ascend Elements patented technology transforms battery waste materials and studies have shown that Ascend Elements' recycled battery materials perform as well as similar materials made from virgin (or mined) sources while reducing carbon emissions by up to 93%.

“For QIA, this investment follows on from other commitments in the space, including our investment in Xpeng, the electric vehicle manufacturer, Fluence, to accelerate the growth of large-scale battery-based energy storage, and Enel Green Power to build and operate renewable plants in Sub-Saharan Africa.”- Mohammed Al-Sowaidi, Chief Investment Officer, Americas at Qatar Investment Authority

The Sovereign Fund of Egypt (TSFE)

- TSFE incorporates ESG eligibility criteria in all its investment valuations and excludes investments that do not meet its ESG standards. TSFE has undertaken a preliminary ESG materiality assessment in alignment with international benchmarks to determine and prioritize the ESG factors that are most relevant to the activities and industries of its sub-funds.
- TSFE performs Environmental and Social Due Diligence (ESDD) to assess the efficacy of an asset's E&S risks and impacts, allowing TSFE to make a fully informed decision about a specific asset. TSFE engages with the developers of its assets to assess their commitment and effectiveness in managing those assets' E&S issues.
- TSFE partners and co-invests with private investors to build a strong pipeline of green investments. These include:
 - **Water desalination and treatment stations.** Tendering 21 desalination plants powered by renewable energy with a planned capacity of 3.35 million m3/day by 2025 as the first phase of the programme. TSFE, with technical assistance from Ministry of Finance PPP, has prequalified 17 consortia to be invited to the tendering process.

- **Green Hydrogen.** TSFE partnered with Scatec for the development of the first integrated green hydrogen plant in Africa. The project will deliver up to 15,000 tons of green hydrogen as feedstock for the production of up to 90,000 tons of green ammonia per year with Fertiglobe as the off-taker. TSFE has a strong pipeline of green hydrogen projects – 22 memoranda of understanding have been signed to

- date, of which nine have been successfully converted into framework agreements.
- **Green Buildings and Adaptive Reuse.** TSFE's recent experience in offering the iconic historical Tahrir building for renovation and adaptive reuse is a showcase of the Fund's commitment to sustainable development and reducing climate risks.



EXAMPLES OF ASSET MANAGERS' ALIGNMENT WITH THE OPSWF FRAMEWORK - 2022 TO 2023

PRINCIPLE 1 ALIGNMENT

\$ 24 billion

of AllianceBernstein's assets under management are in its Portfolios with Purpose—AB's suite of ESG-focused strategies.

\$ 500 billion+

in sustainability strategies - PIMCO manages more than \$500 billion in exclusionary, enhanced and thematic portfolios.

100%

of BNPP AM in-scope assets under management are achieving, aligned, or aligning with Net Zero by 2040

1 Gigaton Climate Investing Reinvented

Morgan Stanley Investment Management will seek to avoid or remove one gigaton of carbon dioxide-equivalent emissions from the Earth's atmosphere.

\$1.3 trillion

Federated Hermes stewardship services team, EOS, works on behalf of long-term global investors who entrust them with the stewardship of ~\$1.3 trillion of assets under advice.

169 - AllianzGI invested in 169 renewable energy projects

\$ 3 billion

Fidelity International Invested \$ 3 billion in dedicated sustainable and climate-aware systematic fixed income strategies.

7 of AllianceBernstein's ESG-focused strategies have a dedicated climate focus.

\$ 10 billion +

BlackRock's Climate Infrastructure platform is a leader in renewable power investing, managing more than \$ 10 billion in total client commitments across more than 20 countries.

\$ 178 billion. UBS AM's sustainability-focused assets reached \$178 billion in 2022.

41% billion

Natixis Investment Managers increased ESG assets to 41% of total assets, with the ambition to increase this to 50% by end 2024.

10 point plan

During 2022, HSBC AM published a new policy on thermal coal. As well as fulfilling an obligation under the Net Zero Asset Managers initiative, this policy supports the HSBC Group thermal coal phase-out objectives.

12 Virtual Sector Teams

HSBC AM have further progressed their 12 Virtual Sector Teams (VSTs) aimed at leveraging ESG knowledge and establishing greater granularity in their risk scoring process across all asset classes and geographies.

NZAM Commitment - HSBC AM commit 38% of its total assets under management to decarbonisation

ImpactA

Legal and General has invested in ImpactA Global who will provide debt financing for sustainable infrastructure projects in the Global South.

18% by 2025

Amundi, as part of the Net Zero Asset Managers initiative requirements, announced that by 2025, 18% of AUM will be composed of funds and mandates with explicit net zero alignment objectives.

PRINCIPLE 3 INTEGRATION

\$ 4.88 billion

AllianceBernstein allocated to green bond holdings.

€251 billion

AllianzGI manages more than € 251 billion in ESG- and sustainability-focused strategies at the end of 2022.

> 1.75 million tons of CO₂ emissions

Allianz Capital Partners (ACP), which is part of the Allianz Global Investors Group closed two direct infrastructure investments in green power-to-gas project developers aiming to reduce more than 1.75 million tons of CO₂ emissions.

687 employees

of BNPP AM have attained a sustainable finance certification.

Proprietary climate risk modelling

PIMCO has developed proprietary climate scenario models, stress tests, and attribution tools to better manage and mitigate climate-related risks in its clients' portfolios.

PRINCIPLE 2 OWNERSHIP

98,153

Total management and shareholder proposals on which AllianceBernstein voted.

7,000 meetings and 75,000 resolutions

HSBC Asset Management voted at more than 7,000 meetings with more than 75,000 resolutions. ESG and other issues were raised in engagements with 2,150* companies and other issuers as of 31 December 2022.

18,000

Fidelity International company meetings annually, allowing for strong engagement on climate issues.

2,115 companies

Amundi engaged with 2,115 companies in 2022, a substantial increase from the past (1,364 companies in 2021, 878 companies in 2020).

881

Of AllianceBernstein's engagements included climate-related topics.

335

AllianzGI engaged with 355 companies. 217 conversations were related to climate change.

5

HSBC Asset Management introduced five custom market voting policies for China, Hong Kong, the U.S., Japan, and India

10,200 shareholder meetings

AllianzGI participated in 10,200 shareholder meetings in 2022.

87%

of climate-related shareholder resolutions Amundi voted in favour of 87% of climate-related shareholder resolutions in 2022.

76.5% UBS AM supported 76.5% of climate-focused resolutions in 2022.

1,300+ Actively engaging with 1,300+ issuers - PIMCO proactively engaged with 1,370 corporate bond issuers in 2022.

1,000

Resolutions opposed by BNPP AM for ESG reasons in the 2023 Annual General Meeting Season.

95% AUM

Invesco's investment teams responsible for managing 95% of AUM have attained the ESG integration level defined as baseline integration

1,700

BlackRock's investment stewardship team (BIS) held more than 1,700 engagements with companies globally on their approach to managing climate-related risks and opportunities.

83% of BNPP AM's open-ended funds assets under management have a Sustainable Investment commitment.

\$500 million

LGIM manages more than \$500 million of assets in the L&G Hydrogen Economy UCITS ETF as of 30th June 2023.

€8.7 billion - Amundi had reached € 8.7 billion impact investment assets under management as of December 2022.

10

Climate-related regulatory consultations in which AllianceBernstein responded.

3,000 hours

Volunteered by BNPP AM employees in 19 countries.

687 employees

of BNPP AM have attained a sustainable finance certification.

1,530

In 2022 UBS AM voted on 1,530 resolutions globally which were related to ESG topics, of which 1,116 were proposed by shareholders, and 414 by companies directly.

18,000 issuers

Amundi rates over 18,000 issuers in its proprietary ESG rating as of January 2023.

OPAM MEMBERS

Alignment

AllianceBernstein

- As of December 31, 2022, AB had \$ 24 billion invested in its Portfolios with Purpose—AB’s suite of ESG-focused strategies.
- As of December 31, 2022, AllianceBernstein offered seven Portfolios with Purpose—its suite of ESG-focused strategies that have a dedicated climate focus.

AllianzGI

- AllianzGI invested in 169 renewable energy projects. The wind and solar parks generate energy to supply more than 2.1 million households.

Amundi

- Amundi has since 2016 implemented a sector policy which excludes certain companies and issuers. Every year, Amundi strengthens its exclusion policies in terms of scope or thresholds. In 2022, Amundi broadened the scope of application of its thermal coal exclusion policy and has included a phase-out plan from thermal coal from its investments: by 2030 in OECD countries and by 2040 in non-OECD countries. Since 2022, Amundi has also issued an unconventional hydrocarbons exclusion policy, excluding whose activity is exposed to unconventional oil and gas (covering “shale oil and gas” and “oil sands”) by more than 30%.
- Amundi joined the Net Zero Asset Managers (NZAM) initiative in July 2021, committing to support the goal of carbon neutrality by 2050 or sooner, and announced in November

2022 that by 2025, 18% of assets under management will be composed of funds and mandates with explicit net zero alignment objectives.

BlackRock

- BlackRock’s approach to sustainability and the low-carbon transition is rooted in its fiduciary duty to work with clients to help them meet their individual investment goals and objectives. For clients that want to invest in line with specific transition goals, BlackRock’s sustainable product platform offers a wide array of solutions across all asset classes and investment styles accounting for over \$ 700 billion in sustainable assets under management. Moreover, BlackRock has more than \$115 billion in transition-related assets under management, and a dedicated Transition Capital team focused on sourcing and investing proprietary transition-focused opportunities across asset classes and geographies. BlackRock’s Climate Infrastructure platform is a leader in renewable power investing, managing more than \$ 10 billion in total client commitments across more than 20 countries. Examples of recent climate infrastructure investments include:
 - **Waratah Super Battery**
 - BlackRock invested \$ 700 million on behalf of its Climate Infrastructure clients to fund the construction and operation of the Waratah Super Battery.

- Waratah is projected to be one of the world’s largest Battery Energy Storage Systems, with an 850 MW/1,680 MWh power capacity, covering 138 thousand square meters just outside of Sydney, Australia.
- BlackRock’s investments will benefit and support the widespread adoption of battery projects in Australia and beyond. This will support the evolving electrical grid of New South Wales for years to come.

• Lake Turkana Wind Farm

- BlackRock’s Climate Finance Partnership fund (CFP) – a public-private finance vehicle focused on accelerating institutional investments into emerging market climate infrastructure - has raised \$ 673 million in commitments.
- In Spring 2023, CFP announced an investment in Lake Turkana Wind Project, a Kenya wind farm with 365 wind turbines and a combined 310MWh of capacity. Today, the project provides low-cost energy to Kenya’s national grid, supporting electricity access for more than 3 million Kenyans.

• CleanTech Global Renewable Inc.

- CFP entered into an agreement in May 2023 to partner with CleanTech Global Renewable Inc, a renewable energy developer based in the Philippines, to build large-scale solar assets in local markets. This represents the fund’s first venture in the Asian Pacific and BlackRock Equity Private Markets’ first renewable venture in the Philippines. The project is anticipated to prevent 1.3 million metric tonnes of GHG emissions, and save 3.5 million metric tonnes of water in its lifetime.

BNP Paribas

- As a signatory to the Net Zero Asset Managers initiative, BNP Paribas Asset Management (BNPP AM) has committed to supporting the goals of net zero greenhouse gas emissions and to support investing aligned with net zero emissions by 2050. BNPP AM has outlined its **Net Zero Roadmap**, covering the progressive alignment of its portfolio investments with the goal of reaching net zero emissions, together with associated efforts across its stewardship activities and its operations. BNPP AM’s Net Zero Roadmap is based on a set of commitments including:
 - Reducing the carbon footprint of its investments by 30% by 2025, and by 50% by 2030 (against a 2019 baseline).
 - Aligning its investments with net zero, targeting 60% of in-scope investments to be in companies “Achieving, Aligned or Aligning with Net Zero” by 2030, growing to 100% by 2040.
 - Exiting coal by 2030 in European Union and OECD countries and by 2040 in the rest of the world.

Federated Hermes

- Federated Hermes and Finance Earth, the U.K.’s leading environmental impact investment advisor, are co-designing a U.K. Nature Impact Investment strategy which is expected to launch by the end of 2023. This is a blended finance strategy for the U.K.’s natural capital markets aimed to help address the climate and biodiversity crises. The strategy will seek to invest into high-integrity Nature-based Solutions (NbS) across the U.K.’s land and waterways. It will be directly informed by the U.K.’s leading capabilities across climate science and ecology, and will invest into both NbS real assets (nature restoration projects) and impactful businesses operating across the nature restoration value chain. This strategy

aims to be the first to invest across the full spectrum of U.K. NbS at an institutional scale. It aims to help accelerate recovery of nature in the U.K. and support key targets and objectives set out by the UK government, such as protecting 30% of U.K. land by 2030, unlocking infrastructure and housing developments, and “levelling up” by creating skilled green jobs across rural areas and coastal communities.

- Federated Hermes Limited - EOS stewardship services. Through EOS—one of the largest stewardship resources of any fund manager in the world—Federation Hermes engages companies on strategic and material ESG concerns to promote investors’ long-term performance and fiduciary interests. EOS offers a shared service model, engaging on behalf of both FHL and third-party clients. EOS provides a platform for like-minded investors, creating a powerful force for positive change. The team works on behalf of long-term global investors who entrust them with the stewardship of approximately \$1.3 trillion of assets under advisement (as of 31 December 2022) invested in more than 20,000 companies worldwide, working collectively in support of shared goals. This pooling of assets increases the influence they can have with companies, which means they can have a more meaningful impact on the issues of most collective importance to clients.

Fidelity International

- Fidelity International’s Systematic Investment team continues to work with institutional investors to integrate climate awareness and Paris-alignment in portfolios. The team manages over \$3 billion of assets for which risk budgets include specific sustainability criteria including climate objectives and in 2023 the team launched investment strategies with Paris-aligned benchmarks.

- Fidelity International monitors the carbon footprints of its investment strategies across public and private markets, and this analysis forms part of internal quarterly performance reviews and external reporting.
- The team strongly believes that direct lending, leveraged loans, and collateralized loan obligations must be a critical area of focus when looking to decarbonise portfolios. While these assets are not traded on public exchanges that can enforce transparency around environmental standards including carbon emission disclosures, a combination of engagement, advisory support and financial incentives by means of green clauses can encourage issuers to make environmental disclosures.

HSBC Asset Management

- **Coal Policy**
 - During 2022, HSBC AM published a new policy on thermal coal. As well as fulfilling an obligation under the Net Zero Asset Managers initiative, this policy supports the HSBC Group thermal coal phase-out objectives. HSBC AM’s thermal coal policy is a ten-point plan and can be found on their website [here](#).
 - Phasing out thermal coal is a priority for early action in achieving net zero emissions. Burning coal for electricity generation is one of the most carbon emission-intensive activities in the economy. Unlike some uses where a technological advance is needed to replace fossil fuels—such as finding an alternative to jet fuel for long distance flights—solar, wind, hydro, and nuclear power are technologies that already exist for low- or zero-carbon electricity generation.

• NZAM

- HSBC Asset Management is a signatory to the Net Zero Asset Managers (NZAM) initiative and published a first set of interim targets in November 2022. These targets are underpinned by a roadmap and represent the first step in a long, multi-stage journey.
- As a signatory of the NZAM initiative, HSBC AM is committed to interim net zero targets for 2030, which:
 - Cover 38 per cent of their total assets under management (based on 2019 figures).
 - Consist of corporate fixed income and listed equity portfolios.
 - Will be achieved through reducing the intensity (tCO₂e/\$million invested) of their scope 1 and 2 carbon emissions by 58% when compared with their 2019 baseline.

• Virtual Sector Teams and working groups

- Building on its 20+ year experience in ESG integration, HSBC AM has further progressed its 12 Virtual Sector Teams (VSTs) aimed at leveraging ESG knowledge and establishing greater granularity in its risk scoring process across all asset classes and geographies. In 2022, HSBC AM set up a ‘materiality matrix’ enabling them to capture the most financially relevant ESG criteria.
- This year HSBC AM is developing its ability to convert each issue into a score through identifying representative metrics and data points. They started with an approach to climate and net zero issues, which will combine greenhouse gas emissions data, physical risk and transition risk indicators, and net zero commitments.

- HSBC AM has prioritised real assets, which account for more than 60 per cent of greenhouse gas emissions in the OECD countries,* for early action. HSBC Asset Management’s Alternatives business established cross-investment team working groups in Infrastructure and Real Estate from the direct and indirect investment teams across geographic locations. These new working groups/ knowledge forums help embed market best practices into HSBC AM’s investment decision-making and support the enhancement of existing strategies along with the development of new ones.

Source: Financing Climate Futures: Rethinking Infrastructure – OECD

Legal & General Investment Management (LGIM)

- LGIM’s parent company, Legal and General, has invested in the women-led Impact investment advisory firm ImpactA Global. Through the partnership, Legal & General will deploy capital into sustainable infrastructure projects in emerging markets.
- Legal & General has been a lead investor in the new generation of debt-for-nature swaps. In 2021, Belize signed the first commercial debt-for-nature swap. The deal was facilitated by charity partner The Nature Conservancy and bank Credit Suisse, which rallied a group of investors, including Legal & General Investment Management (LGIM). More recently, in May 2023, Ecuador agreed the world’s biggest debt-for-nature swap, saving \$1.1 billion, while channelling funds into marine conservation that will help preserve the nation’s incredible biodiversity. LGIM was one of the key investors in this deal, which showed the scale of what can be achieved with this new generation of swaps. As the ESG investing space evolves, we continue to innovate for biodiversity and sustainability.

Morgan Stanley Investment Management

- Morgan Stanley Investment Management launched 1GT, a growth-oriented private equity platform to invest in companies seeking to mitigate climate change. Through the collective investments it makes, the platform seeks to avoid or remove one gigaton of carbon dioxide-equivalent emissions from the Earth's atmosphere from the date of investment through 2050. The new platform focuses its investments on private companies that seek to deliver attractive financial returns alongside measurable positive environmental impacts across the mobility, power, sustainable food and agriculture, and circular economy sectors. The platform will seek to leverage Morgan Stanley's sustainability resources to partner with portfolio companies. This may include monitoring ESG risks, reporting scopes 1-3 emissions, aligning companies with key trends, and pursuing earnings growth, multiple expansion and enhanced exit potential.

Natixis Investment Managers

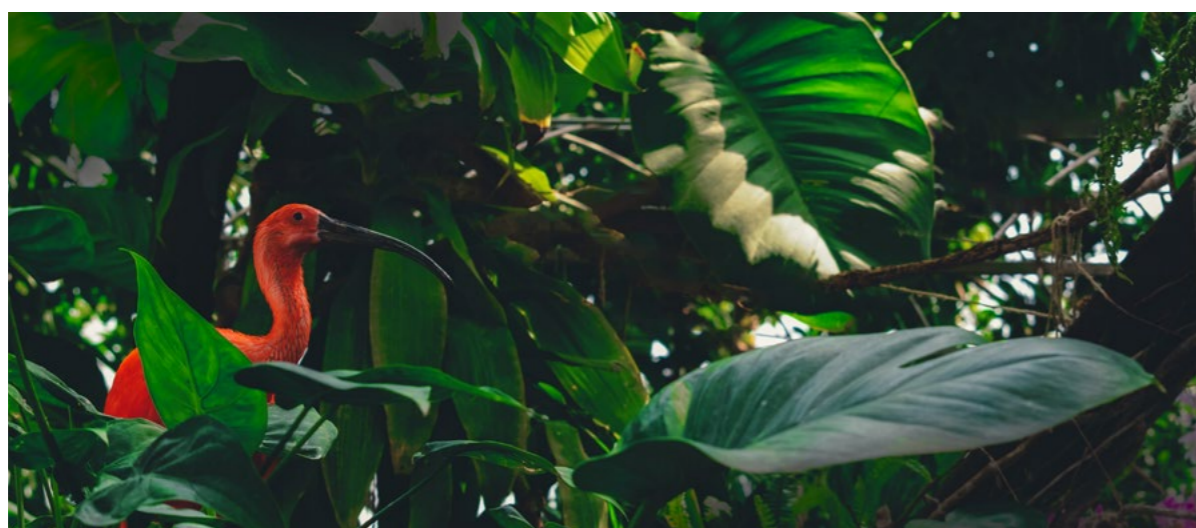
- Natixis Investment Managers has \$ 1.2 trillion in assets under management across more than 15 independent investment affiliates. ESG assets were up 20% from Q3 2022 to \$ 487 billion at Q3 2023, representing 41% of total assets. The ambition by end of 2024 is to reach more than 50%.

PIMCO

- As of end of December 2022, PIMCO manages more than \$ 500 billion in sustainability strategies. This includes negatively screened portfolios, ESG enhanced solutions, as well as thematic strategies.
- PIMCO also manages significant assets on behalf of several asset owners who have committed to transition their portfolios to net zero GHG emissions by 2050. Through its partnership with these investors, PIMCO has developed proprietary tools and capabilities to help clients achieve their climate-related objectives, including decarbonisation and net zero.
- PIMCO continues to participate in several climate-related collaborative engagement initiatives such as Institutional Investors Group on Climate Change (IIGCC), the leading investors coalition on climate change with more than 170 members across 13 countries, with more than € 51 trillion in assets.

UBS Asset Management

- UBS AM's sustainability-focused assets reached \$ 178 billion by the end of 2022.



OPAM MEMBERS

Ownership

Alliance Bernstein

- For the year ended 31 December 2022, AllianceBernstein voted 98,153 total management and shareholder proposals across 9,418 companies globally.
- For the year ended 31 December 2022, AllianceBernstein conducted 881 engagements across 759 companies that included climate-related topics.

AllianzGI

- In 2022, AllianzGI participated in 10,200 shareholder meetings. It continued to strengthen its voting guidelines for public markets around "Say on Climate" resolutions, including director accountability. It also refined its approach to assessing corporates' climate transition plans, with its Stewardship analysts and Research team joining forces to establish an analytical framework. As climate transition plans are specific in nature, AllianzGI evaluated around 50 "Say on Climate" resolutions on a case-by-case basis using these sector-specific frameworks.
- In 2022, AllianzGI engaged 355 companies. This included 217 direct conversations with companies about climate change.

Amundi

- Amundi's climate engagement plan had been extended to 418 new companies by the end of 2022, as part of its ESG Ambition 2025 plan's objective to engage with an additional 1,000 companies to define credible climate strategies.

- Amundi continued to engage with issuers across six key themes in 2022:
 - The transition towards a low-carbon economy (1,104 issuers)
 - Natural capital preservation (344 issuers)
 - Social cohesion through the protection of direct and indirect employees and the promotion of human rights (315 issuers)
 - Client, product, and societal responsibilities (235 issuers)
 - Strong governance practices that strengthen sustainable development (355 issuers)
 - Dialogue to foster a stronger voting exercise and a sounder corporate governance (1,031 issuers)
- Amundi published its 2022 Climate and Sustainability Report, which meets the requirements of Article 29 of the French Energy and Climate Law and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It reported on the group's sustainable investment strategy and objectives, and on the implementation of this strategy (the governance and the operational system put in place for its deployment, the means and actions deployed, and the associated results).

BlackRock

- BlackRock's approach to climate-related risk, and the opportunities presented by a low-carbon transition, is rooted in its fiduciary duty to its clients. BlackRock's investment stewardship team (BIS) engages with companies

in which its clients are invested to better understand their approach to, and oversight of, material climate-related risks and opportunities, in the context of their business model and sectors and long-term financial value creation. It also votes at shareholder meetings on behalf of clients who have authorized it to do so to signal support for, or concerns about, a company's approach to these issues.

- In calendar year 2022, BIS held more than 1,700 engagements with companies globally on their approach to managing climate-related risks and opportunities. BIS has been engaging with companies on TCFD-aligned reporting since 2017. Since then, they have seen a significant increase in companies' understanding and reporting of climate related risks. Examples include:
 - **Zijin Mining**
 - BlackRock Investment Stewardship (BIS) engaged with Zijin Mining, the largest gold and copper miner in China, with international material assets such as lithium and cobalt. BIS engaged to encourage the adoption of TCFD-aligned reporting, and the company indicated a commitment to do so.
 - In January 2023, the company published a TCFD-aligned framework, including a target to be carbon neutral by 2050, nine years ahead of their previous target. Zijin also committed to a strengthened oversight mechanism for sustainability, which is advanced practice in the market.
 - **Airbus France**
 - BIS engaged with Airbus, a French company involved in the design, manufacture, and marketing of aerospace products, services,

and solutions. BIS identified Airbus's exposure to material low-carbon transition-related risks and opportunities, driven in large part from the significant emissions linked to product use and shifts in customer demand. They are also exposed to environmental-related risks given the industrial nature of their operations.

- BIS engaged in recent years on Airbus's climate-related risks and adopting TCFD-aligned reporting. Airbus' reporting in 2021 was not sufficient to enable BIS to assess their approach to climate-risk, and as such BIS did not support one or more directors standing for election to the board. In response to shareholder feedback, in advance of the 2022 annual general meeting, the company published a TCFD-aligned report, and BIS voted in support of the election of directors.

BNP Paribas Asset Management

- BNP Paribas Asset Management ('BNPP AM') continued to implement its ambitious voting policy during the 2023 Annual General Meeting season, with an average opposition rate across all resolutions of 37%, up from 33% in 2022. Of 19 'Say on Climate' resolutions on which BNPP AM voted, it supported 42%.
- BNPP AM additionally demonstrated a significant level of support for shareholder resolutions on environmental (88%) and social (96%) issues designed to improve company performance.
- **ESG issues are core to BNPP AM's voting strategy**
- BNPP AM expects companies to achieve net-zero emissions by 2050 at the latest, underpinned by credible decarbonisation

strategies and intermediate targets. In terms of biodiversity, BNPP AM requires companies, starting with those in high impact sectors, to assess and report on their main impacts and dependencies on nature, with priority given to deforestation and water-related issues.

- Failure to meet these requirements will result in the rejection of ordinary resolutions such as the re-election of directors, or the discharge or approval of accounts.
- BNPP AM opposed more than 1,000 resolutions for these reasons in 2023.

Federated Hermes Limited

- Federated Hermes Limited CEO, Saker Nusseibeh, CBE, addressed the World Leaders Summit at COP26 on behalf of a group of investors committing to strengthen their efforts to tackle deforestation in their portfolios, as well as those joining the Natural Capital Investment Alliance to accelerate the development of natural capital as a mainstream investment theme. Federated Hermes signed the commitment to strive to eliminate commodity-driven deforestation from its portfolios by 2025, alongside more than 35 financial institutions representing a total of more than \$ 8.9 trillion. This commitment was made in recognition of the need for investors to conduct sustained and outcomes-focused engagement with companies in forest-risk sectors and with regulators in order to seek more sustainable production and consumption practices in support of climate goals.

Fidelity International

- Climate stewardship is an integral part of Fidelity's net zero strategy. Achieving the firm's net zero and interim decarbonisation targets will depend on our success in persuading

investee companies to adopt and realise corporate transition strategies that align to the goals of the Paris Agreement. One of the many tools Fidelity uses to aid in this process, alongside its own proprietary Climate and Sustainability Ratings, is climate scenario analysis. To inform this process, benchmarking companies both in terms of their current emissions intensity and the future trajectory implied by their reduction targets can be an invaluable tool for cross-comparison. Similarly, comparing these trajectories to models from, for example, the IEA's World Economic Outlook and Net Zero Emissions by 2050 (NZE) reports, can help contextualise targets.

- Fidelity International has launched a just transition engagement approach to tackling thermal coal. Consistent with the IEA Net Zero by 2050 scenario, Fidelity will gradually phase out portfolio exposure to thermal coal in OECD markets by 2030 and non-OECD markets by 2040.

HSBC Asset Management

- **Voting**

HSBC Asset Management voted at more than 7,000 meetings with more than 75,000 resolutions. ESG and other issues were raised in engagements with 2,150* companies and other issuers as of 31 December 2022.
- HSBC AM introduced the Proxy Voting Dashboard to increase transparency where voting information is publicly available online and in real time. The dashboard reflects five years of vote information statistics, dating back to January 2017. Voting can be searched by market, company name, security identification number, or ticker number. The dashboard consists of votes cast by proposal category, which are separated by management or shareholder proposals.

* Engagement and voting-related data is estimated and not verified. Actual figures may vary and users should not place reliance on this data.

• **Voting**

HSBC Asset Management introduced five custom market voting policies for China, Hong Kong, the U.S., Japan, and India. This complemented the existing market-specific policies for the U.K. and the regional policy for Continental Europe. This is to ensure that voting policies reflect the markets where HSBC AM is most active, and to ensure that policies are customised to market-specific expectations.

- **Just transition**

HSBC Asset Management believe that financing a just transition requires collaboration and partnerships between industry, financial institutions, policymakers, civil society, and multilateral organisations.

- During 2022, HSBC AM joined the Impact Investing Institute Just Transition Finance Challenge, actively participating in roundtables and sharing feedback on draft criteria that will underpin the just transition label for investment products. HSBC AM continues to collaborate with the Impact Investing Institute to develop the label and drive industry standards to enable a just and orderly climate transition.

• **Asia energy transition infrastructure capability**

- HSBC Asset Management’s Alternatives business, with its 240-person team, expanded its presence in Hong Kong to develop its energy transition infrastructure capability in Asia, targeting investments in renewable energy generation, storage, grids, charging and hydrogen infrastructure.

- The Asian infrastructure sector is a strategic priority due to the region’s large share of global greenhouse gas emissions and the scale of the impact that can potentially be generated.

Legal & General Investment Management (LGIM)

• LGIM are active members in a number of real estate industry-specific working groups and forums which seek to increase alignment across peer groups and raise overall market standards. LGIM have contributed to the Better Buildings Partnership guide to climate resilience strategies for commercial real estate, which provides a practical framework that helps real estate businesses to better understand, prepare for, and adapt to the increasing threats of climate transition and physical risks.

Natixis Investment Managers

• Natixis Investment Managers has been involved in the Investor Leadership Network (ILN) to launch a new commitment alongside United States Secretary of the Treasury Janet L. Yellen at the Summit for a New Global Financial Pact in Paris. The commitment calls for ILN stakeholders to work together over the next three years to accelerate pension fund and institutional investments in emerging and developing economies in the critical areas of energy transition and sustainable infrastructure.

PIMCO

• PIMCO analysts proactively engaged with 1,370 corporate bond issuers in 2022, globally across a range of industries. Over that period, PIMCO engaged particularly with utilities, banking, raw materials, and energy companies on the topics of GHG emissions, human rights, and health and safety among other key sectors

and topics. PIMCO’s thematic priorities on the environment included portfolio emissions and Paris Alignment for banks, deforestation, and methane emissions. On the social and governance front, PIMCO’s thematic priorities focus on nutrition and ESG disclosure.

State Street Global Advisors

• State Street Global Advisors expects all companies to provide public disclosures in accordance with the four pillars of the TCFD framework. State Street Global Advisors may take voting action against companies

in the S&P 500, S&P/TSX Composite, FTSE 350, STOXX 600, and ASX 200, TOPIX 100, Hang Seng and Straits Times indices that fail to provide sufficient disclosure regarding climate-related risks and opportunities in accordance with the TCFD framework. We voted against directors at over 100 companies in H1 2023 for lack of TCFD-aligned disclosure.

UBS Asset Management

• UBS AM supported 76.5% of climate-focused resolutions in 2022.



OPAM MEMBERS

Integration

AllianceBernstein

- AllianceBernstein grew its green bond allocations to more than \$ 4.88 billion in assets under management (as of December 31, 2022).
- AllianceBernstein responded to 10 climate-related regulatory consultations either on its own or as part of a group in 2022.

AllianzGI

- AllianzGI manages over € 251 billion in ESG- and sustainability-focused strategies at the end of 2022. In 2022, AllianzGI launched or converted more than 30 funds to SFDR 8 or 9 resulting in 177 funds at the end of 2022.
- Allianz Capital Partners (ACP), which is part of the Allianz Global Investors Group, is actively contributing to the energy transition through investments into renewable generation, build-out of electricity grids, pilots to convert traditional gas networks to green molecules, and direct green hydrogen production projects as part of its portfolio of infrastructure-related assets under management. ACP already closed two direct infrastructure investments in green power-to-gas project developers: (i) Ren-Gas in Finland with an ambition to develop and build projects delivering 250 million diesel liter equivalent of renewable gas fuels resulting in expected CO₂ emission reduction of more than 1 million tons and (ii) Fuella in Norway developing a series of green ammonia production plants with first two aiming to produce 300,000 tons of green ammonia

annually and thus save approximately 750,000 tons of CO₂ emissions compared to fossil-based production methods.

- Incorporation of ESG factors into its Private Markets business is an important driver of how AllianzGI creates value for clients. The foundation of a strong offering and impactful approach in ESG investing requires a state-of-the-art data solution and technological architecture. AllianzGI is leveraging its data strategy and governance to develop proprietary tools that enable its investment teams to make sustainable investment decisions.

Such ESG data solution and architecture can be used to facilitate the full data flow, from sourcing to consumption, to support:

- Centralized data collection for different investment expertise and from various counterparties / general partners
- Data consumption in view of meaningful decisions (also via a powerful visualization tool)
- Data sharing into refined formats to recipients of interest.

- AllianzGI is continuously strengthening its capabilities and in 2023 conducting a market review to scout suitable providers and partners for such solutions, assessing the fit to its requirements and to its business needs and convictions.



Amundi Asset Management

- Amundi launched its ESG Ambitions 2025 plan in December 2021. It includes ten objectives to accelerate Amundi's ESG transformation and lead the way towards carbon neutrality in 2050 in its investments and saving solutions, engagements and dialogues with companies, and by acting responsibly as a corporate. Among the Plan's key points:
 - Introduce a new environmental transition rating that assesses companies' efforts in decarbonising their operations and the development of their sustainable activities, covering actively managed open funds (*the methodology was under development in 2022*)
 - Offer open funds in all asset classes with a Net Zero 2050 investment objective (*as of December 2022, four asset classes offer a minimum of one Net Zero Ambition solution*)
 - Reach € 20 billion of assets under management in impact funds (*as of*

December 2022, impact investment assets under management had reached € 8.7 billion)

- Ensure that 40% of ETF range is made up of ESG funds (*as of December 2022, 27% of the ETF range was composed of ESG funds*)
- Develop Amundi Technology's ALTO* Sustainability offer (*as of December 2022, the content of the first module to be commercialized had been developed*)
- Engage with 1,000 additional companies to define credible climate strategies (*in 2022 Amundi's climate engagement plan had been extended to 418 new companies*)
- By 2022, exclude companies that generate more than 30% of their activity from unconventional oil and gas (*Amundi no longer invests in those companies as of 2022*)

- Take into account the level of achievement of these ESG objectives in the compensation calculations for 200 Amundi senior executives (*in 2022 ESG objectives were set for 99% of portfolio managers and sales representatives, and 200 senior executives*)
- Reduce Amundi's own direct greenhouse gas emissions by approximately 30% per employee in 2025 (*an action plan covering emissions related to Scope 1 2 and 3 has been launched*)
- Present Amundi's climate strategy to shareholders (Say on Climate) at the Annual General Meeting in 2022 (*the resolution was approved by more than 97% of shareholders in 2022*)

BlackRock

- BlackRock's approach to sustainability and the low-carbon transition is underpinned with research, data, and analytics. To seek the best risk-adjusted returns for its clients, the firm manages material risks and opportunities that could impact portfolios, including financially material ESG-related data or information.
- BlackRock sees climate change and the transition to a low-carbon economy having macroeconomic impacts through both physical and transition related-climate risks. Just as with central bank policy or geopolitics, BlackRock sees it as a fiduciary duty to take a view on how a major structural trend like the low-carbon transition is shaping the economy, markets, and asset prices.
- At BlackRock, each investment team is responsible for integrating financially material ESG data into their investment processes. For some assets, sectors, or products, this may

include climate-related risks and opportunities. The firm is constantly expanding access to high-quality ESG data and information.

- To help investors evaluate and navigate these shifts, BlackRock has built a suite of proprietary models, powered by Aladdin® technology, that aim to deliver an input-driven forecast of how the low-carbon transition will likely unfold across technologies, sectors, and regions.
- In July of 2023, BlackRock published the BlackRock Investment Institute Transition Scenario (BIITS) using these models, based on input assumptions BlackRock Investment Institute sees as realistic today, which include proprietary energy, climate, and macroeconomic insights, and third-party research. The BIITS is designed to help investors analyse the transition's "tipping points and sticking points".
- Over time, BlackRock plans to enhance the services and tools it offers so clients can customise scenarios to implement their own view of the shape of the low-carbon transition based on different inputs.

BNP Paribas Asset Management

- BNPP AM has massively committed its product range on sustainable investments. Among the top 20 asset managers (in terms of assets under management, or AUM) representing half of the European market, BNPP AM has a Sustainable Investment (SI) commitment on 83%* of open-ended funds AUM (€ 237 billion) and is ranked first on this metric (as of September 2023). The average SI commitment (AUM weighted) on these € 237 billion is set at 28%.
- These comprehensive and high commitments on product range allow BNPP AM to reallocate the capital to companies acting

for a more sustainable economy. This capital reallocation can be materialized by calculating the overweight of AUM funds in terms of Sustainable Investments compared to benchmarks. This metric is a good indicator to assess asset managers' commitment to sustainable investment by controlling for differences of stringency of SI methodologies.

- BNPP AM product categories such as Art. 8, Art. 8 labelled, Article 9 funds as per the SFDR classification all show an overweight on sustainable investments, for a total of € 38 billion (as of June 2023).**

* Source: Morningstar, EET data as of September 5th 2023

** Source: BNPP AM, data as of June 2023

Community Impact Week

Volunteering is the cornerstone of BNPP AM's community initiatives and to bring this to life, they hosted their first ever global Community Impact Week in 2023. More than 850 employees in 19 countries volunteered more than 3,000 hours to causes ranging from helping young people unlock their potential to shoreline clean-ups to everything in between. Community Impact Week was successful in another way as well: introducing employees to volunteering, as more than half of participants had not previously taken part in any other of the corporate volunteering initiatives.

Sustainability Academy@AM

BNPP AM sees sustainability education as a key lever to building a strong culture of sustainability, to attract and retain employees, and to ensure successful delivery against the business strategy. In 2022, they formalized an approach to sustainability education by rolling out Sustainability Academy@AM, training paths that are tailored to six different types of employee groups, from novice to expert,

covering all employees. BNPP AM has been pleased with the level of uptake of the training strategy as employees spent on average three hours and 13 minutes on internal sustainability-related training in 2022. To date, 687 employees have attained a third-party sustainable finance certification such as Certification AMF Durable, CFA Certificate in ESG Investing or Certificate in Climate and Investing, EFFAS Certified ESG Analyst, or one of the certificates offered by the PRI.

Federated Hermes Limited

- One key focus of the advocacy work for Federated Hermes over the past three years has been membership in the U.K. Climate Financial Risk Forum (CFRF). As part of the CFRF Transition to Net Zero Working Group, Federated Hermes co-led the development of the *Mobilising Investment into Climate Solutions* report which provides recommendations for financial institutions to consider how to most effectively finance climate solutions, with sector-specific scoping notes on carbon capture usage and storage (CCUS), electric vehicle infrastructure, and retrofitting commercial real estate. The group built on this work in 2023 with a focus on how financial institutions can tackle the challenges of financing these areas at scale.
- There is growing awareness in the financial sector of the interlinked climate and biodiversity emergencies, and the potential impacts on economies and markets. Federated Hermes Limited signed the Finance for Biodiversity Pledge in 2020, which now has 140 signatories that represent more than € 19.7 trillion. The Finance for Biodiversity Foundation was set up to support a call to action and collaboration between financial institutions on this important issue. As co-chair the Finance for Biodiversity Foundation Engagement and Public Policy Advocacy



working groups, Federated Hermes focused on the need for the Global Biodiversity Framework to require public and private financial flows to be aligned with global biodiversity goals and targets. Federated Hermes continues to make the business case for action and believes that investor engagement with companies is a key route by which biodiversity loss can be halted and reversed. Federated Hermes urges companies to commit to a net-positive impact on biodiversity throughout their operations and supply chains by 2030 at the latest, and expects this goal to be accompanied by strong governance, effective measurement, an impactful strategy, and regular disclosure.

- Federated Hermes Limited investment teams use a range of data sources to assess which investee companies are exposed to forest-risk commodities and whether they are managing the associated risks and impacts appropriately. Some of these sources include Forest 500, SPOT and Trase.
- **Real estate**
The real estate and the construction sectors have an impact on deforestation due to their dependence on timber as a raw material. So for their real estate business, one of Federated Hermes' priorities is to assess their exposure to deforestation risk and the potential impacts, and to take steps to reduce this. This assessment has informed Federated Hermes' deforestation policy for real estate, and they have also committed to reduce dependence on timber across their portfolio, reporting annually on that progress.
- **Infrastructure**
As part of its overall ESG integration approach, the Federated Hermes Infrastructure team has a set of sustainability-focused expectations and guidance for portfolio companies, based

on the EOS Engagement Plan and stewardship model. This guidance informs the team's day-to-day engagement with infrastructure portfolio companies on matters across governance, environmental and social topics and annual strategic asset management priorities.

Since 2023, the infrastructure team's guidance has included clear expectations and best practice information related to deforestation. The team is committed to deepening its due diligence and engagement where potential deforestation risk exists, which is more likely to be in supply chains (particularly in the transport sector such as freight services for timber or passenger transport services with food retail) than in direct operations of portfolio companies.

- **Direct lending**
The Federated Hermes Direct Lending team has a series of steps in their investment process to mitigate exposure to deforestation. The first is an exclusion process, and the second is an analysis of potential investments to form a comprehensive view of existing and potential ESG risks. The team has developed a framework of ESG-related questions which provides baseline guidance and ensures a consistent best practice approach to ESG components. This includes a question on whether the company is exposed to deforestation in its operations, supply chain or financing and if so whether it has a commitment or policy in place to reduce or remove its contribution to deforestation. The analysis and risk assessment of ESG components are included in a dedicated section in each investment proposal presented to the Private Debt Investment Committee and reviewed at each meeting.

Fidelity International

Fidelity International has introduced Quarterly Sustainability Reviews (QSRs), chaired by

senior management/chief investment officers in collaboration with the Sustainable Investing team, to ensure portfolio managers are held accountable regarding how sustainability and climate risk form part of their investment decision-making and risk management processes. The QSR is a quantitative and qualitative review of a strategy's sustainability and climate achievements (backward looking) and future aspirations, intended to measure and monitor portfolio managers' progress in terms of the integration of sustainability factors and consideration of climate risk.

- Fidelity International continues to expand its offering of sustainable investment strategies, and the Sustainable Funds Family spans active and passive strategies across equities, fixed income, multi-asset and real estate. The Sustainable Global Climate Solutions strategy explicitly focuses on the rich opportunity set of equity investments aligned to decarbonisation, while the Real Estate Impact and Logistics strategies seek to make positive climate impact through the renovation of legacy European real-estate assets.

HSBC Asset Management

• Direct lending

- HSBC Alternatives, partnering with HSBC U.K., developed a U.K. Direct Lending strategy that resulted in a mutually beneficial outcome for both borrower and lender. Borrowers were able to credibly signal their ESG commitments to external stakeholders, while the lender supplied financing with the downside protection that good ESG practices can provide. This was made possible via a sustainability-linked loan (SLL).
- Using the U.K. Direct Lending strategy, clients were able to access loan origination

opportunities. HSBC Alternatives had the right, but not the obligation, to invest alongside the Bank in each deal, as well as pre-investment engagement with companies.

- As an example, there was an opportunity to refinance an existing company loan via an SLL. These loans achieve their sustainability impact by linking pricing to the attainment of measurable goals, usually through interest rate 'step-ups' or 'step-downs'. In other words, the more sustainable they were as a company, the cheaper their finance became.
- HSBC AM's engagement, coupled with the expertise of HSBC Commercial Banking's Sustainability team, helped the company to define ambitious performance targets around three pillars: climate action, waste reduction, and making charitable donations. These annual targets will be published in the company's annual report and verified by an independent third party, and the company will receive a margin discount or penalty.

Legal & General Investment Management (LGIM)

- Through the L&G Hydrogen Economy UCITS ETF, LGIM provides investors with exposure to the long-term investment opportunity offered by the transition to a low-carbon, hydrogen economy. This includes the technologies and firms that are enabling the production of cheaper, cleaner forms of hydrogen and those that are expected to play an integral role in the hydrogen economy value-chain.
- In 2023, Legal & General Investment Management (LGIM) and Swedish premium pension provider AP7, representing five

million Swedish pension savers, confirmed their partnership to establish an innovative climate transition strategy. The active investment strategy will aim to drive real-world change as well as unlock long-term shareholder value by investing in, and then engaging with, specific companies that are 'climate laggards' in their sectors. The strategy will seek to identify those companies across climate-critical sectors that are currently not, but have the potential to become successfully aligned with the Paris goals. This contrasts with approaches that invest in those companies already aligned with Net Zero by 2050.

Natixis Investment Managers

- Within the Natixis Investment Managers group, various affiliates are considering climate change-related risks within their investment process. For example, AEW, a leading real estate manager, applies a climate action plan to all its investments. Nearly 100% of clients validated this proposal and for several years, AEW has incorporated climate risks in the management of all its buildings.

PIMCO

- PIMCO has developed robust proprietary tools to assess, manage, and help mitigate climate-related risks in its clients' portfolios. For example, PIMCO has developed a climate risk scoring methodology that evaluates sectors' exposure to climate risk over cyclical, secular, and super-secular time horizons. We have also built climate scenario and stress-test models to quantify the potential impact of different transition scenarios on various financial indicators. Finally, PIMCO has developed proprietary carbon footprint attribution tools which allow users to measure the contribution of different factors to a change in portfolio ESG metrics over time (e.g., greenhouse gas

emissions), and to calculate an improvement or deterioration in the fundamental sustainability performance of the holdings.

State Street Global Advisors

- SSGA's investment teams have continued to research ways to incorporate climate metrics into portfolio construction approaches, in order to meet client demand. For example, SSGA launched a new active fundamental climate transition strategy in 2023.

UBS Asset Management

- In 2022 UBS AM voted on 1,530 resolutions globally which were related to ESG topics, of which 1,116 were proposed by shareholders, and 414 by companies directly.

EXAMPLES OF PRIVATE EQUITY FUNDS' ALIGNMENT WITH THE OPSWF FRAMEWORK - 2022 TO 2023

PRINCIPLE 1 ALIGNMENT

€ 2.4 billion AUM

Tikehau Capital has € 2.4 billion assets under management dedicated to climate and biodiversity.

\$ 1.45 billion

Deployed by Carlyle into renewable and sustainable energy development platforms as of December 31, 2022 (since inception).

€ 1.7 billion

To date, Eurazeo has € 1.7 billion dedicated to financing companies that contribute to climate change mitigation and adaptation.

\$ 4.45 billion

TPG's Rise Funds invested \$ 4.45 billion in climate sectors.

100%

TPG analyses the greenhouse gas emissions of 100% of its private equity investments to identify and prioritize impactful decarbonisation opportunities.

CDP signatory - Tikehau Capital has been a signatory to the Carbon Disclosure Project since 2022 to further promote standardized climate data disclosure for private markets.

36%

of GIP Flagship Funds' current equity is invested in renewables and climate solutions.

Carbon net neutrality by 2040

Eurazeo is committed to achieving carbon net neutrality by 2040, setting ambitious targets validated by SBTi.

64%

of GIP Flagship Fund assets have net zero targets aligned with science-based / best-in-class sector pathways, at least to 2030.

36%

of GIP Flagship Funds' current equity is invested in renewables and climate solutions.

PRINCIPLE 2 OWNERSHIP

100%

Tikehau Capital engages with all its private equity portfolio companies for standardized ESG and climate data disclosure.

60%

Eurazeo is committed to achieving a 60% reduction in greenhouse gas emissions (GHG) per square meter for its real estate portfolio by 2030 (base year: 2021).

1.6 million tonnes

In 2022, on an equity-share basis, GA BeyondNetZero's investments are estimated to have enabled the avoidance or reduction of at least 1.6 million tonnes of CO₂-equivalent.

\$ 25 billion

Structured by Carlyle in cumulative ESG-linked financings.

<1%

of TPG's AUM is currently invested in fossil fuel companies

82%

of GIP's Flagship Fund companies have GHG emissions targets; 64% have net zero targets (at least Scope 1 & 2 emissions).

85%

Climate data is available to investment team for 85% of the assets (excl. renewable portfolio). Ardian Infrastructure asset climate monitoring tool help integrate climate data in interaction with assets

2030

Softbank Group aims to achieve carbon neutrality by 2030.

75% - Ardian

75% of LBO companies monitoring their footprint on all material scopes. Ardian supports portfolio capacity-building on carbon footprinting

22 - Of Carlyle's portfolio companies have set Paris-aligned climate goals

100+

Of Carlyle's portfolio companies have greenhouse gas footprints

Tikehau Capital

supports GreenYellow to expand renewable energy offerings to the emerging countries

Science-based targets across the portfolio

General Atlantic – BeyondNetZeroFund

PRINCIPLE 3 INTEGRATION

Green Assets

Tikehau Capital launched the new Green Assets fund to finance distributed green energy generation

375+ / \$ 28 trillion

The Carlyle Group co-founded ESG Data Convergence Initiative which has reached more than 375 participants, representing more than \$ 28 trillion in assets under management. The group's focus is to catalyze convergence towards reporting on a standard set of ESG metrics for private companies, including greenhouse gas emissions and renewable energy use.

100%

of Eurazeo funds incorporate ESG considerations in their investment process.

150 MTCO₂e target removal at platform level

Ardian launched its Nature-based Solutions investment platform

48.0 TWh

generated by GIP's portfolio companies in 2022, which avoided 32.6 million metric tonnes of CO₂

\$ 18 billion

TPG has \$18 billion assets under management dedicated to advancing social and environmental impact through its Impact Platform.

\$ 18 billion

invested by GIP into renewable energy investments

ESG Progress Plan for portfolio companies

Eurazeo has developed an ESG progress plan to help portfolio companies embed ESG into their business models.

92%

of Eurazeo's funds currently being raised or in the investment phase are classified as Article 8 or Article 9

\$ 14.2 billion

of green or ESG related sustainability-linked debt financing across GIP's Flagship Funds

Transition to sustainable infrastructure

Eurazeo's Transition Infrastructure Fund (ETIF), classified Article 9 under SFDR seeks to accelerate the transition to a low-carbon economy by making sustainable investments in the energy and digital transition.

Decarbonization of the maritime sector

Eurazeo's Sustainable Maritime Infrastructure (ESMI), classified Article 9 under SFDR, aims to support and accelerate the ecological and energy transition of the shipping industry.

OPPEF MEMBERS

Alignment

The Carlyle Group

- Carlyle has deployed \$ 1.45 billion in renewable and sustainable energy development platforms, as of December 31, 2022. (Since inception).
- Carlyle has developed a climate risk triage and materiality analysis, which Carlyle began integrating into diligence in 2021. Carlyle uses a risk-based approach based on investment type, sector, location/geography, exposure to carbon-related regulations, intended hold duration, and likelihood of climate-related considerations potentially impacting the exit process.

Eurazeo

- Eurazeo is actively financing companies that contribute to climate change mitigation and adaptation through their businesses, products, or services. As of June 2023, a total of €1.7 billion is dedicated to such companies. These investments span the entire portfolio, including in three impact-driven funds.
- Eurazeo has aligned its decarbonisation pathway with a scenario limiting global warming to 1.5°C and has set an ambitious target of carbon net neutrality by 2040 at the latest. Eurazeo was the first private equity player in Europe to commit, as of 2020, to defining a decarbonisation pathway in accordance with scientific recommendations to achieve the goals set in the Paris Agreement. The carbon reduction targets of Eurazeo and its portfolio companies were validated by the Science Based Targets Initiative (SBTi).

Global Infrastructure Partners (GIP)

- Since its inception, GIP has invested or committed ~\$ 18 billion in renewable energy platforms globally across its portfolio. As of 30 June 2023, 25% of the total equity invested into GIP's Flagship Funds has been in renewables. GIP invests in traditional renewable energy companies such as wind, solar, and battery storage, but also considers newer renewable energy businesses and emerging technologies such as carbon capture, hydrogen power, and biofuels.
- Across GIP's Flagship Funds, 36% of current equity invested is in renewables and climate solutions (excluding exits, as of 30 June 2023).
- GIP has conducted a thorough assessment of its Flagship Fund assets' GHG emissions pathways. GIP's findings confirm that 64% of Flagship Fund assets have net zero targets aligned with either a science-based transition pathway or a best-in-class sector pathway, at least to 2030.

Tikehau Capital

- Tikehau Capital has set the target of managing € 5 billion in assets under management dedicated to climate and biodiversity by 2025. Since 2014, Tikehau Capital has contributed equity to the developers of renewable energy (Quadran, EREN, GreenYellow and Amarenco) who also operate in emerging and developing countries. As of 30 June 2023, Tikehau Capital has € 2.4 billion assets under management dedicated to climate and biodiversity investments, focusing on energy



efficiency, renewable energy, and low carbon mobility solutions. 2023 was a significant milestone regarding climate and biodiversity investments with the launch of the second vintage of the decarbonisation strategy and the first investment of the regenerative agriculture fund.

- Tikehau Capital has been a CDP signatory since 2022, and responded to the CDP Climate Change questionnaire both in 2022 (scored B-) and in 2023 (not yet scored). Joining CDP allows Tikehau Capital to further promote industrial-scale climate data disclosure and engagement, aligned with the TCFD, as an investor active on the private market. Tikehau Capital also participated in the CDP Non-Disclosure Campaign in 2023 and is a signatory of CDP Science-Based Target Campaign.

SoftBank Investor Advisors

- Over the last 18 months, SoftBank Vision Fund II has invested more than \$ 50 million in climate tech businesses helping to reduce the impact of climate change.
- SB Energy Global Holdings and its subsidiaries operate a power generation business that boasts one of the largest solar power projects in the U.S. The project consists of five solar farms, which collectively generate 1,328 MW. SB Energy Global Holdings is currently constructing four additional solar farms in the U.S. which will collectively generate 2,048 MW. (Generation capacity in AC, as of end of April 2023.)

TPG

- TPG's Rise Funds invested \$ 4.45 billion between inception and year-end 2022 in energy transition, carbon solutions, carbon markets, low carbon fuels, and sustainable materials and products sectors – including advanced proton exchange membrane (PEM) electrolyzer systems for the production of green hydrogen.
- TPG analyses the greenhouse gas emissions of 100% of its private equity investments to identify and prioritise impactful decarbonisation opportunities. This included analysing the greenhouse gas emissions of 357 portfolio companies in 2022, in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard and the Greenhouse Gas Protocol (GHGP).

OPPEF MEMBERS

Ownership

Ardian

- Ardian employed a technology solution to support portfolio companies from buyout and expansion activities in assessing their carbon footprint. At the end of 2023, 75% of portfolio companies have assessed their emissions on all material scopes, in line with OPSWF Climate Disclosure Guidance level 4. In addition, this new data allowed Ardian to define baseline emission scenarios for all its portfolio assets to understand anticipated evolution of the footprint and seek to align with net-zero.
- Ardian developed a portfolio asset monitoring tool building on reference frameworks such as TCFD, GRESB or SBti to accelerate their transition to a low carbon resource efficient economy. The monitoring tool seeks to make climate data easily actionable for investment teams to engage with asset management team on aspects ranging from resourcing to integration of climate in product and services to demonstrate progress through the ownership period.
- Ardian conducts an annual general partner ESG engagement survey to better understand and monitor integration of ESG issues in its portfolio. In 2023, a dedicated climate scoring was developed to better understand the stage of climate practices and better support and engage with partners in further structuring their climate-related practices. Forty-five interviews were organized to provide partners with feedback on their practices.

The Carlyle Group

- Carlyle worked with portfolio companies to support them in setting up and achieving climate goals. As of December 31, 2022, 22 current portfolio companies had set Paris-aligned climate goals as further described in Carlyle's TCFD report.
- Carlyle collected the greenhouse gas footprint for more than 100 of its portfolio companies.
- As of December 31, 2022, Carlyle had structured more than \$ 25 billion in cumulative ESG-linked financings since inception, including climate-linked financings such as for Cepsa: Cepsa's (a Carlyle portfolio company) credit facility with interest rate linked to Cepsa's 2030 carbon targets: by 2030 (versus 2019), a 55% decrease in absolute Scopes 1 and 2 emissions, and a 15-20% decrease in the carbon intensity index of its energy products sales including Scope 3; a third KPI is aligned with Cepsa's gender diversity goal of having 30% of leadership positions held by women by 2025.

Eurazeo

- Eurazeo works to ensure that 100% of its eligible private equity portfolio companies have decarbonisation pathways validated by SBTi by 2030, with an interim target of 25% invested capital by 2025.
- Eurazeo is committed to achieving a 60% reduction in greenhouse gas emissions (GHG) per square meter for its real estate investment portfolio by 2030 (base year: 2021) Eurazeo measures its carbon footprint (scope

1, 2 and 3 emissions) for 100% of its portfolio (excluding Private Funds Group, using proxy data when real data not available).

General Atlantic – BeyondNetZero Fund

- All GA BeyondNetZero portfolio companies have measured or estimated their scopes 1-3 greenhouse gas emissions. They have also set, or are in the process of setting, a Science-Based Target – putting themselves on a pathway to net zero emissions by 2050.
- In 2022, on an equity-share basis, GA BeyondNetZero’s investments are estimated to have enabled the avoidance or reduction of at least 1.6 million tonnes of CO₂-equivalent.

Global Infrastructure Partners (GIP)

- GIP gathers ESG data, including key climate change information, from its portfolio companies annually. Through this data gathering and analysis, GIP has determined that:
 - 82% of its Flagship Fund companies track Scope 1 & 2 GHG emissions, and 50% of companies track Scope 3 emissions.
 - 82% of its Flagship Fund companies set GHG emission reduction targets, and 64% have net zero targets (at least Scope 1 & 2 emissions).
 - 55% of its Flagship Fund companies are aligned with TCFD
- GIP encourages its portfolio companies to be transparent in their reporting of climate risks with a focus on aligning with TCFD reporting and also to track their emissions, set reduction targets and aim for continuous improvement even during periods of growth. GIP works with the portfolio companies to support these efforts with a focus on science-based targets and reduction strategies.

Industry Capital Partners (ICP)

ICP’s mission is to provide a platform for investing in the global transition to net zero greenhouse gas emissions. The growing political consensus on net zero is cause for considerable optimism, but the fundamental changes required to reach that goal by 2050 are often underestimated. To turn today’s ambitions into reality, the global economy will have to re-allocate large amounts of capital from fossil fuels and existing technologies to renewable energy and new, low-carbon technologies. ICP provides its partners with exposure to the climate transition across the full value chain, from energy production, transmission, and efficiency to carbon management.

ICP is developing a strategy for investing at scale in the full value chain of carbon capture and storage (CCS). Most pathways to net zero rely heavily on CCS. The International Energy Agency expects CCS to abate 15% of current emissions. CCS is now at an inflection point for broader adaptation. That requires reducing the cost of capture through technology development, scale-up and standardisation. ICP is working with its partners to accelerate the adoption of CCS as a key element of the net zero transition.

Tikehau Capital

- Tikehau Capital engages with all portfolio companies within the private equity funds (excluding legacy Article 6 funds) on an annual basis for ESG data disclosure, based on a standardized questionnaire pre-defined by the Group, as well as climate-related assessments (including carbon footprint assessment with a third-party environmental expert), in order to provide uniform data in the annual reporting. As of June 2023, 100% of the portfolio companies have been covered during the 2022-2023 reporting campaign.

- As a part of the Group’s Net Zero targets, Tikehau Capital is also committed to have 100% of eligible, in-scope private equity portfolio companies validate science-based targets by 2030 and to reduce by 50% the Weighted Average Carbon Intensity of the portfolio (covering Scope 1 & 2 compared to the 2021 baseline).
- The engagement campaigns also aims at reinforcing capabilities of the portfolio companies regarding ESG and climate. In this context, in 2023 we reinforced the Tikehau Impact Club, a network gathering the portfolio companies to share best practices and tackle common challenges. The first two events were organised around the definition of Science-Based Targets. To support these efforts, Tikehau Capital provides both financial and technical support in the definition of the decarbonisation roadmaps. Two of the private equity portfolio companies got their targets validated in 2023 and the ESG and investment teams actively engage to reinforce commitments across the portfolio.
- In addition to the collective engagement efforts, Tikehau Capital provides tailored support to its portfolio companies in the form of monthly/quarterly or ad hoc meetings with the portfolio companies. For example, Tikehau Capital supports GreenYellow to strengthen its operation and development activities of renewable energies in less mature countries such as Cambodia, Thailand, Colombia, etc., where the company is establishing a leading position. GreenYellow is a French developer of smart energy solutions specialising in turnkey renewable energy projects, value-added energy services, and energy efficiency. Tikehau Capital has been a minority investor since 2018.

SoftBank Investment Advisors

- Softbank Group announced plans in June 2022 to reduce greenhouse gas emissions from its business activities and to “Achieve Carbon Neutrality by FY2030” across its major subsidiaries. To achieve the target, each of its major subsidiaries is working on switching to electricity derived from renewable energy sources, using energy-efficient measures.
 - Furthermore, in August 2022, one of the Group’s major subsidiaries, SoftBank Corp., announced its goal to achieve net-zero emissions for the entire supply chain, including Scope 3, by 2050, known as “Net Zero. Softbank Group Corp. has already been carbon neutral since FY2020.”
 - Softbank Group earned a Climate Change Response Score of A- and a Supplier Engagement Rating of A by the CDP (a global environmental NGO).
- #### TPG
- TPG has less than 1% of global assets under management currently directly invested in fossil fuel companies, and no investments in coal.
 - TPG evaluated its portfolio in 2022 to gain current insights across Environmental, Social, and Governance themes, and found that 71% of the companies evaluated invested in the installation of renewable energy, optimising transportation and other business processes, and/or carbon capture and storage, among other strategies to reduce their greenhouse gas emissions.

OPPEF MEMBERS

Integration

Ardian

- Ardian launched its first Nature-based Solutions investment platform, called Averrhoa, in 2023. The fund, with a € 500 million investment target, will develop large-scale mangrove and wetland reforestation/ restoration projects through the sale of high-quality carbon credits. The fund will offer institutional investors and corporate clients a diversified portfolio of offsetting projects to help them fast track their offsetting strategy.

The Carlyle Group

- Carlyle co-founded the ESG Data Convergence Initiative which has reached more than 375 participants, representing more than \$ 28 trillion in assets under management. The group's focus is to catalyze convergence towards reporting on a standard set of ESG metrics for private companies, including greenhouse gas emissions and renewable energy use.

Eurazeo

- Eurazeo embeds ESG across the entire investment process. 100% of Eurazeo's investments made in 2022 complied with the Group's Exclusion Policy and underwent ESG due diligence. These figures are verified annually by an independent third-party.
- Eurazeo has developed an ESG progress plan that enables portfolio companies to embed ESG in their business model and move forward over the years, regardless of their size or maturity in this area. Carbon footprint measurement, carbon emissions

reduction initiatives implementation, and decarbonization pathway-setting are part of the key environmental actions of the progress plan.

- 92% of Eurazeo's funds currently being raised or in the investment phase are classified as Article 8 or Article 9 (excluding Private Funds Group, as of 30 June 2023).
- Eurazeo Transition Infrastructure Fund (Article 9 – SFDR) seeks to accelerate the transition to a low-carbon economy by making sustainable investments in the energy and digital transition. It thus contributes to the achievement of the SDG 7 “Clean affordable energy”, SDG 9 “Industry, innovation and infrastructure” and SDG 13 “Climate action”.
- Eurazeo Sustainable Maritime Infrastructure (Article 9 – SFDR) aims to support and accelerate the ecological and energy transition of the shipping industry, in line with the decarbonization pathway of the International Maritime Organisation, targeting innovative sustainable technologies applied to maritime assets. It thus contributes to the achievement of SDG 9 “Industry, innovation and infrastructure” and SDG 13 “Climate action”.

Global Infrastructure Partners (GIP)

- Energy continues to be a focus sector for GIP investments. GIP has honed its focus on the energy sector with ~\$ 18 billion of equity invested / committed in renewable energy

across its portfolio. As of 30 June 2023, GIP had current ownership interests in ~18 GW of operating renewable assets, royalty interests in ~22 GW of operating projects, and ~187 GW under construction or development. GIP is exploring investments in traditional renewable energy businesses such as wind and solar, and is also assessing opportunities in innovative renewable energy sectors such as carbon capture, hydrogen power and bio-fuels. GIP feels strongly that it can meet this renewable energy commitment while continuing to meet its fiduciary obligations to its investors. During 2022, GIP's Flagship Fund companies generated 48.0 TWh of renewable energy (35% more than 2021) and avoided 32.6m metric tonnes of CO₂ through renewable energy.

- GIP is focused on increasing the use of green financing across its portfolio, a consideration during initial investing as well as during ownership. As of September 2023, \$ 14.2 billion of green or ESG related sustainability-linked debt financing is in place across GIP's Flagship Funds. GIP believes green financing increases returns, underlines the sustainability credentials of the businesses, and enhances value at exit.

Industry Capital Partners (ICP)

- ICP integrates sustainability risks and opportunities into its investment process at three main decision points: ICP has established an investment universe of economic activities contributing to the net zero transition; potential investments are assessed for their contribution to climate change mitigation and for any adverse impacts; and ICP actively uses its rights as owner or partners to influence businesses.

SoftBank Investment Advisors

- SoftBank Investment Advisers recognize four material themes in environmental and social fields that matter to the international community as well as to the Company's investment business: climate change, human rights (forced labor), discrimination/ harassment, and AI ethics. As part of its due diligence, SoftBank Investment Advisers evaluate the potential investment's status in addressing these material themes in environmental and social fields, as well as governance, to assess the risks, and use the results for investment decision-making. SoftBank Investment Advisers recognize the importance of continually monitoring



the portfolio companies and engaging with them as necessary to prevent risks from materializing. Accordingly, it is exploring a systematic approach for such monitoring and engagement.

Tikehau Capital

- In 2023, in collaboration with Axa Climate, Tikehau Capital reinforced the assessment of risks related to climate change within the Group's scope and conducted the first portfolio-wide climate risks assessment for corporate investments using a sector-based screening tool.
- The methodology applies two scenarios based on each one's relevance to the risk studied:
 - The physical risk analysis is based on the most pessimistic climate change scenario, Representative Concentration Pathway ("RCP") SSP5 - 8.5 of the IPCC, which assumes continued human activity with carbon emissions at current rates.
 - The analysis of transition risks and opportunities (regulatory, technological, market and reputation risks) takes into account the Net Zero 2050 scenario of the Network for Greening the Financial System (NGFS).
 - To the two scenarios described above, AXA Climate's analysis adds the consideration of the Nationally Determined Contributions ("NDC") scenario (including the achievement of national climate targets by 2030) of the NGFS for transition risk.
- In 2022-2023, Tikehau Capital continued

to reinforce its climate and biodiversity investment platform with the launch of several investment vehicles such as the Regenerative Agriculture Fund in partnership with Axa and Unilever, the second vintage of the decarbonisation strategy and an innovative private debt fund using ESG ratchets to encourage the adoption of sciences-based targets. Throughout this platform, Tikehau Capital considers and integrates climate related criteria as key factors in investment decisions, for instance, the investment teams are required to demonstrate the alignment of each investment with the impact strategy of the funds and there is systematically a consultation to the Group's Impact Committee.

TPG

- TPG has \$18 billion assets under management dedicated to advancing social and environmental impact through its Impact Platform.





2023 RECAP AND THE ROAD AHEAD

The preceding pages have featured the progress OPSWF Network member institutions have made around the OPSWF Framework Document's three guiding principles: **alignment** (building climate change considerations, which are aligned with the SWFs' investment horizons, into decision-making); **ownership** (encouraging companies to address material climate change issues in their governance, business strategy and planning, risk management and public reporting to promote value creation); and **integration** (Integrating the consideration of climate change-related risks and opportunities into investment management to improve the resilience of long-term investment portfolios).

Each member institution has its own strategy, timeline, capacities, and constraints. Each is on its own journey. But the emerging picture is one of visible commitment and results, with efforts and resources scaled up to advance the Framework's principles and thus the goals of the Paris Agreement.

Along with their institutional-level activities, OPSWF Network members collaborate via working groups organized around three workstreams—Harmonising Climate Data for Private Markets; Clean Hydrogen; and Renewables in Emerging and Developing Markets—and also meet in plenary at the annual CEO Summit. In 2023, the 6th Annual OPSWF CEO Summit was convened in Paris, at the request of President Emmanuel Macron, on 21-22 June and welcomed more than 160 participants, among them 46 CEOs and leaders. Attendees included President Emmanuel Macron, John Kerry, the U.S. Special Presidential Envoy for Climate; Mary

Schapiro, Head of the TCFD Secretariat; and World Bank President Ajay Banga.

The Summit brings the Network's leadership together to take stock of ongoing efforts towards the collective goal of addressing climate change via investment decisions. This involves consolidating efforts to adopt established climate investment standards, signaling markets about their climate-related expectations, and guiding policymakers on incentivising private capital towards investing in emerging climate solutions and developing markets.

At the 2023 Summit, the OPSWF Network began to elaborate the core elements of the 18-month roadmap which will guide the Network through the end of 2024. The Summit also yielded significant progress on advancing the three priority workstreams.

1. Harmonising Climate Data for Private Markets

OPSWF Network members reiterated the importance of greater transparency and disclosure of climate data to enable investors to better integrate climate change considerations into investment decision making, in a manner appropriate to their business models. Access to investment-grade data on the carbon intensity of company operations remains a central barrier to calibrating such risks. Climate data is fragmented into a number of disparate standards, methodologies and tools resulting in data dilution and increased reporting requirements. Last year, OPSWF members launched the 'One Planet Climate Disclosure Guidance (CDG) for Private Markets'. **During the Summit, the**

sovereign wealth funds of the Network underscored their request that private fund managers in which they invest report their estimated Scope 1 and 2 carbon emissions, and estimated Scope 3 emissions for carbon intensive businesses for year-end 2023. Moreover, they called on all private markets to begin the climate disclosure journey to reduce systemic risks to the financial system and the planet.

OPSWF Network members underscore the importance of streamlining the aggregation and reporting of such climate data. The OPSWF Network therefore welcomed the establishment of the Climate Data Steering Committee under the leadership of French President Emmanuel Macron and UN Special Envoy for Climate Ambition and Solutions, Michael R. Bloomberg. OPSWF Network members recognize the efforts made globally to close the data gap and particularly the creation of the Net-Zero Data Public Utility (NZDPU).

NZDPU will offer a centralized data repository for key climate transition related data, initially for public companies. This initiative is key to driving progress on interoperability by achieving comparability, consistency and coherence among the diverse reporting frameworks. The OPSWF Network agreed that their working group on data would engage with NZDPU to enable the delivery of the One Planet CDG in the market by gathering Scope 1, 2 and 3 emissions data.

2. Accelerating Investments - Clean Hydrogen

OPSWF Network members believe that scaling investment in clean hydrogen is one of the critical areas needed to achieve the goals of the Paris Agreement. Investment in clean hydrogen can be significantly accelerated provided that appropriate enablers are in place. The OPSWF Network agreed that their working group on

clean hydrogen would establish a forum with the Hydrogen Council, which brings together 150 leading companies in the hydrogen industry, to support the advancement and implementation of a global standard for greenhouse gas (GHG) emissions assessment of clean hydrogen along the value chain and certification solutions. Members agreed that such a standard and mutual recognition of certification schemes could accelerate the development of the global clean hydrogen market and reduce emissions globally. Moreover, global industry standards and mutual recognition of certification schemes can facilitate the financing of clean hydrogen projects, including in emerging and developing economies (EMDEs), by reducing the costs and streamlining the process for developing countries.

3. Accelerating Investments for Renewables in Emerging and Developing Economies (EMDEs)

Reducing carbon emissions in emerging and developing economies, while meeting rising demand for affordable, clean energy requires the significant scaling-up of private sector engagement and capital flows. OPSWF members reinforced their belief that investing in renewable energy in EMDEs constitute a massive investment opportunity from the triple perspective of impact, risk, and return. Over the last decade, sovereign wealth funds have already collectively become a source of significant capital for renewable energy infrastructure in emerging markets. In preparation for the 6th Annual Summit, OPSWF Network members drew from years of their own project financing experience, while canvassing policy makers and leading project developers to identify concrete actions that can enable local renewable energy solutions and sustainable marketplaces. Members agreed that building interlocking national and regional clean

energy ecosystems, with robust access to the international financial system, is central to operationalise this approach.

The OPSWF Network agreed that their working group on Renewables would organise a West-Central African Renewables Investment Acceleration Programme to help catalyze such an ecosystem, engaging in dialogue with multilateral development banks. OPSWF working group members further agreed to support the convening of leading renewable energy ecosystem players in West Africa.



For every year since its founding in late 2017, the OPSWF Network has continued to grow in size and influence.

The members institutions' individual voices are collectively strengthened via the platform for collective action that the OPSWF Network provides. To build on this strength, the Network members agreed to establish OPSWF as an official membership association, organized under French law in recognition of the critical leadership role played in its founding by President Emmanuel Macron. The formal creation of this association is expected to be finalized in 2024.

Even as the OPSWF Network itself grows and evolves, the pace of innovation continues to accelerate on the clean energy solutions the world urgently needs. The OPSWF Network members are committed to using their resources and influence to advance sustainable investment, working collaboratively to support the goal of the Paris Agreement where people and planet thrive together.

OUR NETWORK MEMBERS

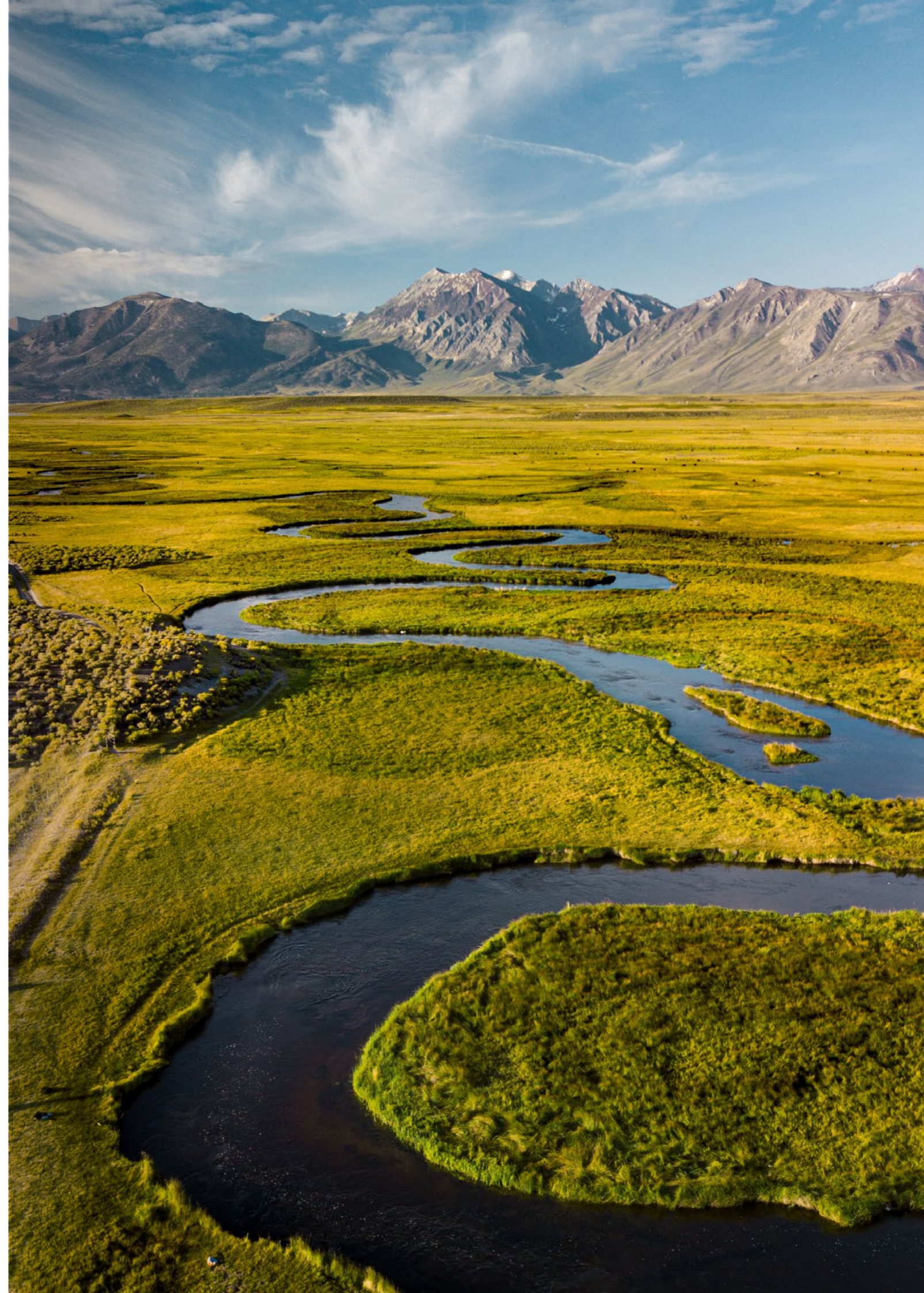
One Planet Sovereign Wealth Funds



One Planet Asset Managers



One Planet Private Equity Funds



For further information
secretariat@opswf.net

Design: Houltonsmets



www.oneplanetwfs.org

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