ONE PLANET SUMMIT
SOVEREIGN WEALTH FUNDS

Framework **Companion Document** 2020

As the world continues to endure uncertainty and plans for recovery from the Covid-19 pandemic, the One Planet Sovereign Wealth Funds remain committed to the goals and principles of the initiative and recognise the opportunities for investing in a green recovery that will benefit both people and planet.

The number of institutions supporting the OPSWF Framework has grown rapidly, from six SWFs with $3tr assets under management (AUM) in 2018 to 33 financial institutions with $30tr AUM. Members have continued to pursue further ambition and action in aligning with the OPSWF Framework and the Paris Agreement despite the challenging economic, social and environmental upheavals of the past year. This report highlights the progress made by the initiative in 2019-2020.

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INTRODUCTION AND CONTEXT

Today we have 410 parts per million (ppm) carbon in our atmosphere, setting a current trajectory for 3.5°C global warming from pre-industrial levels by 2100. Scientists have concluded that we need to reduce rapidly the amount of carbon emitted into the atmosphere by the global economy, and enhance capture of carbon through both natural and technological systems. Bringing carbon down to 350ppm may stabilise the earth's capacity to avoid catastrophic climate tipping points and global warming. The Paris Agreement calls for bringing the global economy to a net zero carbon future by 2050.

The core solutions for achieving this goal are:
1/ transition to renewable energy sources,
2/ energy efficiency,
3/ carbon capture through nature-based solutions and new technology.

Global companies drive the world economy to produce goods and services for society. They have a critical role to play in this transition through both their operations and in setting global standards for their industry and supply chains. They can do this through establishing climate-aligned governance, strategies, risk management, metrics and targets: these are the core pillars of information being requested by the financial industry under the recommendations of the Task Force on Climate-related Financial Disclosures.

As providers of capital to global companies and the wider national and international economic systems, Sovereign Wealth Funds (SWFs) are well placed to invest in those companies leading the solutions and incentivise shifts in corporate strategy to better align with a net zero future. In doing this, SWFs can manage the physical and transitional risks and opportunities associated with climate change, enabling long-term, sustainable value creation for current and future generations.

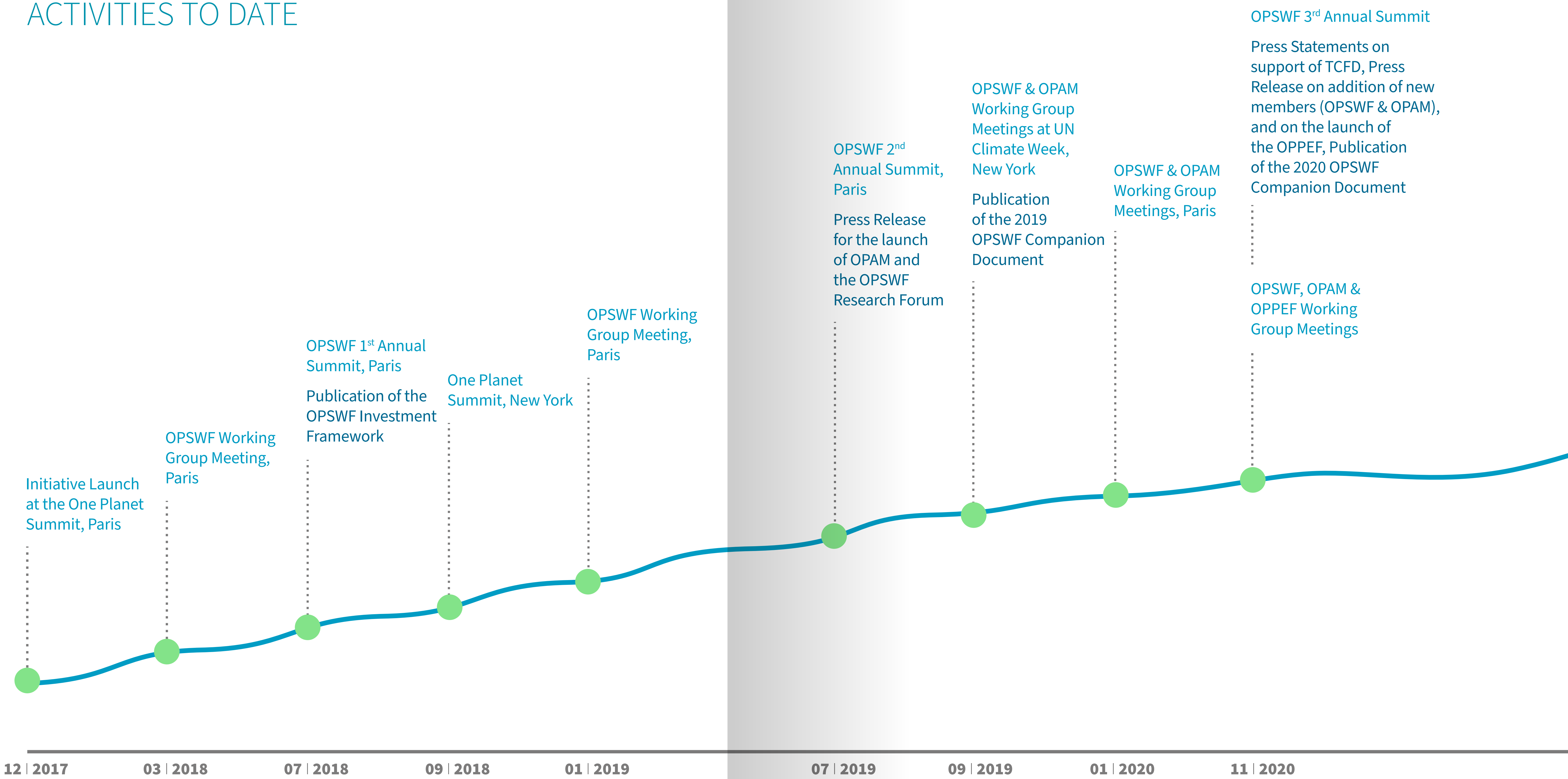
To better account for these climate-related risks and opportunities, the One Planet Sovereign Wealth Funds (OPSWF) initiative was established at the inaugural One Planet Summit on the 12th December 2017 in Paris, championed by President Emmanuel Macron of France.

The six founding OPSWF members launched a unique framework in July 2018 to support the alignment of large, long-term and diversified asset pools with the goals of the Paris Agreement. Following the drafting of the Framework, members committed to continue to work together to develop and share best practices relating to the implementation of the Framework principles. The One Planet Asset Managers (OPAM), the One Planet Private Equity Funds (OPPEF) initiatives and the One Planet Research Forum have also been established to accelerate efforts in supporting the implementation of the Framework, and to support the transition towards more sustainable financial markets.

"As our focus shifts to recovery it's clear that a path of sustainability is truly a path worth pursuing… While COVID-19 has created great hardship and suffering around the world, recovery gives us an opportunity to hit the reset button".

His Excellency Mr. Yassir Al-Rumayyan,
Governor of the Public Investment Fund (PIF) ,
in a speech at the Future Investment Initiative (FII) conference in June 2020.

TIMELINE OF OPSWF ACTIVITIES TO DATE



THE OPSWF FRAMEWORK: OVERVIEW AND PRIORITIES

On the 6th July 2018, the six OPSWF founding members published a voluntary framework ('the Framework') outlining principles for SWFs to systematically integrate climate change into their decision-making and how they can collectively support ambitious global climate action.

This 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

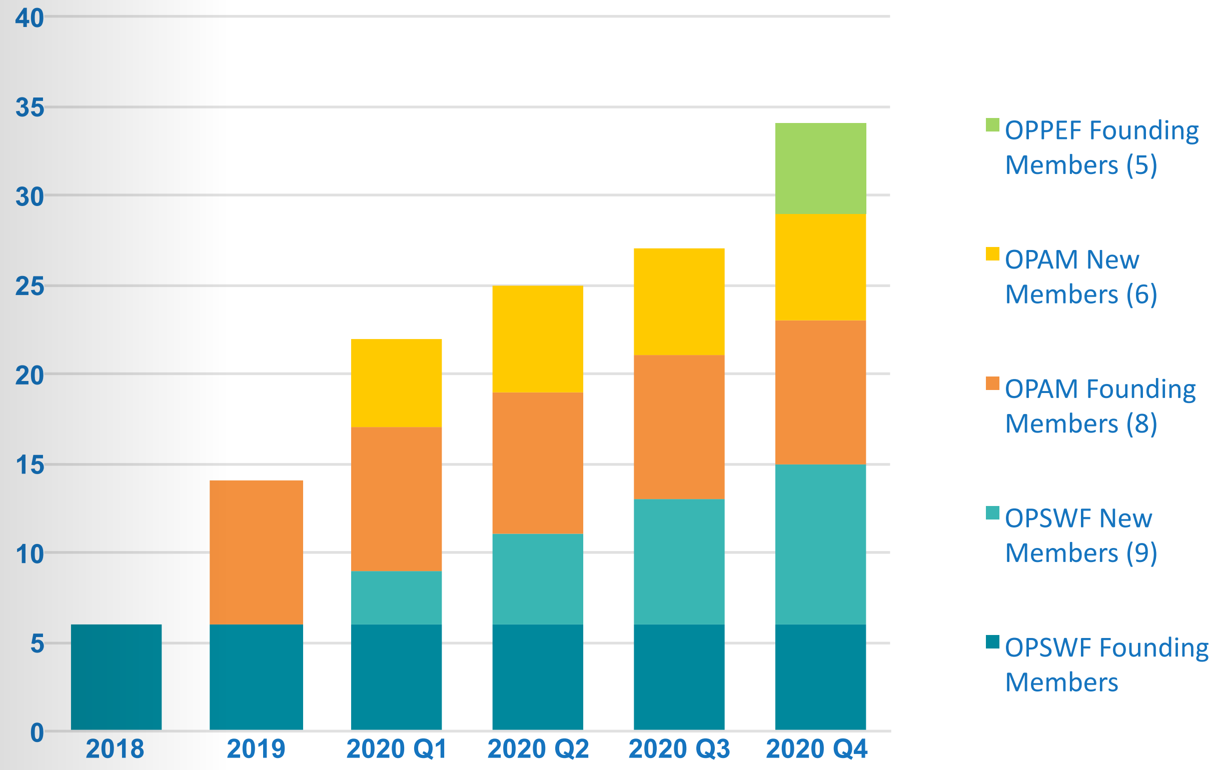
Integrate the consideration of climate change-related risks and opportunities into investment management to improve the resilience of long-term investment portfolios.

This represented the first strategic framework for SWFs on the topic of climate change, and remains a seminal document that underpins the ambition and action of the OPSWF members and the priorities of the initiative going forward. It builds on best practices of the international financial community, and simplifies the complexities of climate change to present a compelling action-oriented framework for SWFs to protect long-run returns and contribute to the smooth transition towards a net zero economy.

The Framework has been developed to accommodate countries at different levels of economic development. It is implemented subject to domestic provisions, legal and regulatory requirements, and the SWFs' specific mandates.

During the 2019 Annual Summit hosted by President Macron in Paris, CEOs of the member organisations identified key priorities for the year ahead that would further drive alignment with the goals and principles of the Framework. These included outreach to new SWFs to increase adoption of the Framework globally, continuing to drive best practice adoption through peer exchange, contributing to international efforts to improve climate-related financial disclosures, and developing the necessary knowledge and tools to increase investment flows to low carbon solutions. Significant progress has been made against each of these goals in the last year.

EXPANDING THE NETWORK



Network Evolution of Public Supporters of the OPSWF Framework 2018 to 2020

Rapid expansion of the OPSWF network has occurred in the past year, with the number of financial institutions supporting the goals and principles of the OPSWF Framework growing from 14 institutions (six SWFs and eight asset managers) at the 2nd Annual Summit in 2019 to 33 institutions by the 3rd Annual Summit in 2020. The OPSWF Working Groups now includes: 14 OPSWF members, 14 OPAM members and five OPPEF members.

This expansion is a result of concerted outreach efforts by the founding members of the initiative, 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 within the finance industry.

GLOBAL NETWORK OF OPSWF FRAMEWORK SUPPORTERS

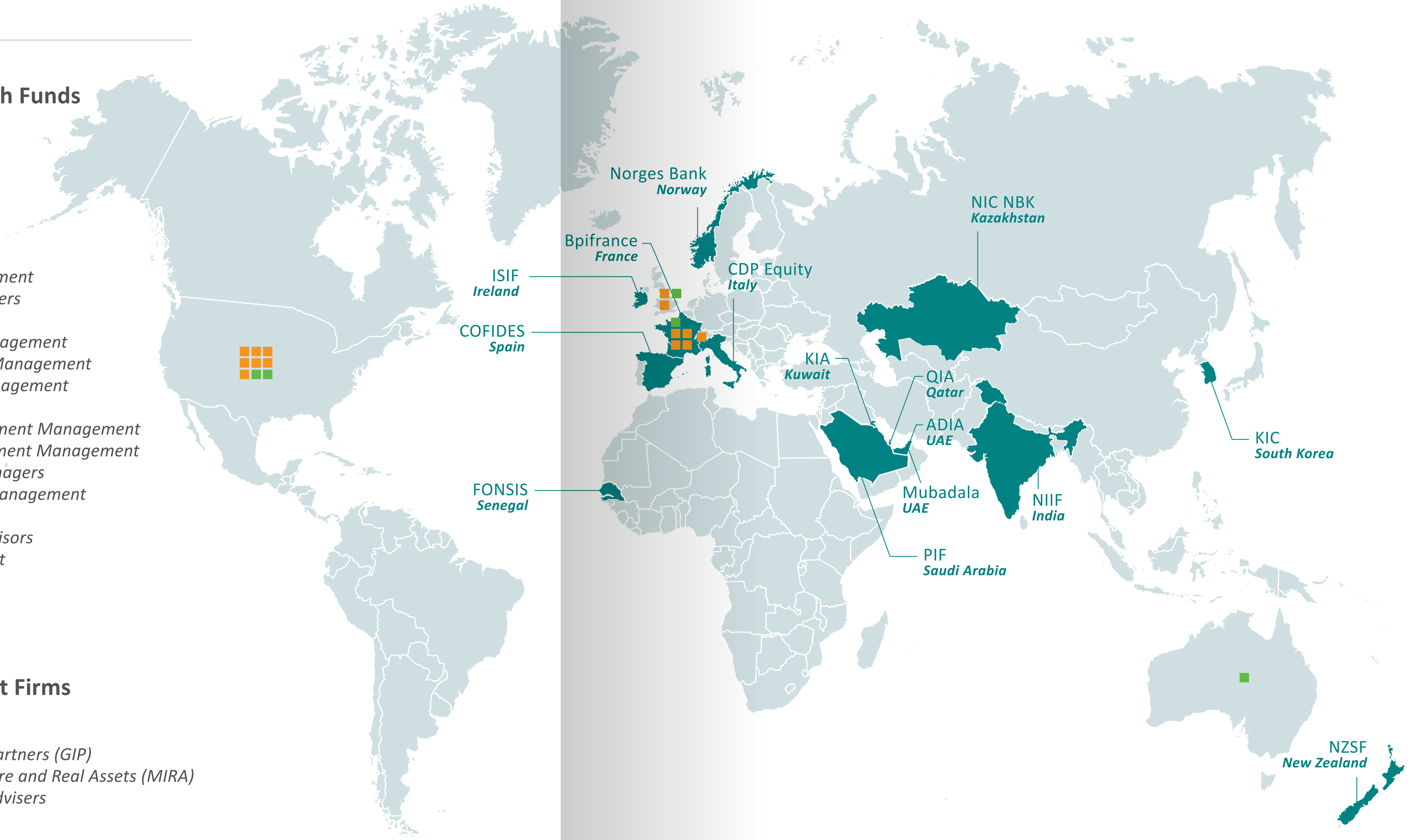
Sovereign Wealth Funds

Asset Managers

- Amundi Asset Management
- Axa Investment Managers
- BlackRock
- BNP Paribas Asset Management
- Goldman Sachs Asset Management
- HSBC Global 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

- The Carlyle Group
- Ardian
- Global Infrastructure Partners (GIP)
- Macquarie Infrastructure and Real Assets (MIRA)
- SoftBank Investment Advisers



SOVEREIGN WEALTH FUNDS

NEW SWF MEMBERSHIP

The founding OPSWF members are pleased to welcome nine new SWFs to the initiative in 2020. Each of these Funds has endorsed the OPSWF Framework and will join the OPSWF Working Group. These new sovereign wealth fund members are:

- Bpifrance, France
- CDP Equity, Italy
- Compañía Española de Financiación del Desarrollo (COFIDES), S.A., S.M.E, Spain
- Fonds Souverain d'Investissements Stratégiques (FONSIS), Senegal
- Ireland Strategic Investment Fund (ISIF), Ireland
- Korea Investment Corporation (KIC), Republic of Korea
- Mubadala Investment Company, Abu Dhabi, United Arab Emirates
- National Investment and Infrastructure Fund (NIIF), India
- National Investment Corporation of the National Bank of Kazakhstan (NIC NBK), Kazakhstan

The addition of these new members represents a significant milestone in the history of the initiative, expanding both the assets under management and the geographic footprint of the OPSWF initiative.

The enthusiasm of new members to actively participate in the initiative further emphasises the growing awareness of the climate risks and opportunities within the SWF community globally, and demonstrates the Framework's ability to simplify and amplify climate awareness and action among this important group of asset owners. OPSWF continues to partner with the International Forum for Sovereign Wealth Funds (IFSWF) to drive further dialogue and collaboration in this community.

Each Fund is at a different stage of alignment with climate goals, and will bring their own set of experiences, practices and perspectives to the group, contributing to the collective knowledge and capacity of the initiative. The OPSWF initiative will both learn from them and support them as they continue in their journey towards the implementation of the OPSWF Framework and alignment with the goals of the Paris Agreement.

ONE PLANET SUMMIT

ASSET MANAGERS INITIATIVE

NEW ASSET MANAGER MEMBERSHIP

The One Planet Asset Managers (OPAM) initiative has also attracted additional members in the past year. The new members are:

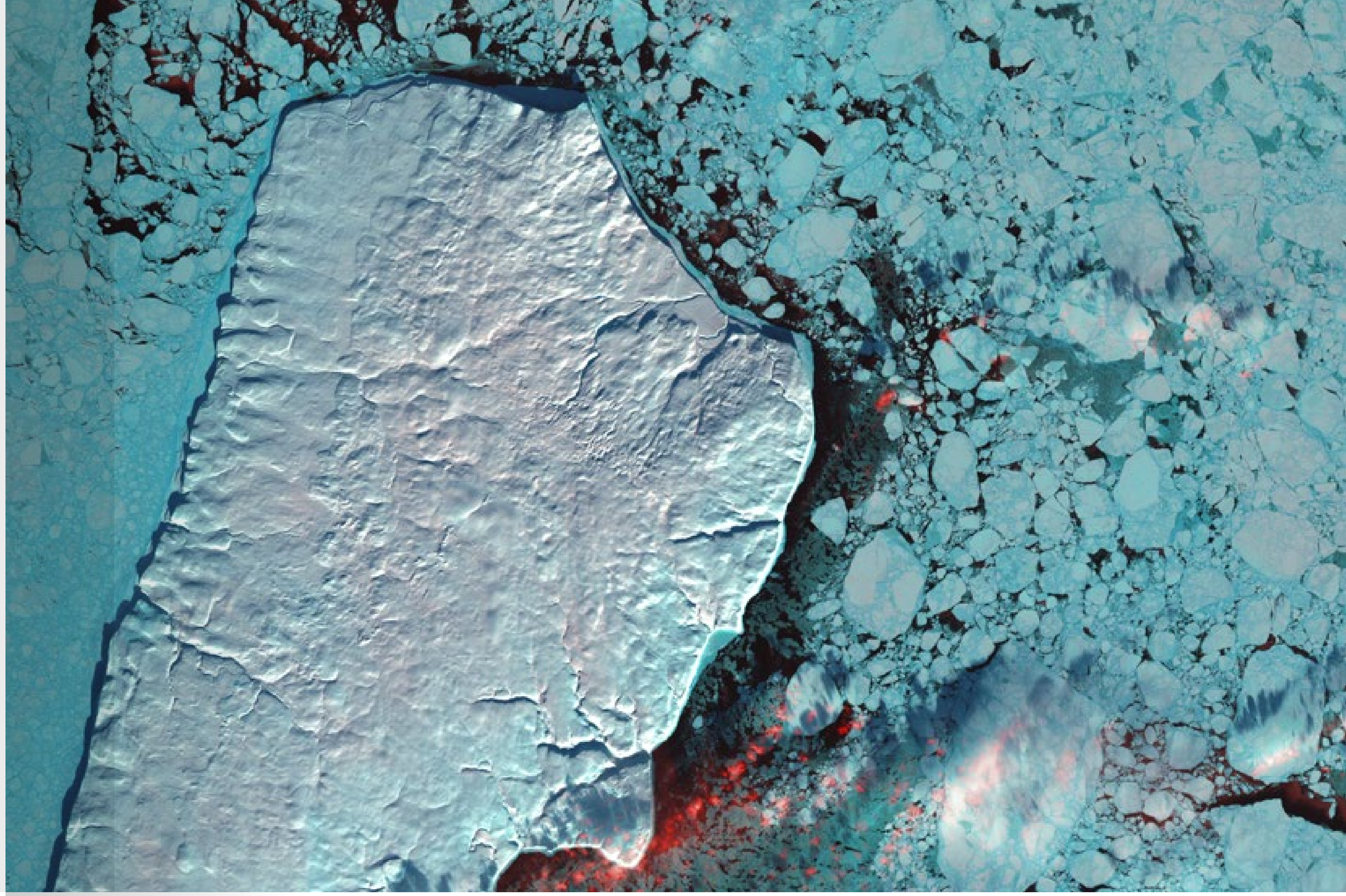
- AXA Investment Managers
- Invesco
- Legal & General Investment Management
- Morgan Stanley Investment Management
- PIMCO
- UBS Asset Management

These firms join the founding members of the OPAM group in committing to collaborate within the OPSWF Framework and to engage with SWF clients and other key actors to further the objectives of the OPSWF initiative.

Through the addition of these new members, more than a third of global assets under management within the asset management industry are now collaborating to advance the understanding and integration of the implications of climate-related risks and opportunities within long-term investment portfolios through this initiative.

ONE PLANET SUMMIT

PRIVATE EQUITY FUNDS



LAUNCH OF THE ONE PLANET PRIVATE EQUITY FUNDS (OPPEF) INITIATIVE

This year, five global private equity and investment firms founded the One Planet Private Equity Funds (OPPEF) initiative to support the members of OPSWF in their implementation of the Framework. The founding members of OPPEF are:

- Ardian
- The Carlyle Group
- Global Infrastructure Partners
- Macquarie Infrastructure and Real Assets (MIRA)
- SoftBank Investment Advisers

The OPPEF members, with US$ 1.436 tr AUM, commit to collaborate actively within the OPSWF Framework, to share information and work products with OPAM members, and to engage with other key actors, including standard setters, regulators and the broader private equity industry to further the objectives set out in the OPSWF Framework.

The OPPEF members will apply their technical leadership and commitment to guide the work of the group on a range of sectors namely:

- Energy transition and renewable energy
- Technology and Innovation
- Utilities, real estate, transport and infrastructure

OPPEF members will also participate in projects led by the OPSWF and OPAM working groups on a voluntary basis, to support the common goal to accelerate the understanding and integration of the implications of climate-related risks and opportunities within long-term investment portfolios. OPPEF will bring their private equity expertise to the group, through sharing of investment experience and relevant research.

EXAMPLES OF SWF ALIGNMENT WITH THE OPSWF FRAMEWORK - 2019 TO 2020

PRINCIPLE 1 **ALIGNMENT**

Carbon Neutral
NZSF and COFIDES have carbon neutral operations

80% **Fossil Fuel Reserve Reduction by 2025**
NZSF doubled its portfolio climate targets in 2020

Zero Coal
QIA announced plans for no new coal investments

15%
CDP Equity's Business Plan includes a 15% target of new resources dedicated to Energy Transition and Climate Change

224 **Companies**
ISIF is subject to the Fossil Fuel Divestment Act 2018 and maintains a list of 224 companies involved in Fossil Fuel exploration, extraction and refinement in which it will not invest

PRINCIPLE 2 **OWNERSHIP**

3 **Giga Projects**
PIF has integrated the OPSWF Framework into engagement with national Giga projects

135 **Asset Managers**
KIA aligned asset manager agreements to the OPSWF Framework

TCFD
KIA engaged with companies and asset managers on aligning climate related reporting with TCFD. NZSF produced a TCFD-aligned report

PRINCIPLE 3 **INTEGRATION**

€6 **Billion**
Bpifrance's Low Carbon Covid-19 Recovery Plan

236,000 **m²**
KIC has invested in green buildings with an area of 236,000m²

1100 **MW**
NIIF's renewable platform Ayana has 1100MW capacity in India

€2.8 **Billion**
CDP Group investments in 2019 for Energy Transition and Climate Change

$1 **Billion**
PIF investments in electric vehicles company Lucid Motors.

+20 **GW**
ADIA is a shareholder in more than 20 GW of renewable energy projects

832 **MW**
COFIDES funded record renewable energy in 2019

€350 **Million**
ISIF investments in the renewable energy and forestry space in Ireland

42% **Net Zero Infrastructure**
42% of QIA's infrastructure power generation assets are net zero

27% **Clean Energy**
Over a quarter of FONSIS' portfolio is in clean energy

423,247 **MWh**
KIC investments produced 423,247 MWh of renewable energy annually

1 **Million**
Mubadala's UK wind investments can power a million homes

30+ **Countries**
Mubadala has renewable energy projects around the globe

SWF ALIGNMENT WITH THE OPSWF FRAMEWORK

The core function of the OPSWF initiative is to support SWF members in the implementation of the Framework and the alignment of portfolios with climate risks and opportunities. This is done in a number of ways:

- Peer exchange to foster a shared understanding of key principles, methodologies and indicators related to climate change
- Collaborative projects to support the financial system in identifying and disclosing climate-related risks and opportunities in their investments
- Development of enhanced investment decision-making frameworks to better inform SWF priorities as investors and participants in financial markets

The results have been visible over the past year, with individual Funds scaling up their efforts to integrate climate change into their investment processes and institutional practices. Progress has been made across the three principles of the Framework. Each Fund is on a unique journey, with different baselines, capacities and mandates – yet all have stories to tell of how they are implementing the Framework.

"**Climate change is not a fad. It is here. It is real. And it is happening now.** Climate change is a reality that we can no longer ignore. All of us share the same planet. We share the responsibility to protect it for our future generations. **President Macron of France aptly stated: "there is no Planet B".** The longer it takes humanity to curb emissions, the greater the dangers… KIA has been **an advocate for climate change through adoption of the One Planet Sovereign Wealth Fund Framework**"

Mr. Farouk A Bastaki,
the Managing Director and Chairman of the Executive Committee of the Board of Directors of the Kuwait Investment Authority, in a speech to the Arab Bankers Association of North America, October 2019.

Principle 1: Alignment

Members of OPSWF initiatives have developed and enhanced investment policies and processes to identify and manage financial risks and investment opportunities relating to climate change, where appropriate within the scope of domestic laws and regulations, investment mandates and the One Planet Framework.

- **CDP Equity's** Business Plan 2019-2021 includes the **target of up to 15%** of new mobilized resources dedicated to Energy Transition & Climate Change.

- **Ireland Strategic Investment Fund (ISIF)** is subject to the **Fossil Fuel Divestment Act 2018** and maintains a list of 224 companies that derive more than 20% of their revenues from the exploration, extraction and/or refinement of fossil fuels in which it will not invest.

- **The National Treasury Management Agency (NTMA)**, which manages the **Ireland Strategic Investment Fund (ISIF)**, launched a **Climate Strategy in 2020**, emphasising the importance of climate considerations in all aspects of its business.

- **COFIDES´** corporate strategy contains several **sustainability targets**. These are linked to the variable component of COFIDES employees' wages.

- **FONSIS Senegal** has initiated the process of **updating its policies and process to adopt OPSWF guidelines** through a dedicated team working on disclosure and ESG policies. In addition, FONSIS is working towards the **Green Climate Fund accreditation**, reviewing its investment processes and adapting them to the GCF principles. The accreditation will further help the Fund respond to climate change by investing in low-emission and climate-resilient initiatives.

- **National Investment Corporation of the National Bank of Kazakhstan** is integrating adherence to environmental, social and governance (ESG) standards as one of the significant criteria in its assessment and decision-making, including in its **investment manager selection** rules guiding investment mandates for private equity, real estate and hedge funds.

- **New Zealand Superannuation Fund** is overhauling its 10-year old responsible investment (RI) strategy to stay on track with global best practice. It has launched a project, **'Resetting the Responsible Investment Compass',** to assess whether its current strategy is future-proofed given ongoing global and domestic developments.

- **New Zealand Superannuation Fund** published a **TCFD-compliant report** on their climate-related portfolio risk in October 2020. OPSWF membership was mentioned as part of its 'Strategy', emphasizing the opportunity to collaborate with other SWFs to understand, innovate and disseminate best practice.

- **Qatar Investment Authority's** Chief Executive Officer Mansoor bin Ebrahim Al Mahmoud gave a prominent participation at Davos earlier this year focusing on climate change. In the conference he announced **that the Fund would cease investment in coal, and that it would not expand holdings of oil and gas**.

• Funds are also moving towards carbon neutral operations, with both New Zealand Superannuation Fund and COFIDES announcing that they were carbon neutral this year based on efforts to reduce carbon footprints and offset remaining emissions.

Principle 2: Ownership

Investors have ownership rights and responsibilities to encourage companies to address material climate change issues in their governance, business strategy and planning, risk management and public reporting to promote value creation. Over the past year, members have continued and enhanced their engagement with investee companies and asset managers.

Engagement with listed equity companies

• Bpifrance is enhancing its support for companies addressing material climate change issues. Through an active yet constructive and patient approach in its Lac1 fund (€10 billion by 2022), Bpifrance will set up tailored engagement roadmaps on climate and other key ESG issues to enhance companies' governance and improve how it manages and discloses ESG performance.

• Ireland Strategic Investment Fund has climate at the front and centre of its engagement programme across its global portfolio. ISIF is a supporter of Climate Action 100+ initiative and signatory to CDP, actively encouraging appropriate disclosures and meaningful climate strategies from its investees.

• Kuwait Investment Authority continues to engage companies on its climate commitments. This has included direct engagement with several large global and European industrials on their efforts to develop climate-friendly products, and asking the companies KIA invests in directly to seek out a favourable MSCI environmental rating score. KIA has also engaged with its asset managers and companies to encourage the adoption of TCFD recommendations in their climate reporting.

• New Zealand Superannuation Fund continues to engage their companies on climate change, and are members of the ClimateAction100+ initiative, which was also launched at the One Planet Summit in 2017. More than 500 investors with more than $47 trillion in assets under management have signed on to the initiative to collaboratively engage with the world's largest emitting companies.

Engagement with private equity companies

• Bpifrance aims to include environmental concerns all along the investment process in its private equity and venture capital investments. A "Bpifrance climate kit" recommending relevant climate providers, broadcasting climate diagnostics, providing training and consulting modules and sharing best practices with the investment teams, is being designed to raise GPs' awareness towards the importance of pushing the environmental and energy transitions.

• The Public Investment Fund (PIF) has integrated the Framework into their investment decisions and engagement strategies. This includes using the Framework as a tool for enhanced climate-related engagement with its 'Giga projects' which are large, strategic investments in the Kingdom.

Engagement with asset managers

• Kuwait Investment Authority has engaged with all of their asset managers on climate change and asked them to align with the OPSWF Framework. More than 135 asset managers are now required to monitor and report their implementation of the OPSWF Framework, with the Framework integrated into investment management agreements.

Principle 3: Integration

Members are increasingly integrating the consideration of climate change-related risks and opportunities into investment decisions to improve the resilience of long-term investment portfolios. Taking action to address climate change can support investment objectives, with the economic and financial impacts of climate change already affecting markets and regions in complex and varied ways.

Climate risk valuation and assessment

• Bpifrance is currently developing KPIs to assess the carbon footprint, the climate exposure and the climate change-related risks associated with its portfolio, given the companies' transition trajectories and their sectors of activity. Data collection will allow Bpifrance to measure the economic and financial impacts of the climate-related risks to anticipate the ever-evolving regulation on that topic and monitor successfully the transition to a low carbon economy.

• Ireland Strategic Investment Fund uses a suite of carbon analytic tools across its portfolio. The purpose is to better understand climate risk and to reduce that risk exposure over time

▹ Over 2020, ISIF has integrated a Weighted Average Carbon Intensity (WACI) assessment across its Irish portfolio. All potential transactions are assessed relative to their potential impact on this metric.

▹ In 2020 ISIF conducted its first scenario analysis across its global portfolio to better assess alignment with the Paris Agreement.

Sustainable finance products and innovation

• Abu Dhabi Investment Authority has initiated a Climate Change equity portfolio in 2020:

▹ This is based on an internally developed framework that systematically integrates the risks and opportunities associated with the transition to a low carbon economy.

▹ The portfolio construction significantly reduces carbon footprint, incorporates more forward-looking measures of transition risks, and increases exposure to the green economy.

▹ ADIA monitors the performance of the portfolio in the context of market and climate related developments, as part of its ongoing evaluation of climate change implications.

• **Bpifrance** will invest **€300 million in green finance** directly to boost innovation, leveraging private investment and thus triggering expected cash flows worth **€1.5 billion.** Overall, through all its investment vehicles, Bpifrance will deploy **€2.5 billion** to build a sustainable and resilient tech ecosystem that is key to the environmental and energy transitions.

• **Qatar Investment Authority's** investments have been at the forefront of sustainable finance innovation: for example, QIA is a minority owner of Cadent Gas, a UK-based gas distributor which in March 2020 issued the **UK's first Transition Bond.** A key feature of the bond was to raise capital to support Cadent's strategy to reach net zero by 2050. This strategy is focused on retrofitting Cadent's distribution network to carry hydrogen and reduce leakage.

Low-carbon infrastructure and transport

• **Korea Investment Corporation** invests in a **green building area of 236,000m²** and achieved savings **of 629 MWh of energy via a green building energy saving system.**

• **India's National Investment and Infrastructure Fund (NIIF)** and Energy Efficiency Services Limited (EESL) have jointly established, IntelliSmart Infrastructure Private Limited ("IntelliSmart") for the **deployment of smart meters** in the power distribution sector. Smart meters will lay the foundation for smart grids which will be crucial to meet challenges of the evolving energy mix and the Government of India's target of providing uninterrupted 24×7 power supply to every Indian. India plans to replace 250 million conventional meters with smart meters with a view to bring in energy efficiency to the entire power value chain.

A large scale smart metering deployment would:
▷ Improve the billing efficiency thereby improving the financial health of power distribution companies
▷ Empower end customers with consumption data thereby enabling them to lower their energy bills
▷ Provide the ability to conduct power quality analysis in near-real time such as power factor, maximum demand, voltage etc. adding to efficiency gains
▷ Enable remote monitoring which would aid in reducing the carbon footprint via effective peak load management, reduced patrolling for meter reading, disconnection / reconnection, outage detection, etc.

• **Ireland Strategic Investment Fund's Climate Strategy** is to make investments that help position Ireland for the net zero carbon economy ("Net Zero") envisaged under the national Climate Action Plan. The Climate Strategy encompasses investments ranging from sustainable infrastructure to new technologies and business models that will underpin the transition to Net Zero across each segment of the economy that is heavily reliant on energy and carbon: electricity, transport, buildings, agriculture, and wider enterprise.

• **Mubadala Investment Company** has invested in the **future of autonomous transport** by joining several others in a consortium to make a $2.25 billion investment in Waymo, the self-driving technology company owned by Alphabet, the parent company of Google. It believes that **autonomous technologies will revolutionize mobility and transportation** over the next decade.

• **The Public Investment Fund (PIF)** has invested in **electric vehicles, with PIF investing $1 billion** for a majority share in California-based Lucid Motors.

• **Qatar Investment Authority's** CEO Mr. Al Mahmoud said the QIA will address climate resilience in its infrastructure investment. **As of January 2020, 42% of QIA's infrastructure power generation assets are zero-emissions.** QIA has invested in many iconic sustainable building projects, including the Empire State Building. Energy efficiency retrofits of the Empire State financed by QIA have cut energy use by 38%, leading to $4.4 million of annual energy cost savings.

Renewable energy and energy transition investments

• Building on the momentum of the past few years, the **Abu Dhabi Investment Authority** has in 2020 further strengthened its **commitment to renewable energy and is currently a shareholder in more than 20 GW of renewable energy projects:**

▷ ADIA targets long term contracted assets in well understood and stable power markets around the world.
▷ ADIA focuses particularly on established and commercially innovative technologies such as **wind, solar, hydro, biomass, energy from waste and battery storage.**
▷ ADIA typically invests in **utility scale projects** with strong credit counterparties, and looks for best in class management teams capable of innovation and development of new opportunities, underpinned by a stable base of operating assets.
▷ In 2020 alone:
- ADIA developed a US joint venture with Capital Dynamics **in one of the largest portfolios of utility-scale renewable energy projects** in Western USA, with an installed capacity of 2.6 GW and a $ 800 million + pipeline of contracted and under-construction assets. Also in the US, ADIA co-invested in Great River Hydro, which owns and operates five hydroelectric projects across Massachusetts, Vermont, and New Hampshire, and is the largest conventional hydro system in New England.

- Meanwhile in the UK, **ADIA** was a cornerstone investor in a renewable energy fund that operates a portfolio of equity stakes in **six operational offshore wind farm assets** across the UK, which continue to make significant contributions to the decarbonisation agenda in the UK. The future estimated average annual green impact of the portfolio is the equivalent to **powering 1.1 million homes each year or taking 630,000 cars off the road** for the remaining life of the projects.
- These are just some of the developed market projects this year, which complement ADIA's emerging market investments such as Greenko and ReNew Power in India.

• For **CDP Equity**, providing active support to the Italian energy transition is a fundamental pillar of the 2019-2021 business plan. CDP Equity business plan envisages a direct intervention of the Group via equity via the creation of specific Joint Ventures to address specific themes of the energy transition: **renewable energy, energy efficiency and circular economy.** It is working with its Partners to ensure its support for the Country to reach the ambitious targets set by the Italian Strategic Energy and Climate Plan. In 2019, the **CDP Group mobilized €2.8 billion for Energy Transition & Climate Change.**

• **COFIDES** is a member of a project called **"renewAfrica initiative".** This is a European initiative promoted by the RES4Africa Foundation aimed at promoting European private investment in renewable energy in Africa through collaboration between the public and private sectors, thus promoting the sustainable development of the continent and ensuring access to energy for all. **In 2019, COFIDES funded renewable energy projects totaling 832 MW, an all-time record,** and higher than the sum of what was formalized in the previous seven years.

• **27% of FONSIS' portfolio includes clean energy projects**, including four solar power plants. The combined capacity of these projects adds 120 MW of solar energy into the local grid and translates into **> 314 tons of greenhouse gases emissions avoided per year and > 900k households to use green energy per year.**

• **India's National Investment and Infrastructure Fund's Master Fund** through its renewable energy platform (AYANA) is investing in the clean-energy sector. **Ayana Renewable Energy** was launched to develop utility scale solar and wind generation projects across growth states in India. With a management team that has a track record of successful execution of renewable energy projects, Ayana is well placed to play an important role in India's ambition to build 175 GW of renewable energy capacity. Ayana India is currently implementing four utility scale solar PV projects won under solar auctions, having an **aggregate capacity of 1,100 MW**, with ambitions to further scale up generation capacity.

• **India's National Investment and Infrastructure Fund** has signed a **Memorandum of Understanding (MoU) with India's largest power generation company, NTPC,** in July 2020 to explore opportunities for investments in India in areas of renewable energy, power distribution among others. Through this MoU, NTPC and NIIF are collaborating to help further India's vision of building sustainable and robust energy infrastructure in the country. This partnership aims to bring together NTPC's technical expertise and NIIF's ability to raise capital and bring in global best practices by leveraging its existing relationships with leading players. NTPC targets to have nearly 30 GW of its overall power generation capacity from renewable energy sources by 2032.

• **Ireland Strategic Investment Fund** has, to date, committed over **€350 million to projects in Ireland in the renewable energy and forestry space.** Sample investments include:
▹ £30 million investment in Gore Street Energy Storage Fund plc, resulting in the world's first listed energy storage company investing in Ireland
▹ €76 million cornerstone investment in Greencoat Renewables plc, underpinning the establishment of Ireland's first renewable infrastructure company
▹ €50 million cornerstone investment in Temporis Aurora LP, Ireland's first dedicated renewable energy development fund aiming to create more than 1000MW of new renewable energy assets by 2030
▹ Equity investment in UrbanVolt, pioneering the 'Lighting-As-A-Service' business model with industrial / commercial clients

• **Korea Investment Corporation** investments produced **423,247 MWh of renewable energy** annually, and account for **GHG emission reductions of 279,204 MT CO_2e.**

• **Mubadala Investment Company** through its wholly-owned company Masdar, is one of the **largest developers of renewable energy projects in the Middle East**. It is a leading developer and operator of utility-scale and off-grid renewable energy projects, which are **helping to expand energy access in emerging markets and reduce reliance on fossil fuels for electricity generation:**
▹ Active in 30+ countries
▹ The electricity generating capacity of its projects, which are either fully operational or under development, is more than 10GW gross
▹ Together, these projects displace over 16 million metric tonnes of carbon dioxide per year
▹ A major developer and investor in onshore and offshore wind farms, which include London Array and the Dudgeon Offshore Wind Farm in the United Kingdom, and is a partner in the world's first floating offshore wind farm, Hywind Scotland, which became operational in October 2017.
▹ Its onshore wind farms include the first large-scale renewable energy project in the Seychelles, the 6MW Port Victoria Wind Farm; the first commercial utility-scale wind power project in the Middle East, the 117MW Tafilah Wind Farm in Jordan; the largest utility-scale commercial wind project in Serbia and the Western Balkans, the 158MW Cibuk 1 Wind Farm; and the first large-scale wind farm in the Gulf Cooperation Council (GCC) region, the 50MW Dhofar Wind Project in Oman.
▹ It has implemented advanced technologies to enhance the performance and efficiency of solar PV plants such as the first 200MW stage of Phase 3 of the MBR Solar Park is one of the largest solar power projects in the world.
▹ The 20MW Gemasolar plant in Spain was the world's first utility-scale solar power plant to combine a central tower receiver system and molten salt storage technology, enabling power generation 24 hours a day.

• **New Zealand Superannuation Fund** has helped launch the **'Galileo Green Energy' investment platform** to develop, build, and operate wind and solar photovoltaic power plants, as well as energy storage products, in European markets including France, Ireland, Italy, Spain, Germany, and the United Kingdom.

• **The Public Investment Fund (PIF)** has invested in a number of renewable and clean technology projects and companies. Examples include its investment in the leading innovator of the energy sector ACWA Power, where the PIF increased its share from 25% to 33.36%. ACWA Power have also signed an agreement with NEOM and Air Products to develop a $6 billion plant in NEOM powered by renewable energy for production and export of green hydrogen to global markets this July. Another example is the Red Sea Development Company announcing that it awarded its highest-value contract to date to a consortium led by ACWA Power to design, build, operate and transfer The Red Sea Project's utilities infrastructure. This looks to achieve the aims of having the Red Sea Project run on 100% renewable energy.

BPIFRANCE – IMPLEMENTING FRANCE'S GREEN COVID-19 RECOVERY:

As part of the European effort to mitigate the economic and financial effects of Covid-19, France has unveiled a historic €100 billion stimulus package to reboot its economy, the aim being to revive growth in a sustainable way.

To contribute to the decarbonization of the French economy, Bpifrance has launched a climate plan structured around three main pillars:
1/ Accelerating the environmental transition of corporations through a tailored offer of financial solutions and business services to help them reach carbon neutrality
2/ Enlarging the access to renewable energy by enabling its development
3/ Massively financing and investing in green technologies to see technical solutions emerging

Bpifrance will deploy €6 billion to accelerate this transition to a low carbon economy by 2023. Considering its unique relationship with the private sector, Bpifrance action will be decisive in the involvement of corporates in the environmental and energy transitions. This major step towards a more sustainable development model is a major opportunity for the French economy in terms of value and jobs generated.

EXAMPLES OF ASSET MANAGER ALIGNMENT WITH THE OPSWF FRAMEWORK - 2019 TO 2020

PRINCIPLE 1 **ALIGNMENT**

1.5°C
L&G Group has pledged to align its business (and balance sheet) with the 1.5°C target of the Paris Agreement

31%
Reduction of Greenhouse gas emissions by SSGA

60%
PIMCO has reduced carbon intensity by at least 60% in its ESG and environment funds vs the market index

Net Zero
Morgan Stanley has committed to net zero financed emissions by 2050

71%
UBS reduced the firm's GHG footprint by 71% by 2019 compared with 2004 levels

PRINCIPLE 2 **OWNERSHIP**

1000
LGIM published climate ratings for 1000 large companies under its Climate Impact Pledge engagement programme

79%
NTAM supported 79% of climate and lobbying related shareholder resolutions in 2020

$1 Trillion
Natixis IM and its 23 affiliates support the TCFD as the industry reporting standard

10
HSBC GAM voted against the re-election of 10 corporate Chairs who failed to disclose carbon emissions and climate risk governance

100,000
Invesco voted on more than 100,000 shareholder resolutions related to climate change in 2019

175
In 2019, PIMCO engaged with 175 securities issuers on ESG

85%
Amundi voted in favour of 85% of climate-critical resolutions (first semester 2020)

>90%
BNPP AM supported >90% of climate related shareholder resolutions and received majority support for a resolution it filed addressing corporate lobbying at Chevron

PRINCIPLE 3 **INTEGRATION**

€20 Billion
AXA IM has €20 Billion of green investments, as of end Q3 2020

$80 Billion
BlackRock AUM in solutions that support the energy transition

84%
MSIM has undertaken scenario analysis on 84% of its total AUM

€345 Billion
Amundi AUM in responsible investment (Sept 2020)

€550 Billion
75% of AXA IM's total assets are ESG-integrated, sustainable and impact assets, corresponding to more than €550bn

$50 Billion
GSAM introduced forward-looking climate transition framework into flagship active quantitative equity strategies

€12.5 Billion
Natixis Investment Managers (Mirova) use the SDGs as an investment framework for c. €12.5 billion in assets

$151 Billion
BlackRock AUM in dedicated sustainable strategies

130
BNPP AM integrates ESG across its range of investment strategies, supported by 25 experts in its Sustainability Centre and 130 ESG champions across the business

91
SSGA has launched an R-Factor score of corporate ESG performance using SASB materiality mapping across 91 ESG metrics, covering 6000+ companies

$1 Billion
HSBC GAM and Pollination Group partnered to launch a $1bn natural capital manager to mainstream natural capital investments

$106.6 Billion
NTAM AUM in dedicated Sustainable strategies

$78 Billion
UBS AM more than doubled its sustainability focused assets to $78bn during the first 9 months of 2020

ASSET MANAGER ALIGNMENT WITH THE OPSWF FRAMEWORK

The One Planet Asset Managers Initiative was launched at the 2nd Annual Summit at the Élysée Palace, Paris, on July 10th, 2019. Since then, the eight founding members have been joined by six additional asset management firms to support the alignment of large asset pools with the goals of the Paris Agreement. In particular, they have: supported their SWF clients in the implementation of the OPSWF Framework, engaged in peer exchange, participated in outreach to the wider investment community, and collaborated on projects to shift markets towards a more sustainable financial system. Each fund has also undertaken efforts to scale up its internal capacity, products and services that can align with the OPSWF Framework Principles.

Below, we highlight some of these efforts.

Principle 1: Alignment

Members of OPAM have developed and enhanced investment policies and processes to align with the goals of the OPSWF Framework and the Paris Agreement. These vary in their institutional and environmental scope but will ultimately support the transition towards a low carbon future for the firms and their clients.

- **BNP Paribas Asset Management** has committed to **aligning its portfolios with the Paris Agreement** and has implemented since 2020 a significantly **tighter exclusion policy** on companies engaged in (i) the mining of thermal coal and (ii) the generation of electricity from coal. In particular, BNPP AM excludes power generators with a carbon intensity above the sector global average as determined by the IEA in their Paris-compliant scenario, the IEA SDS. Companies engaged in power generation will be further required to reduce their carbon intensity over 2020-2025 at a rate consistent with the scenario. Those that do not keep pace with this trajectory will be excluded. BNPP AM is continually **expanding its range of low-carbon and sustainability themed investment funds to accelerate the transition:** BNPP AM's 'Sustainable +' range of funds represents >16% of total AUM, making BNPP AM the largest sustainability themed asset manager in Europe.

- Legal & General Group, the parent company of **Legal & General Investment Management**, has pledged to **align its business (and balance sheet) with the 1.5°C target of the Paris**

Agreement. To do this it will use LGIM's scale as the UK's largest asset manager to push for sustainable markets, through engagements with policy-makers and companies.

- **Morgan Stanley** has committed to **net zero financed emissions by 2050.**

- As of December 31, 2019, Northern Trust, the parent company of **Northern Trust Asset Management**, has **reduced carbon emissions** (per full time employee) by approximately 32.35% since 2015 after exceeding the initial goal of a 25% reduction.

- As of October 31, 2020, **PIMCO** has reduced carbon intensity by at least 60% in its ESG and environment funds vs the market index.

- **State Street Global Advisors** announced this year that it will become carbon neutral as of the end of 2020 and will continue to reduce its absolute carbon emissions on the journey toward net zero. That means reducing its carbon emissions on an absolute basis over the next 10 years, in alignment with the SBTi around the "well below 2 degrees centigrade" standard. State Street aims to achieve nearly a 30 percent reduction in absolute Scope 1 (natural gas) and Scope 2 (electricity consumption) carbon emissions by the end of 2030.

- **UBS reduced the firm's greenhouse gas (GHG) footprint** by 71% by 2019 compared with 2004 levels.

Principle 2: Ownership

Asset managers engage on behalf of their clients to encourage greater accountability and action on material climate change issues in corporate governance, business strategy and planning, risk management and public reporting to promote value creation. Over the past year, members have continued and enhanced their engagement on climate issues. Many members now use the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) as a tool for engagement, as well as adopting the TCFD framework in their own institutions' reporting structures.

Corporate and Fixed Income Engagement and Voting

- **Amundi** used a **temperature rating methodology** developed by WWF and CDP, to determine the temperature of four of its equity portfolios. This pilot was a first step which enabled Amundi to rate companies with ambitious targets, and to identify companies that do not have valid public targets that can be scored. As part of its ESG research toolbox, the Temperature Rating Approach will bolster Amundi's forward-looking assessment capabilities to identify priorities and the degree of action required, notably through engagement with companies to set more ambitious, science-based emissions reduction targets.

- **AXA Investment Managers** engaged with more than **110 companies** on climate-related issues in 2019, and disclosed the list of these companies in its annual stewardship report.

- In 2020, **BNP Paribas Asset Management** supported more than **90% of climate related shareholder resolutions.** BNPP AM also worked with the IIGCC, Church of England and AP7 to launch a set of investor expectations on corporate climate lobbying in Europe, in 2018. This led to a series of shareholder proposals and corporate engagements. To date, 14 European companies have reached agreement with investors, including Shell, Total and Repsol. BNPP AM led the engagements with Repsol and Total, resulting in both companies committing to adopt more stringent climate targets. BNPP AM also exported the initiative to the U.S., filing four shareholder resolutions in the 2020 AGM, gaining extraordinary support, including a historical 53.5% backing to its climate lobbying resolution at Chevron's AGM.

- **Invesco** voted on more than **100,000 shareholder proposals** related to climate change. It is also a member of the Climate Action 100+ initiative, and has a leader and co leader role in seven companies.

- **Legal & General Investment Management** has announced renewed targets for its climate-related engagement programme, the **'LGIM Climate Impact Pledge',** increasing its ambitions in line with the net zero challenge. Through voting and investment sanctions, it is systematically holding to account companies in 15 climate-critical sectors, responsible for c. 60% of emissions from listed companies. It has made **publicly available climate ratings for c. 1000 large companies,** aligned with global recognised disclosure standards (such as TCFD).

- **Morgan Stanley Investment Management** has conducted over **240 company meetings** covering climate change risks, carbon emissions, climate transition opportunities in the year to 30 September 2020.

- **Northern Trust Asset Management** led **three collaborative engagements and participated in ten additional engagements with the Climate Action 100+** in 2019. It has supported 79% of climate and lobbying related shareholder resolutions in 2020 across the globe. In 2019, it cast votes on more than 139,000 proposals across 14,909 meetings in accordance with its clearly defined proxy voting guidelines. It also met with over 260 companies, in accordance with its global engagement policy, to help inform its investment and proxy voting decisions.

- **PIMCO** engages with bond issuers both to bolster their Paris Agreement alignment and to help them improve their management of the underlying credit risks, moving from climate awareness to readiness, and ultimately commitment to science-based targets. **In the US, 100% of PIMCO's votes are in favour of climate-critical resolutions.** PIMCO engaged with over **175 issuers of the securities** held in or considered for its ESG portfolios: the majority of its engagement activities focused on environmental risks and green bond frameworks.

- **State Street Global Advisors** has completed **over 500 climate-related engagements** since 2014, including 157 engagements across 22 industries last year. It has also published research on active ownership and corporate disclosure, including on *'Climate-Related Disclosures in Oil and Gas, Mining,' and 'Utilities: The Current State and Opportunities for Improvement.'*

- In 2019 **UBS Asset Management** held **133 engagements** relating to Climate Change and Environmental Management; it voted on over 780 shareholder resolutions which were focused on ESG issues and supported 60% of them. More specifically, it supported **82% of shareholder resolutions** focused on environmental issues.

Task Force on Climate-related Financial Disclosure (TCFD)

- **AXA Investment Managers** has published an annual TCFD report at company level since 2019, following the best practices from the framework. It works closely with several scientific partners to review and help to improve climate methodologies and indicators. AXA IM's TCFD-aligned report includes the ESG and Climate footprint of their assets under management, including their Warming Potential. Its parent company, AXA Group, actively contributes to the on-going work of the TCFD.

- **BlackRock** is a member of the TCFD Committee updating the framework, and its stewardship team engaged with over 400 companies globally on SASB and/or TCFD aligned reporting since January 2020.

- **HSBC Global Asset Managers** publicly supported the TCFD recommendations when they were published in 2017 and continues to encourage their adoption by companies in which they invest, and advocates their support by policymakers and regulators. For example, HSBC GAM amended voting guidelines to link their voting to engagement around TCFD disclosures. Where companies in energy-intensive sectors have persistently failed to disclose their carbon emissions and climate risk governance, they generally vote against the re-election of the Chair. This resulted in voting against the Chairs of 10 such companies in 2019 and engagement with a further 20 companies which had made progress in their climate reporting but which still did not meet expected disclosure standards. They also recognise the importance of investors themselves reporting in line with the TCFD recommendations and disclose on the recommendations in their Responsible Investment Annual Review.

- **Legal & General Investment Management** has been a longstanding supporter of the TCFD and was the largest asset manager to publicly support the TCFD recommendations upon their release in 2017. LGIM has been reporting in line with these recommendations – issuing its first TCFD report in 2019 - and encouraged companies to follow suit, along with engaging with regulators contributing to the adoption of progressive climate disclosure regulation in the UK, Hong Kong and Europe. Over the past year, it has also worked closely with L&G Group to support the decarbonisation of its own balance sheet assets and conduct climate scenario analysis, with the results recently published in L&G Group's most recent TCFD report.

- **Natixis Investment Managers**, with its $1trillion AUM, has identified climate change as a particularly salient ESG issue given its expected impact on investments. It recognizes the recommendations of the TCFD as the industry standard on developing governance, strategy, risk management and metrics & targets around climate-related issues.

- Northern Trust, parent company of **Northern Trust Asset Management**, recognizes the risks presented by climate change and published an initial analysis in line with the TCFD recommendations in 2020. By conducting a climate-related scenario analysis and identifying the magnitude of climate-related financial risks and opportunities to Northern Trust's physical offices across various climate futures, Northern Trust endeavours to be prepared to navigate uncertain climate futures, integrate these findings into its broader risk management portfolio, and enable its investors and clients to do the same. Northern Trust Asset Management released a public company guidance policy encouraging companies to provide disclosures aligned with the recommendations set forth by the TCFD and have integrated aspects of the TCFD recommendations into its company level evaluations across all financially material issues to incorporate into the investment process.

- **PIMCO's** publicly supports the TCFD recommendations and has set up a process for monitoring and managing climate risk in investment portfolios in line with the TCFD. This includes governance, strategy (including oversight and integration), the risk management framework, and climate-related metrics and targets (including climate solutions investment exposure, carbon emissions, scenario analysis, and impact measurement). PIMCO has undertaken engagement with corporates on TCFD both independently (e.g. Suzano) and as part of industry groups (Climate Action 100+ initiative, e.g. Vistra Energy). PIMCO's Environmental, Social and Governance (ESG) Investment Policy Statement expresses support for the TCFD, including engagement with issuers – across corporates, sovereigns and others – to encourage enhanced disclosure on climate change, biodiversity, and the SDGs, including their efforts to advance underlying goals, such as those of the Paris Agreement. PIMCO's Best Practice Guidance for Sustainable Bond Issuance recommends issuer's governance to be aligned with recognised standards, including TCFD.

- **State Street Global Advisors** leverages the TCFD framework to understand companies' activities to mitigate and manage climate-related issues, as well as aligning their own corporate responsibility reports with the framework. SSGA has launched a reporting and analytical platform for clients, a guide to TCFD implementation and a guide to carbon pricing, one of the key elements of the TCFD's recommendations.

Principle 3: Integration

Asset managers play a key role in the global financial system in allocating capital to companies and projects. OPAM members are increasingly integrating climate change-related risks and opportunities into investment management through the development of new tools, analytics and investment vehicles.

- Amundi has developed tools to support the energy transition:

- Amundi has developed, with other entities of the Crédit Agricole Group, an Energy Transition score to integrate the challenges and opportunities of the energy transition into investment decisions. This is a measure of the level of commitment and capacity of corporates to adapt their business model to the challenges posed by the fight against global warming, and the energy transition.

- Created in 2016, Amundi Energy Transition (AET) is an asset manager that is jointly owned by Amundi and EDF and specialises in financing the energy transition. AET's unlisted offer complements Amundi's range of green listed assets. This partnership allows for an innovative business model: its gives AET preferential access to EDF's pipeline of current and future projects, provides for EDF's management of industrial risks and ensures regulated costs for increased cash flow visibility. As at September 30, 2020, AET is financing, through its funds, energy transition assets generating a cumulative power of 983 MW.

- Amundi launched, in June 2020, "Amundi énergies vertes", the first life insurance product dedicated to individual customers, enabling them to invest directly in green infrastructure and thus participate in financing the energy transition in Europe. "Amundi énergies vertes" is an open-ended simplified joint stock company (Société par Actions Simplifiées à Capital Variable), which invests directly or indirectly in wind farms or photovoltaic farms.

- AXA Investment Managers is an active investor in green bonds, green buildings and green infrastructure and managed €20 billion of green assets as of Q3 2020. There are three categories of Green investments in this envelope: Real Assets Green buildings and Infrastructure, Green bonds and Green thematic equities. AXA IM reports on the Warming Potential of the assets it manages in its annual TCFD report, and for 2019, AXA IM Investments' temperature was 2.8°C, significantly below 3.5°C for the corresponding benchmark.

- BlackRock has $151 billion AUM in dedicated sustainable strategies in addition to $573 billion AUM in strategies that utilizes ESG screens, with ESG to be integrated across all active portfolios and advisory strategies by the end of 2020. It offers more than 160 sustainable funds and ETFs. It has $80 billion AUM in solutions that support the energy transition, and $19+ billion AUM in green bonds which support numerous renewables and low carbon projects. It has invested and committed over $9 billion AUM dedicated to renewable power projects, and manages one of the largest renewable power platforms in the world.

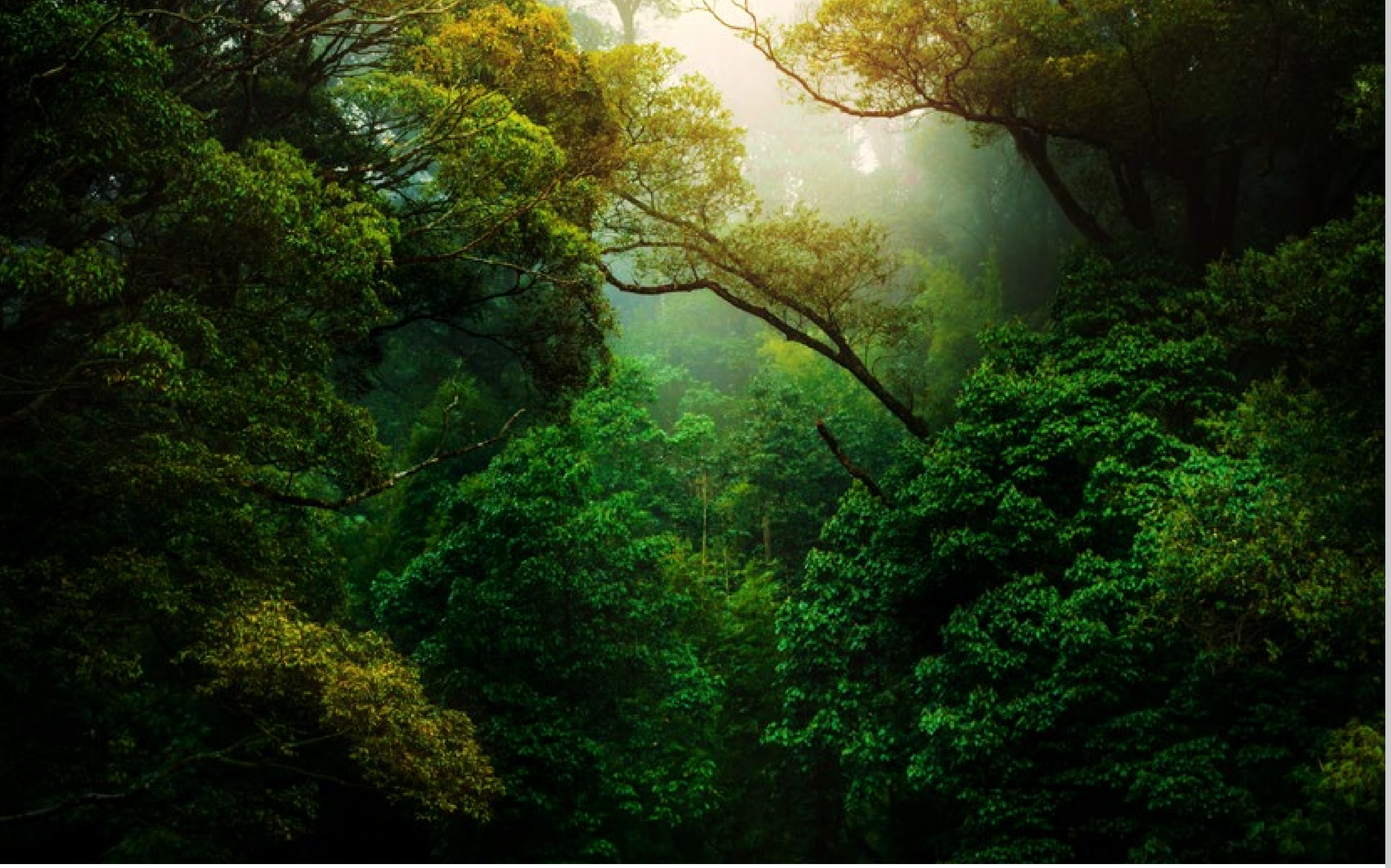
- As part of its Global Sustainability Strategy, BNP Paribas Asset Management has committed to adopt a sustainable investment approach for the full range its investment strategies. As of end of September, the scope of assets that had integrated ESG was €305 billion, that is approximately 70% of BNPP AM's total AUM. In October, BNPP AM has started reporting the ESG score and carbon footprint of open-ended funds and associated benchmarks. BNPP AM has identified more than 130 ESG Champions across Investments and Sales, who each undertake formal training and certification on ESG and deepen BNPP AM's capacity beyond its 25-person strong Sustainability Centre.

- Goldman Sachs Asset Management introduced proprietary and forward-looking climate transition framework into its flagship active quantitative equity strategies, with $50 billion AUM. GSAM's Quantitative Investment Strategies team has structurally reduced carbon transition risk across all of their active equity Insights portfolios. The team has conducted significant research to assess the embedded risk of companies associated with the evolving shift to a low-carbon economy. Motivated by financial materiality, its approach reduces current and future emissions based on a proprietary metric which aims to adjust for the costs of economic substitution and consider the real-world carbon supply chain. The methodology focuses on the production and use of carbon-based fuels and the relative adaptability of business models to a changing energy mix.

- HSBC Global Asset Management is developing investments that preserve, protect and enhance nature over the long-term. It has partnered with Pollination Group, a climate change advisory firm to set up funds that invest in projects that help to protect the world's biodiversity. These funds will help develop natural capital as an asset class and seeks to put a value on resources such as water, soil and air to help to protect the environment. Investment in natural capital will provide exposure to projects that include sustainable forestry, regenerative and sustainable agriculture, water supply, nature based bio-fuels, or projects that generate returns from reducing greenhouse emissions. They also signed on to the 'Finance for Biodiversity Pledge' to commit to collaborating, engaging, assessing their own biodiversity impact, setting targets and reporting on biodiversity matters by 2024 at the latest.

- Invesco manages more than $1.2 trillion of assets. In its Climate Change report it shows how it applied scenario analysis on its aggregate listed equities and bonds representing 44% and 25% respectively of their total assets, resulting in a temperature alignment of 2.8ºC, below the MSCI ACWI of 3.2ºC. In 2019 it addressed Climate Change in Investment Integration, Engagement, Active Ownership and Investment Solutions.

- Legal & General Investment Management has an integrated framework for responsible investing across asset classes, including an award-winning climate modelling capability, which allows them to measure carbon exposure, conduct scenario analysis and analyse the temperature alignment of portfolios and companies. It continues to work with clients to develop climate solutions.



- **Morgan Stanley Investment Management's** aggregate equity holdings' carbon emissions are 74% lower than the MSCI AC World Index and 68% lower than MSCI World Index (as of 30 Sept 2020). Its aggregate equity holdings' weighted average carbon intensity is 57% lower than the MSCI AC World Index and 53% lower than MSCI World Index (as of 30 Sept 2020). It has also conducted **climate scenario analysis** for 84% of MSIM's total AUM (as of 30 Sept 2020).

- **Natixis Investment Managers** currently use the SDGs as an investment framework for €12.5 billion in assets (through it's affiliate Mirova). It expects affiliates to contribute proactively to sharing of best practices and cooperation on climate-related investment issues within the group. Its affiliate Mirova has developed a proprietary method to track the "warming" implied by its investments – to make sure it remains in line with the Paris target. Its affiliate Ostrum joined the CDP initiative urging companies representing 25% of global emissions to set **1.5°C science based emissions reduction targets.** Affiliates will retain discretion regarding application of climate-related investment and reporting practices for their investments.

- In 2019, **Northern Trust Asset Management** integrated climate risk into their Capital Market Assumptions realizing it could negatively impact economic growth, inflation, and investment returns. Over the 5-year investment horizon, climate risk will continue to translate to market risk as policymakers will come under pressure to preserve environmental progress and retool economies in a more sustainable way. Additionally, NTAM has developed a **proprietary sustainability score** which incorporates the complementary frameworks that have been laid out by SASB and the TCFD. The score was designed to be integrated into both its portfolio construction as well as act as a driver to identify companies to engage with and monitor progress through the life of the engagement.

- **PIMCO** systematically integrates relevant climate factors into its top-down process and bottom-up assessment, and this approach encompasses all assets and strategies managed by PIMCO beyond its $625 billion sustainable investment assets. PIMCO has also launched a dedicated **climate bond strategy** in 2019 that aims to help foster the transition to a net zero carbon economy. To help analysts evaluate climate risk, PIMCO's ESG specialists have built a proprietary climate risk analysis framework and designed **seven climate tools** to help portfolio managers to better manage and mitigate climate risk. PIMCO's process also integrates analysis of debt instruments geared toward climate solutions via its proprietary and independent Green Bonds scoring methodology.

- **State Street Global Advisors** has launched an **R-Factor score of corporate ESG** performance using SASB materiality mapping across 91 ESG metrics. More than 6000 companies have been scored using this methodology, which is used to inform investor engagement and asset allocation decisions.

- **UBS Asset Management** has ESG factors integrated across the vast majority of our actively managed strategies, $423 billion as at the end of Q3 2019. UBS Asset Management extended its **Climate Aware suite of strategies,** delivering on the commitment made at the WEF Annual Meeting 2020 and enabling clients to reduce the carbon footprint of their portfolios in line with their sustainability goals while meeting their financial objectives. UBS Asset Management more than doubled its sustainability focused assets to $ 78 billion during the first nine months of the year.

ECOSYSTEM ACCELERATION: CLIMATE-RELATED FINANCIAL DATA STANDARDS

In addition to expanding the OPSWF network and implementing the Framework within their own institutions, members have also collaborated to identify and mobilise opportunities for accelerating alignment with the Paris Agreement within the broader financial ecosystem.

Together, they have learnt from and lent support to new and existing collaborative actions that can accelerate the integration of climate risks and opportunities throughout the investment system. They acknowledge their role as influential institutions within in the financial system, and recognize that without system-wide changes and collaboration the scale and pace of the transition towards a more sustainable financial system will be insufficient to mitigate and manage the worst effects of climate change. Such collaboration will increase efficiencies through adoption of best practices and help overcome systemic barriers to transition.

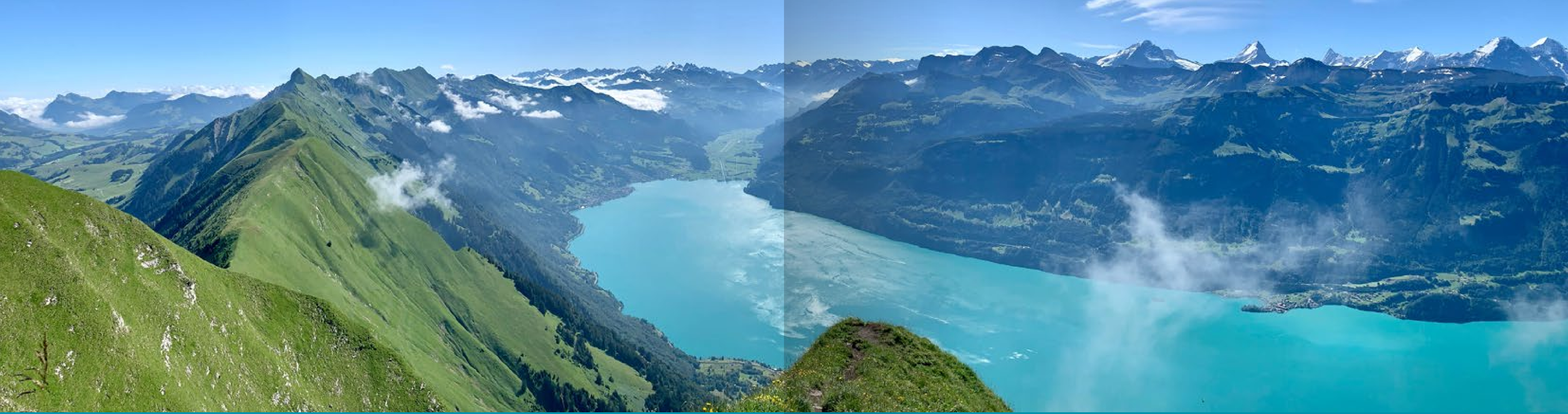
One area of collaboration over the past year has been on the topic of establishing global climate-related financial data standards.

To make informed investment decisions, SWFs require timely, relevant, accurate and complete climate-related data. The lack of such data was highlighted in the Framework, which notes that: SWFs should '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 2) and specifically that 'SWFs should encourage the development and adoption of agreed standards and methods that promote the disclosure of material climate-related data' (Principle 2.4).

At the 3rd Annual Summit on November 20th 2020, a large number of SWFs have made a collective statement of support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

As already noted, members actively engage with their investee companies and asset managers on the topic of enhanced disclosure. In a complementary statement, members of the OPAM initiative welcomed this statement by the SWFs and collectively pledged their support for TCFD and committed to align their own reporting to the TCFD recommendations by the end of 2021

Over the next year, members will engage in a technical dialogue on TCFD and deploy their individual and collective influence in the markets to drive adoption of TCFD recommendations amongst global companies and asset managers. They will continue dialogue with key stakeholders to support the adoption of international standards for climate-related financial reporting and the development of tools to integrate this data into their investment processes where appropriate within the scope of domestic laws and regulations, investment mandates and the One Planet Framework.



SWF MEMBERS STATEMENT OF SUPPORT FOR THE TCFD, NOVEMBER 20TH 2020

"As the effects of climate change become increasingly apparent, and the socio-economic impact of the Covid-19 pandemic re-emphasises the dangers of systemic risks in global financial markets, we unite to reaffirm our endorsement of the One Planet Sovereign Wealth Funds Framework and aspiration to support the transition to a net zero world economy where people and planet can thrive together.

We are among the community of global financial institutions who urgently need companies to report reliable, comparable and decision-useful climate-related financial information to help ensure that we can price climate-related risks and opportunities effectively.

In alignment with the principles of the One Planet Sovereign Wealth Funds Framework, we collectively pledge our support for the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).

We will work with the community of TCFD supporters to accelerate adoption of the recommendations among our asset managers and investee companies. If not doing so already, we strongly encourage asset managers and investee companies to report and address material climate change issues in their governance, business strategy and planning, risk management, and metrics and targets.

One year from now, we will come together to highlight companies that are at the forefront of implementing the TCFD recommendations. Where companies and managers are not reporting material financial risks in line with the TCFD at this time, we will offer guidance on disclosures and use engagement to drive progress in the market.

We will continue to engage with financial, corporate, regulatory and government leaders to support the adoption of international standards for climate-related financial reporting and integrate this data into our investment processes where appropriate within the scope of our domestic laws and regulations, investment mandates and the One Planet Framework."

LIST OF WORKING GROUP MEMBERS 2020

One Planet Sovereign Wealth Funds:

- *Abu Dhabi Investment Authority (ADIA), Abu Dhabi, United Arab Emirates
- Bpifrance, France
- CDP Equity, Italy
- Compañía Española de Financiación del Desarrollo (COFIDES), S.A., S.M.E, Spain
- Fonds Souverain d'Investissements Stratégiques (FONSIS), Senegal
- Ireland Strategic Investment Fund (ISIF), Ireland
- Korea Investment Corporation (KIC), Republic of Korea
- *Kuwait Investment Authority (KIA), Kuwait
- Mubadala Investment Company, Abu Dhabi, United Arab Emirates
- National Investment and Infrastructure Fund (NIIF), India
- National Investment Corporation of the National Bank of Kazakhstan (NIC NBK), Kazakhstan
- *New Zealand Superannuation Fund (NZSF), New Zealand
- *Public Investment Fund (PIF), Kingdom of Saudi Arabia
- *Qatar Investment Authority (QIA), Qatar

One Planet Asset Managers:

- *Amundi Asset Management
- AXA Investment Managers
- *BlackRock
- *BNP Paribas Asset Management
- *Goldman Sachs Asset Management
- *HSBC Global 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

One Planet Private Equity Funds:

- *Ardian
- *The Carlyle Group
- *Global Infrastructure Partners
- *Macquarie Infrastructure and Real Assets (MIRA)
- *SoftBank Investment Advisers

**denotes founding member*

For further information

secretariat@opswf.net

ONE PLANET SUMMIT
SOVEREIGN WEALTH FUNDS

www.oneplanetswfs.org