# The Sustainability Footprint of Sovereign Wealth Funds: Impact, Progress and Challenges

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Gallerie d'Italia
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Italy

Transition Investment Lab
مختبر الاستثمار الانتقالي

Università Bocconi
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Many sovereign wealth funds have embraced the concept of sustainable investment over the past five years. Starting with addressing their portfolios' impact on the environment, they have developed a more nuanced understanding that, as long-term investors, they need to take a more holistic approach to investing and understand their investment decisions' social and environmental impact.

At this event, we will bring together a small group of sovereign wealth funds for a nuanced and wide-ranging discussion on sustainability's more sophisticated and less-familiar aspects. The foundation for the workshop will be the joint report by the Transition Investment Lab at New York University Abu Dhabi and IFSWF on sovereign wealth funds' investment in the UN Sustainable Development Goals and IFSWF's research on how sovereign wealth funds are addressing environmental, social and governance issues.

The workshop format fosters active discussion and engagement and enhances take-home value. Each panel is opened by a fact-based, ad hoc presentation, followed by a round of prepared comments by IFSWF members serving as discussants, and closed by a roundtable of comments by participants.

We will finish the day with a visit to and dinner at the award-winning urban regeneration project, Porta Nuova, which includes the iconic Bosco Verticale (vertical forest) towers. Porta Nuova has achieved LEED PLATINUM, WELL GOLD, NZEB, Cradle to Cradle, and WiredScore certifications and is a leading example of integrating environmental, social and governance considerations into real estate development projects.

**Agenda**

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| 08:30 – 09:00 | **Registration and Welcome Coffee** |
| 09:00 – 09:15 | **Welcome**<br>Obaid Amrane, IFSWF Chair, CEO, Ithmar Capital<br>Mauro Micillo, Chief of IMI Corporate & Investment Banking Division, Intesa SanPaolo |

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| 09:15 – 09:45 | **Keynote**<br><br>James Zhan, Director of Investment and Enterprise<br>Lead, World Investment Report & World Investment Forum<br>United Nations Conference on Trade and Development (UNCTAD) |
| 09:45 – 11:00 | **SWFs' Sustainable Investing: Outlook, Strategies, and Future Challenges**<br><br>Drawing on new research from the TIL and IFSWF and the experience of the UN Joint SDG Fund, we will discuss how sovereign wealth funds are already investing to support the UN Sustainable Development Goals (SDGs) and how they can continue to integrate these into their long-term investment strategies and create sustainable financial returns.<br><br>**Issues for discussion:**<br><br>• The current state of affairs in sovereign wealth fund sustainable investments against the backdrop of the most recent data and analyses<br>• The evolution of sovereign wealth funds' sustainable investment strategies, including organisational and structural challenges<br>• Looking ahead: the role of sovereign wealth funds in closing the SDG investment gap in 2030<br><br>**Speaker:** Bernardo Bortolotti, Director, Sovereign Investment Lab, Bocconi University |
| 11:00 – 11:30 | **COFFEE BREAK** |
| 11:30 – 12:45 | **Beyond Financial Returns: Assessing the Impact of Sovereign Wealth Fund Investments**<br><br>Increasingly, sovereign wealth funds are considering sustainability criteria, not only in their investment process but also in the outcome of their investments alongside their financial returns. This trend has been driven by the increasing number of sovereign wealth funds established to promote inward investment and economic development in their countries and regions. To date, sovereign wealth funds have not seen the impact of their investments as part of the investment case. However, their investments' long-term environmental and social benefits are becoming more important in decision-making.<br><br>Issues for discussion:<br><br>• Impact intentionality and the transition from ESG to impact investing: global trends and opportunities for SWFs<br>• The measurement challenge: from KPIs to additionality<br>• Best practices from the VC and PE industry<br><br>**Speaker:** Laurie Spengler, Founder & CEO of Courageous Capital Advisors, Impact Advisor to EQT and Non-Executive Director, British International Investment |
| 12:45 – 13:45 | **LUNCH** |

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| 13:45 – 15:00 | **Exit, Voice, or Passivity? Sovereign Wealth Funds' Engagement as Responsible Investors in Public and Private Markets.**<br><br>Sovereign wealth funds are becoming more active investors. They are increasingly using their voting rights to engage with their portfolio companies on various issues to ensure alignment between the companies' strategies and those of the investors.<br><br>As sovereign wealth funds become more actively engaged, some key questions arise, which we will be addressing in this discussion:<br><br>• What role can SWF play as sustainability stewards in investee companies? What is the evidence on their track record compared to other institutional investors?<br>• What are the governance challenges that SWF face in publicly listed as opposed to unlisted companies?<br>• How can SWF pursue a sustainability agenda abroad without looking "politically motivated"?<br>• What are the best practices in this space?<br><br>**Speaker:** Eline Sleurink, Head of UK & Ireland and Middle East, Signatory Relations, UN Principles for Responsible Investment |
| 15:00 –16:30 | **Global challenges, local interests: can sovereign wealth funds address the security concerns of globalisation?**<br><br>After three decades of globalisation and economic growth driving political and economic stability, the world has experienced an unprecedented sequence of dramatic events, including a devastating pandemic and the outbreak of war in the heart of Europe. In 2023, the future feels less certain. Globalisation is a spent force that created unexpected vulnerabilities in energy, defence, and technology value chains, along with the ongoing threat of climate change. Governments across the board are resorting to protectionism, promoting national industries and reshoring to improve the security of supply in strategic sectors. Some sovereign wealth funds, specifically those with a strategic mandate, are engaged in this effort. Still, the industry is interested in preserving the integrity of world trade and international capital flows.<br><br>How can sovereign wealth funds as long-term investors harness these trends and potentially take advantage of opportunities from this challenging environment? Can sovereign wealth funds' investments play a role in adapting systems and supply chains to prosper in this new scenario? Can they invest in mitigating outright conflict? Can sovereign wealth funds contribute to managing a just energy transition, balancing the quest for the prosperity of emerging countries, the expectations of resource-rich nations, and the protection of the environment?<br><br>**Speaker:** Rachel Ziemba, macroeconomic strategist |

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| 16:30 – 16:45 | **Closing Remarks**<br><br>Duncan Bonfield, CEO, IFSWF<br><br>Marcello Sala, Director General for Financial Institutions, Ministero dell'Economia e delle Finanze |
| 16:45 | **Tour of the Gallerie d'Italia Vault** |
| 17:30 | **Bus to Porta Nuova** |
| 18:00 | **Introduction and Tour of Porta Nuova** |
| 20:00 | **DINNER** |

**Evening Networking provided by:**

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