



Global Asset Owner Sustainability Peer Study Summary

Thinking Ahead Institute

January 2026

Executive summary – Global AO Sustainability Peer study



Purpose and context

The report explores sustainability practices among Mega global asset owners, that are applicable to all Asset Owners types. The focus is on governance, investment models, and organisational design to upgrade sustainability strategies and ultimately improve long-term financial outcomes. It is based on in-depth conversations with C-Suite leaders at large AO's and analysis of survey data.



Key take-aways

- Shift from ESG compliance to strategic system-level thinking to support sustainability of investment outcomes for savers. Hence the term Sustainable Investing (SI) preferred to ESG.
- Adoption of Total Portfolio Approach (TPA) leads to greater incorporation of climate and sustainability scenarios.
- Investment opportunity set facing long term challenges from systemic risks.
- Stewardship expands to system level and policy engagement.
- Organisational design prioritising efficiency, given limited resources through technology and governance.



Outlook

- Sustainability is entering a new era.
- Strategic and governance resets will be required.
- Systems-level (3D) investing will develop.
- Increasing politicisation and regionalisation of ESG will continue to shift the investment landscape.



Future path

- Align sustainability ambition with external mandates and internal capacity to address the SI issues
- Create greater internal efficiency through hybrid SI teams and strengthened governance.
- Embed sustainability KPIs across the organisation, through TPA-type Balanced Scorecards.
- Invest in technology for more dynamic SI reporting for leadership and investment teams.
- Strengthen systemic stewardship through increasing focus on collaboration

Study key take-aways

1	New strategic framing	No one size fits all for the strategic priorities but system-level (3D) investing is the single biggest opportunity	
2	Strategic shifts underway	Four key shifts identified to do more with less: <i>Hybrid SI org-design</i> <i>Embedded SI KPIs</i> <i>Tech-driven SI reporting</i> <i>Systemic stewardship</i>	
3	Investment model adapting	Risk models need re-setting to deal with the increasing impacts of systemic risks – climate, geopolitics, and others	
4	Sustainability model regrouping <i>Four dominant themes</i>	<i>Concerns about politicisation & regionalisation, primarily the US</i> <i>Net zero investing is complex, but it is still seen as necessary and is maturing</i>	<i>3D investing evolving beyond Climate focus to Nature and Human Rights</i> <i>Risk 2.0 not (yet) top-of-mind factors. Resilience & Systemic Risk are though</i>

The Peer Group for the Sustainability Asset Owner Study

Critical for all Asset Owners to build their peer knowledge

Total AUM (2024) \$4.0tn
Average AUM (2024) \$270bn

Process

- Peers selected for very strong SI credentials & overlapping circumstances
- 1-2-1s with each fund
- 15 Surveys completed
- 3000 data points analysed

Peer Study participants in survey and 1-2-1s	
New Zealand Super	
AP3	Mubadala
APG	NYS Teachers
Aware Super	PGGM
Brunel Pension	Rest
CalPERS	USS
GIC	WTW
Hesta	

Sustainability Peer Study overview and summary

- We have been grateful for New Zealand Guardians as partners in producing this study. We much appreciated their support, but note that the work is our full responsibility.
- The 15 funds in the peer group for this study were selected for their strong governance, significant size, and thoughtful international perspectives. We have had C-suite attention from these funds at a time when CEOs, CIOs and Sustainability leads are facing unprecedented pressures on their time. The key discoveries came from long conversations alongside the survey analysis.
- One key lesson from the study is that the majority are shifting their sustainability approaches, but each focus area is different.
- The breakthroughs relate to significant progress linked to step changes which require resources an individual Asset Owner does not possess alone.
- These organisations are enormously important to the futures of people and planet. From great power comes great opportunity.
- We have applied a systems perspective to help the understanding of the ecosystem of asset owners.
- Systems thinking, as an evolution to 3D investing, involves taking account of all relevant moving parts (uncontroversial), examining all the connections (trickier) and the multiple forces affecting organisations in their progress on mission (very tricky).
- The Total Portfolio Approach and system design principles are behind the major themes in the study in this report
 - Every fund has the challenge of producing outcomes affordably, securely, sustainably and systemically in a uniquely balanced way.
- Systemic risk is rising with factors like climate change and geopolitics and the risk model may need to evolve into a Risk 2.0 form based on wider, softer, longer principles
- The sustainable finance narrative is premised on the principle that *'the returns we need can only come from a system that works'* which centres on the systems-level (3D) investment model
- *'The soft stuff is the hard stuff'*. Culture, governance, teams and talent; and technologies; all add up to create organisational differentiation and the org-alpha we define in this work
- Asset owners are recognising the sustainability of capital formation relies on the resilience of their organisation – dynamic decision-making, agile organisational design, better strategy and stronger risk frameworks will all play their part.
- The design of resilience represents a big task for strong AOs in 2026 – partly definitional, partly strategic, partly measurement.
- The Study advanced suggestions on what will be key elements of system level investing. The challenge is managing the internal pace of change in response to external shifting erratic geo-politics to ensure sustainable long-term capital formation. Mega Asset Owners like these in the study are forerunners and 'Middle' Asset Owners would do well to take note.

Roger Urwin & Monique Mathys-Graaff

WTW & Thinking Ahead Institute | December 2026

Limitations of reliance and contact details

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Led by Marisa Hall and Roger Urwin, the Thinking Ahead Institute connects our members from around the investment world to harness the power of collective thought leadership and develop innovative solutions for the investment industry.

Join the Thinking Ahead Institute

We seek collaboration with like-minded organisations to achieve our vision, so for more information about us please contact:

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