



INVESTOR
LEADERSHIP
NETWORK

2022 Impact Report



2022

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Who We Are.

The Investor Leadership Network was launched at the 2018 G7 to facilitate and accelerate collaboration of asset managers and asset owners to drive the transition to a sustainable and inclusive global economy. As the leading network of investors taking action for people, planet and prosperity, the CEO-led group is composed of 12 global institutional investors representative of seven countries, with over US\$10 trillion in assets under management.

Operating as an open and collaborative platform, members pool resources,

expertise, and networks to develop, promote and deliver action-based and scalable initiatives on major global issues such as climate change, equity, diversity and inclusion, and private capital mobilization. Every initiative is evidence-based, measurable, and drives macro change. Member commitment is leveraged through a central convening body, the Secretariat, that threads the needle among initiatives and tracks and reports impact.

The ILN benefits from the participation and support of various partners, including governments, foundations, nonprofits, multilateral institutions, and other industry bodies, while remaining fully autonomous.



Some members of ILN's CEO Council, Board, Executive Committee, and Secretariat pose for a photo at Hudson Yards, where ILN held its annual CEO Council Meeting.

Foreward

From Our CEO

As we enter the new year, we're pleased to look back on 2022 to celebrate the incredible work our Network accomplished, and lean forward into our continued commitment to driving the transition to a sustainable and inclusive global economy in 2023.

In retrospect, ILN's unofficial theme for 2022 was setting the pace. With each piece of work the ILN released, this network of leaders set the pace for the rest of the industry on today's most challenging topics.

As companies scrambled to retain diverse talent through 'The Great Resignation,' at the beginning of the year, ILN's Diversity, Equity & Inclusion Committee was one step ahead with practical guidance to support employers and investors. The launch of ILN's Inclusive Finance Playbook in March provided investors and portfolio companies alike with inclusion metrics to better predict human capital risks and improve employee attraction and retention.

Before increasing blended finance became the most hotly discussed topic at international climate conferences and skyrocketed to the top of 2023 prediction lists, ILN published the institutional investment industry's first set of recommendations to optimize the global financial architecture for private capital mobilization.

Three months later, ILN's Climate Change Committee released a Net Zero Investor Playbook, helping investors navigate the many frameworks, methodologies, and resources that exist to support the operationalization of their net zero commitments. Now, every industry event throughout 2023 includes numerous panels and seminars on this exact topic.

The Investor Leadership Network drove significant impact across our three initiatives in 2022, all in the pursuit of better allocating our capital towards a sustainable future. Now entering ILN's fifth year, we look forward to more in person meetings, deeper collaboration between our members, and exerting greater influence on the global stage. I look forward to continuing to set the pace of progress for the industry with our exceptional members and partners.



Chief Executive Officer
Investor Leadership Network

Our Members.

The Investor Leadership Network's strength lies in the caliber of its members. The ILN is a bespoke, highly curated network of 12 members representing seven countries and USD 10 trillion AUM, with a meaningful stake in 85% of the Fortune 500 companies. Members openly and collaboratively pool resources, expertise, and networks to work intersectionally across Climate Change, Diversity, Equity & Inclusion,

and Private Capital Mobilization. Our dynamic and engaged CEO Council and CIO Roundtable serve as powerful levers of action; ILN's three initiatives have organisational buy-in from inception. Because of our dedicated and ambitious members, the ILN is regularly consulted by major global leaders on pressing macroeconomic topics.



Our Secretariat.

The Investor Leadership Network's initiatives and events are organized and facilitated by a dedicated Secretariat, which is led by ILN CEO Amy Hepburn.

Amy joined the ILN as CEO in 2020 following a 20 year career driving social change globally in the private, non-profit and public sectors through the creation of unique public/private partnerships and investing for high impact social returns.

Amy is a recognized expert on gender lens social investments and the care of children in crises.

She was a Delegate on the first G7 Gender Equality Advisory Council created by Prime Minister Trudeau, and an active member of the NationSwell Council and The Global Women's Forum on Economy and Society.

She has Faculty appointments at Duke University and George Washington University where she teaches on social impact, gender equality, and humanitarian action.



Amy Hepburn
Chief Executive
Officer



Jackie Clark
Chief Operating
Officer



Nick Autiello
Director of Impact



Marielle Brunelle
Global
Communications
and Business
Development
Manager



Harjot Dhillon
Program
Manager

Our Mission.

ILN members share an ambition to accelerate the transition to a sustainable and inclusive global economy. The Network has a collective ability to set standards that change behavior at scale, so members channel this influence into ILN's three initiatives.



How We Act On It.

ILN Initiatives

1

Climate Change:

guiding investors through the transition to a low carbon economy.

2

Diversity, Equity & Inclusion:

improving inclusion to maximize the power of diverse talent.

3

Private Capital Mobilization:

closing the climate financing gap in developed and developing markets.

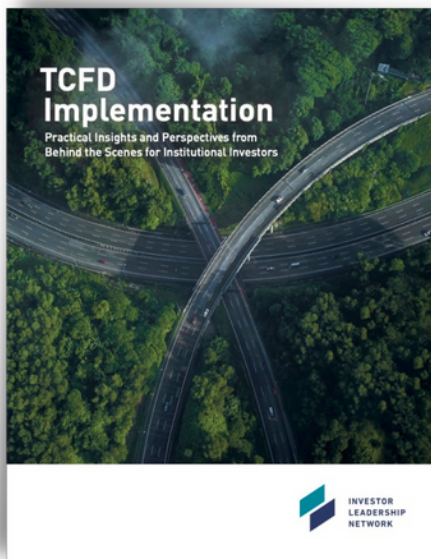
Climate Change

As part of this initiative, ILN members build on existing guidance and best practices to expand the adoption of uniform and comparable climate-related disclosures under the Task Force on Climate-related Financial Disclosures (FSB-TCFD) framework.

Our ambition is to transition from expressing support for the TCFD recommendations, to initiating implementation and catalyzing adoption across the industry.

The ILN identifies gaps where other industry groups and organizations are not currently focused and creates credible and practical tools and resources to help institutional investors navigate the risks and opportunities associated with climate change and the transition to a low carbon economy.

OUR INTERNATIONALLY RECOGNIZED SUITE OF INVESTOR TOOLS AND RESOURCES:



2019

TCFD Implementation:

Practical insights and perspectives from behind the scenes for institutional investors

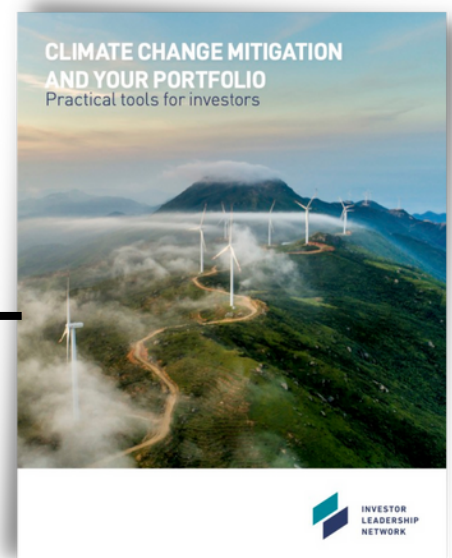
Provides guidance to investors who are embarking on the journey to adopt TCFD standards

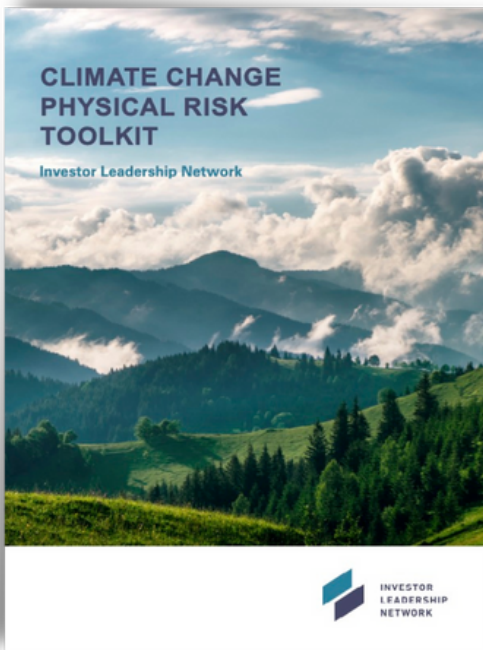
2020

Climate change mitigation and your portfolio:

Practical tools for investors

This report guides investment decisions by defining pathways and key levers of mitigation, as well as helping to determine whether a company's strategy is sound





2021

Climate Change Physical Risk Toolkit:

Understanding and assessing physical risks in your portfolio
Launched at COP26, this toolkit helps asset owners and asset managers better understand and manage the potential physical impacts of climate change on their investments.

2021

Climate Change Physical Risk Resource Portal

Released in conjunction with the Climate Change Physical Risk Toolkit, investors use this site to filter through credible, physical-risk-related resources.



Latest Release

In 2022, we released our latest decarbonization-based resource– the Net Zero Investor Playbook. The Playbook aims to provide practical assistance to investors and stakeholders to operationalize their net zero commitments.

This Playbook inventories the wide range of approaches to transition investing that leading institutional investors are taking; the resources, frameworks, and taxonomies they're utilizing; and practical case studies of how ILIN members are putting net zero investment strategies into practice. The guidance is synthesized into four themes:

1. Portfolio emissions forecasting and target setting.
2. Alignment with portfolio construction and investment risk parameters.
3. Portfolio transition taxonomies.
4. Assessments of portfolio holdings' transition capacity, and portfolio alignment metrics.

The Net Zero Investor Playbook

The Rollout.

Launched in September 2022 during UN Climate Week in New York City, the **Net Zero Investor Playbook** reached broad investor audiences at an event ILN hosted with the Sustainable Markets Initiative. The Playbook was showcased again at the Canadian Pavilion during COP27 in Egypt, where ILN hosted a panel on Financing the Transition to Net Zero. Canadian Minister of Environment and Climate Change, Steven Guilbeault, introduced the panel of four senior ILN leaders.

Both discussions examined how the strategic allocation of capital can drive global, real-economy decarbonization. Following these and several other events, the Net Zero Investor Playbook was downloaded off of ILN's website over 500 times.



Nazmeera Moola, Chief Sustainability Officer at Ninety One moderates a panel of Paul Donofrio, Vice Chair of Bank of America-Merrill Lynch; Noel Quinn, CEO of HSBC; ; John Neal, CEO of Lloyds; Amy Hepburn, CEO of ILN; and Ron O'Hanley, CEO of State Street.



Marc-André Blanchard of CDPQ; Richard Manley of CPP IB; Evan Siddall of AIMCo; Michael Kelly of OMERS; and Amy Hepburn of ILN at COP27.



What's Next?

In 2023, ILN's Climate Change Committee will continue to develop industry best practices for investing for and through the transition to a net zero economy.

Through in-depth, exploratory workshops between members and with guest experts, the Climate Change Committee will deepen their expertise to provide guidance on :

- Net Zero transition Portfolio Planning, Construction, and Implementation, and
- Translating and Navigating Regulations, Taxonomies, and Frameworks

Diversity Equity & Inclusion

ILN members believe that diverse teams working in inclusive environments make better, more sustainable decisions that yield greater returns. As we transition into a sustainable economy, the ILN is an industry leader for better diversity, equity and inclusion (DEI)-aligned investing.

By collecting, assessing, and engaging on inclusion data, ILN members are leveraging their collective influence as active shareholders to catalyze a more inclusive economy.

Between 2018 and 2020, members collaborated to accelerate progress on diversity within their own firms and portfolios, with an initial emphasis on gender diversity.

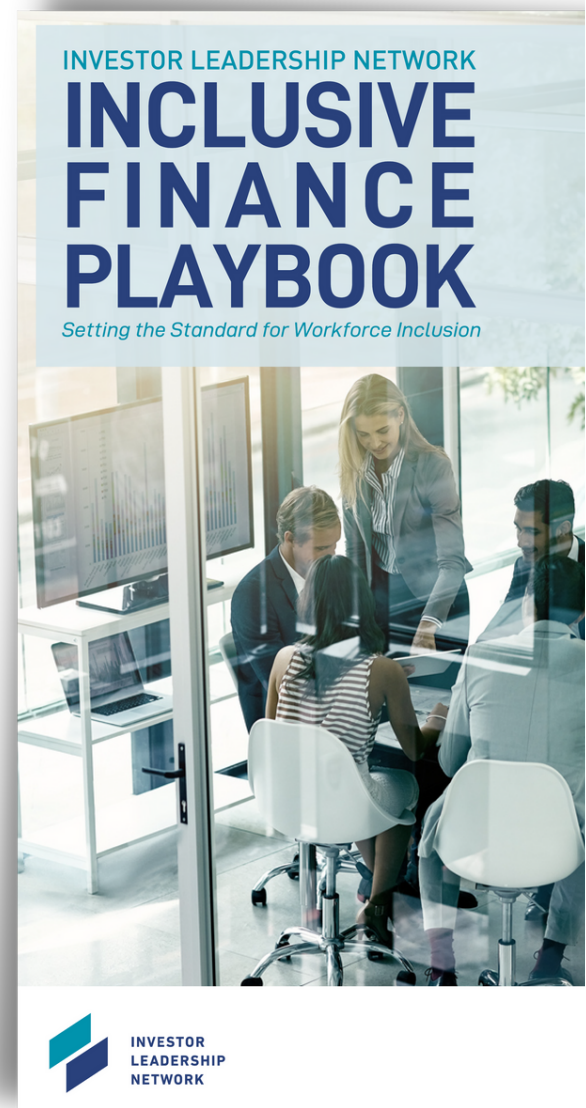
As part of this commitment, ILN members agreed to:

- Increase the presence of women in investment and senior leadership roles, including through the setting of individual, measurable goals;
- Establish metrics and standards to guide, assess, and benchmark progress as well as inform strategic direction, hiring and advancement strategies for women;
- Advocate for greater diversity and inclusion within their portfolios.

Since its inception, ILN's DEI Committee has expanded its initial focus on representation to develop an Inclusive Finance Initiative that aims to advance investors' understanding, assessment, and external engagement on 'inclusion'—the key that unlocks the benefits of diverse talent. This priority was established through a 2021 report, [Creating a More Inclusive Economy](#).

In March 2022, ILN released an [Inclusive Finance Playbook](#), which provides investors with:

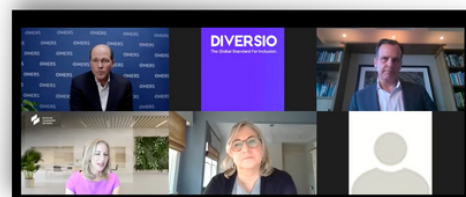
- The business case for inclusion;
- Sets of fundamental and advanced inclusion metrics; and
- Case studies on how ILN members are using the metrics in practice.



Our Approach.

While constructing the Inclusive Finance Playbook, ILN members wanted to ensure that ILN's inclusion metrics would be purely additive to existing social metrics and that the broader investment industry would welcome and adopt the guidance. Therefore, ILN hosted two 'Standard Setter Inclusion Roundtables' to gain feedback on the Playbook. ILN was pleased to be joined by senior leaders from the Values Reporting Foundation (VRF), Institutional Limited Partners Association (ILPA), Responsible Investment Association (RIA), OECD's Business for Inclusive Growth (B4IG), Standards Board for Alternative Investments (SBAI), World Economic Forum International Business Council (WEF IBC), World Benchmarking Alliance (WBA), and 2X Collaborative.

ILN launched the Playbook during Gender Equality Month at a virtual Inclusion Summit. Over 900 sustainable investment industry professionals tuned in to hear ILN CEOs and CIOs discuss the importance and materiality of inclusion as a key investment consideration.



[Watch the replay here](#)



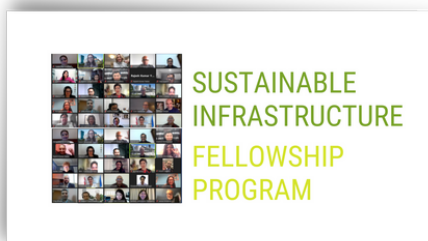
What's Next?

Through a strategic partnership with an expert, AI-based DEI data provider, ILN's Diversity, Equity & Inclusion Committee will begin collecting and engaging on inclusion data within their firms and across their portfolio companies.

The committee will meet several times throughout the year to share their best practices and learnings from integrating ILN's inclusion metrics into their investment management strategies, which will then be communicated with the broader industry.

Private Capital Mobilization

Evolved out of ILN's former Sustainable Infrastructure initiative, the Private Capital Mobilization initiative aims to direct more private capital into the markets, technologies, and themes that are critical to support the Paris Agreement and achieve the UN Sustainable Development Goals. The Private Capital Mobilization committee collaborates across sectors to improve the pipeline of investment-ready, sustainability-aligned projects from emerging and developing countries, as well as to improve the partnerships, vehicles and platforms in the blended finance ecosystem.

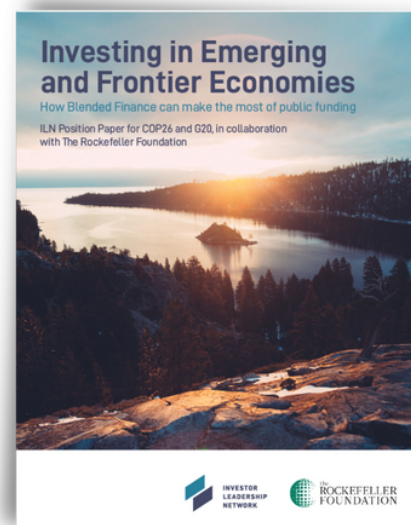


Sustainable Infrastructure Fellowship Program

In 2022, the ILN hosted its third and final annual Sustainable Infrastructure Fellowship Program. This program provides senior-level emerging market government officials with an enhanced understanding of how to better align the design, financial structure, procurement and risk allocation of their projects with investor expectations. Since its creation in 2018, the program tripled its cohort size, with 33 Fellows from 18 countries on five continents graduating in 2022.

Increasing focus on Blended Finance

Following the publication of ILN and The Rockefeller Foundation's "Investing in Emerging and Frontier Economies: How Blended Finance can make the most of public funding," in October 2021, ILN assembled a catalytic Task Force at the start of 2022 to prioritize, synthesize and operationalize the report's recommendations to increase blended finance partnerships. The Task Force included representatives from Allianz, Natixis IM, CDPQ, The Sustainable Markets Initiative, The Rockefeller Foundation, FinDev Canada, Global Investors for Sustainable Development Alliance, and African Green Infrastructure Investment Bank.



Building Trust Across Sectors.

The Task Force quickly began facilitating roundtables with leaders from key public and private financial institutions to discuss the feasibility of new partnerships, programs and facilities that could increase private institutional investment in markets critical to the green transition. The Task Force's priorities have since been re-stated in ILN and The Sustainable Markets Initiative's June 2022 report, "[Blended Finance, MDB Optimization, and Private Capital Mobilization: Recommendations for Policymakers](#)."

Throughout 2022, such roundtables were held with US Special Presidential Envoy for Climate John Kerry in London; bilateral development finance institutions, multilateral development banks, and heads of foundations in Washington, D.C. and at COP27 in Sharm-El-Sheikh, Egypt; Deputy Secretary General Amina Mohammed, Canadian Ambassador to the UN Bob Rae, and Danish Ambassador to the UN Martin Hermann at the United Nations; and Assistant Secretary Latortue of the US Treasury for International Markets.

In 2022, the Bill & Melinda Gates Foundation awarded the Investor Leadership Network a grant to continue our Private Capital Mobilization work.



What's Next?

Building on work done by our catalytic blended finance Task Force over 2021 and 2022, ILN will continue working across sectors to identify concrete ways to scale blended finance investments in sustainable development. In May 2023, ILN and the US Treasury will co-host a multi-day summit on private capital mobilization for the green transition at The Rockefeller Foundation's Bellagio Center.

In addition to operationalizing ILN's blended finance recommendations, this initiative will enable members to lead development and deployment of key technologies and incorporate emerging themes into investment processes.

Our Presence.

For many decision makers across business, government, non-profits, foundations, and international organisations, the Investor Leadership Network serves as a trusted voice of authority and insight into the institutional investor perspective.

ILN members are diverse in their geographic representation and in their different client and investment portfolios, yet aligned in their ambition and commitment to using the power of capital allocation to improve global sustainability and equity. Hence, ILN is represented at major global convenings and at the center of industry dialogue.

High Level Convenings

In 2022, the ILN participated in over 15 high level convenings, including:

- Sustainable Finance Roundtable hosted by Canadian Prime Minister Trudeau
- Sustainable Finance Forum On The Hill in Ottawa
- Dialogue with African Heads of State and Finance Ministers
- Bridgetown Initiative Forum
- Blended Finance Roundtable with Secretary John Kerry
- UN Global Compact's Private Sector Forum
- UN's SDG Investment Forum
- Panel at COP27 with Canadian Minister of Environment and Climate Change Steven Guilbeault
- CEO Summits held by the Sustainable Markets Initiative
- Briefing with Dr. Richard Haass, President of the Council on Foreign Relations

Thought Leadership in 2022

Our research and experts have been featured in leading publications from around the world. ILN representatives spoke on or hosted panels at 20 industry events.



Thank you to our 2022 partners

BILL & MELINDA
GATES foundation



DIVERSIO
The Diversity Data Experts™



Stanford MEDICINE | Global Center
for Gender Equality



2XCOLLABORATIVE

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