



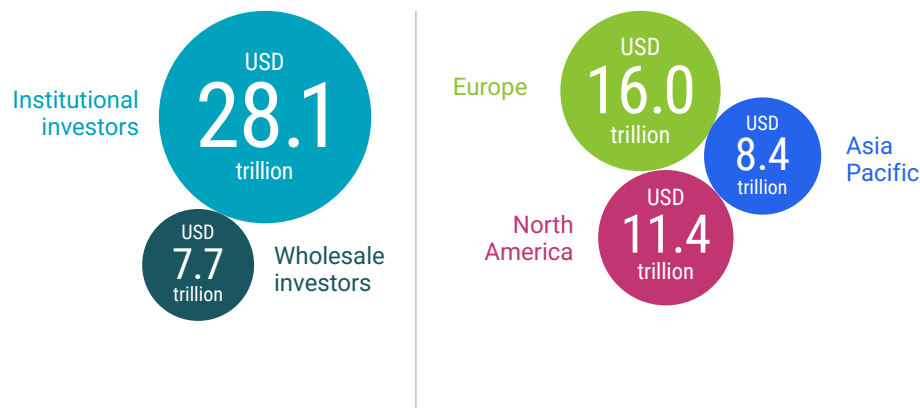
AUTUMN 2026

2026 Global Climate Investing Survey

The new climate reality — realism, resilience
and commitment in a changing world

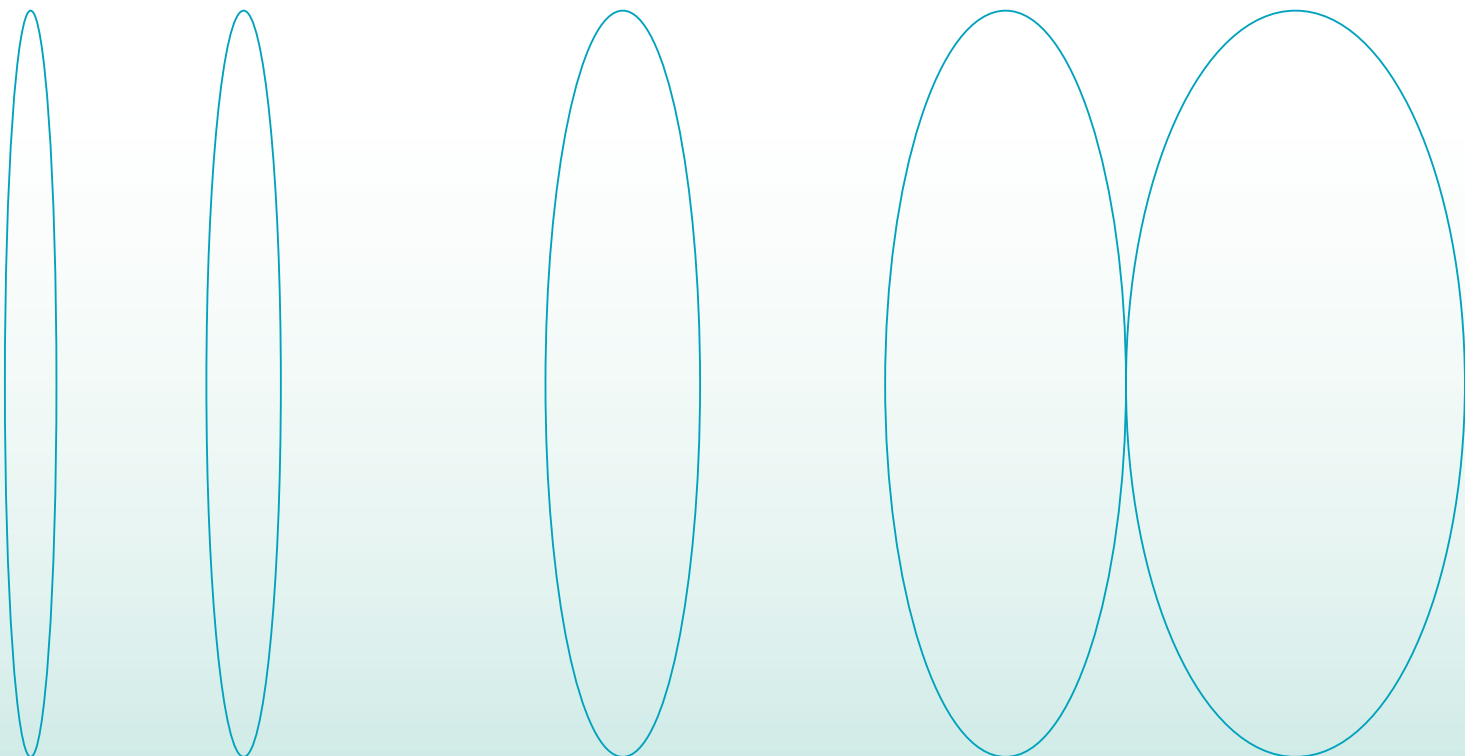
Methodology

This report is based on research commissioned by Robeco for its exclusive use, which was carried out in May and June 2026 by CoreData Research among 300 institutional and wholesale investors in Europe, North America, the Asia-Pacific region and South Africa. The investors are based at a range of organizations: insurance companies, pension funds, endowments and foundations, sovereign wealth funds, private banks, fund-of-funds, wealth management firms, wirehouse broker/dealers, registered investment advisors, family offices and turnkey asset management providers/DFMs.



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The new climate reality

Climate investing is changing, and with it a realism about the world's ability to curb global warming. What stands out this year is that the realism has not dented the commitment; the two are rising together. Our sixth annual Global Climate Investing Survey gives perhaps the most positive outlook for this climate reality since 2023 – and the reason is not renewed optimism about the outcome, but that investors have stopped making the case for climate investing depend on it.

The increasingly alarming physical effects of global warming, such as the wildfires that forced over a quarter of a million people to evacuate in Europe, are certainly focusing minds. In one of the most striking results of the 2026 survey, a majority of investors say those effects will have a significant impact on asset prices and strategic asset allocation over the coming years. Climate has moved from a stated ambition to a pricing question, and a pricing question cannot be set aside when the mood turns.

There is also great resilience. It is reassuring this year to see that the number of investors making climate change a strategic priority has increased slightly to 47%, rising further to 62% over the next two years. The tide is also turning in North America, where there is now growing support for climate investing, following a large backlash that began in the US in 2023. Both mark a turning point after several years of declining commitments, as governments globally made net zero a lower priority – and commitment that comes back after a cycle like that is of a different quality from commitment that never had to.

Investors are equally realistic about the goals themselves, with most still forecasting a 'too little, too late' scenario that cannot achieve the key Paris Agreement goal of limiting global warming to well below 2°C. Yet most remain broadly committed to their own net-zero goals, and are prepared to invest more in climate mitigation, adaptation and resilience strategies over the coming years. It is that combination – expecting less of the world, and asking more of themselves – that defines this year's survey.

The same thinking is lifting climate transition finance, following the mantra of financing reduced emissions – now a key component in Robeco's own climate investing approach.



While reducing financed emissions through divestments or exclusions cuts carbon footprints in portfolios, transition finance makes a direct impact on decarbonizing the real economy. Investors are increasingly measuring themselves against the second of those, not the first.

Two new subjects were explored this year – the impact of the conflicts in the Middle East, and whether the growth of artificial intelligence (AI) would be a force for good. Most investors expect a boost in investments in the energy transition, as countries seek to reduce their reliance on fossil fuels passing through one of the world's most notorious trouble spots. Most also believe that the benefits of AI in areas such as boosting sustainable infrastructure will outweigh the environmental drawbacks of its energy and water use. In both cases the question was not whether the development is welcome, but what it does to the investment case.

In all, our survey highlights the fact that climate change is a long-term challenge requiring realism and resilience in equal measure – and that these are not opposites, since seeing the situation plainly is what allows an investor to stay in it. At Robeco, we have long believed that the long-term approach to sustainable and climate investing will win through in the end, particularly as physical risks become more severe. We offer our own range of climate investing solutions, and remain committed to using them to help clients navigate the bumpy road ahead.

Anton Eser
Chief Investment Officer

Key findings

47%

of investors say climate change is at the center of, or is a significant factor in, their investment policy

▲ Up from 46% a year earlier

64%

say the slowdown in government support for net-zero goals has not affected their commitment to net zero

75%

believe that war in the Middle East, and the disruption it is causing to oil and gas markets, will moderately or significantly accelerate the transition to renewable energy

44%

believe the Paris Agreement target of limiting global warming to well below 2°C is not achievable

▬ Unchanged from a year earlier

66%

expect physical climate risks to have a moderate or significant impact on asset prices over the next five years

63%

expect physical climate risks to have a moderate or significant impact on their organization's strategic asset allocation over the next five years

63%

think the increasing adoption of AI will have a positive impact on accelerating the development of sustainable infrastructure

24%

think the increasing adoption of AI will have a negative impact on reducing water consumption and using water resources more efficiently



CHAPTER 1

Adapting to the new climate reality

In 2015, when the COP21 conference led to the Paris Agreement on limiting global warming to well below 2°C, and preferably below 1.5°C, above pre-industrial levels, there was strong government and popular support in many countries for action on climate change.

Then, achieving net-zero carbon emissions by 2050 was seen as vital to sticking to the Paris Agreement's 2°C target. The global economy was going through 'the great moderation' of low interest rates and inflation, while the geopolitical picture was still relatively stable. Now, over a decade on from 2015, much has changed, from social and technological disruption due to events such as the Covid-19 pandemic and the rise of AI, to a far more volatile geopolitical and macroeconomic landscape. All these factors have created a new climate reality for investors around the world.

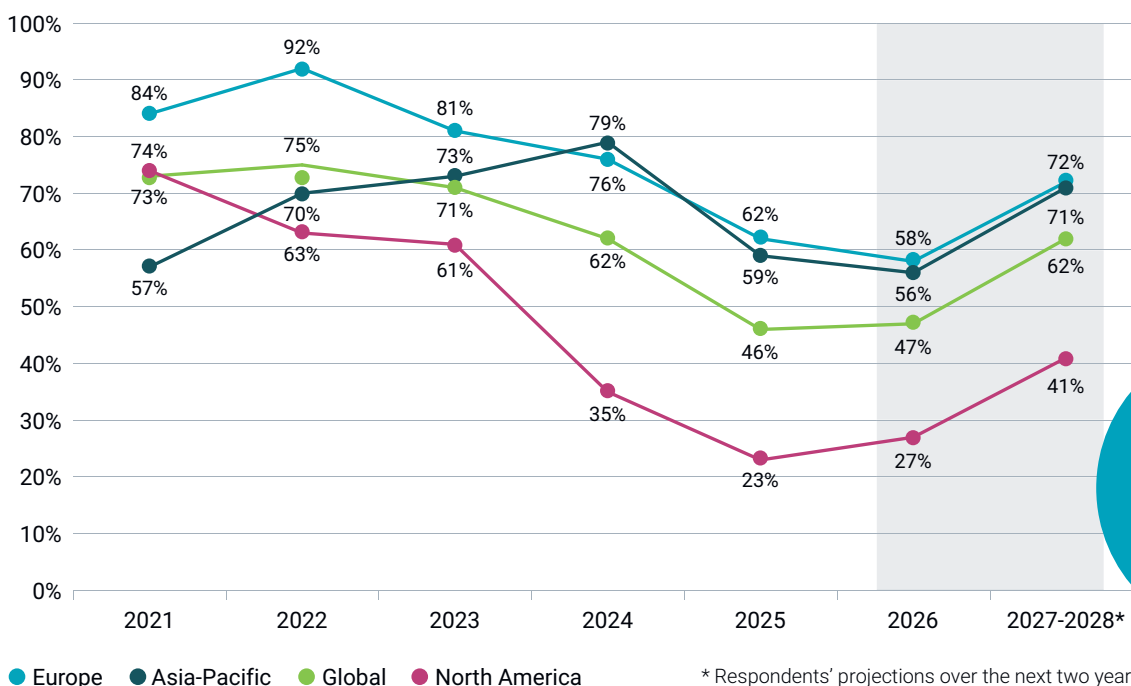
The impact of these changes can be seen in the importance of climate change to investment policy for investors. This peaked in 2022, when globally three-quarters of investors said that climate change was at the center of, or significant to, their investment policy. Since then, this figure has

dipped to 46% globally, with sharp regional differences, with North American investors far less likely to make climate change an important factor in their investment policies than their peers in Europe and the APAC region.

This year's results show stabilization here, with 47% overall saying that climate change is at the center of, or a significant factor in, their investment policy. And the regional difference persists; over half of investors in Europe and the APAC region say climate change is important to their investment policies, just over double the proportion (27%) in North America.

The pattern is similar when investors were asked whether their organization has made a public commitment to the goal of net-zero greenhouse gas emissions by 2050. Here, 22% said they have made a public commitment, compared to 23% a year earlier, while the same figure, 14%, are in the process of making a public commitment. This year sees an increase in those investigating making a net-zero commitment, from 26% to 31%, while there has been a fall, from 38% to 32%, in those with no commitment to net zero and no plans to make one.

Q How would you describe the importance of climate change to your organization's investment policy today? And how important do you expect it will be in two years' time?



Climate change is significant/central to our investment policy

When Gartner applied its hype-cycle concept to environmental sustainability, it suggested that a peak of inflated expectations then leads into a trough of disillusionment with a steep fall in expectations, as initial enthusiasm for net zero gives way to disillusionment, before expectation gradually increases, as investors move up the slope of enlightenment and onto the plateau of productivity.

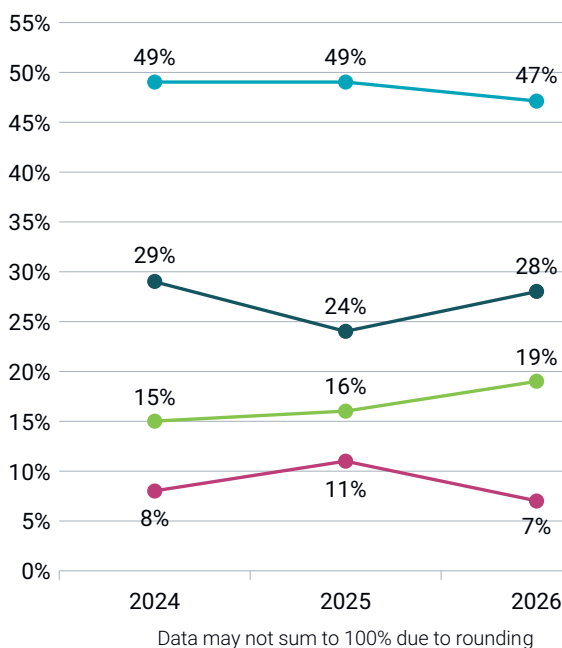
The pattern seen on the importance of climate change to investment policies corresponds to the hype-cycle concept, with the recent stabilization in the importance of climate change suggesting that disillusionment has bottomed out. In the investor roundtable (pages 16 to 20), Queensland Investment Corporation (QIC) General ESG Manager Alison Ewings concurs with this assessment, saying investors are either on, or approaching, the slope

of enlightenment. “Exactly where individual investors are on that line depends on their own approach and the geographies and markets they operate in,” Ewings added.

Investors recognize that progress on net-zero goals and on climate investing will not be a smooth, linear journey. There are headwinds, from the political backlash to ESG investing, difficult market conditions and investment data challenges.

Another point, as Ewings explains, is that investing to reduce real-world emissions might mean an investor’s portfolio emissions increase in the short term: “We will take a position in corporate bonds for instance, where a company itself might be quite a high emitter, but we have strong confidence in its transition plans and ability to deliver them and that decarbonization can add value.”

Q Which of the following climate transition scenarios do you think will be closest to reality/most likely to happen over the next decade?



Too little, too late

Collectively, not enough is done to meet climate goals, and the presence of physical risks leads to a disorderly transition

Disorderly

Sudden and unanticipated responses by governments, private sector and markets are disruptive, but ultimately prove sufficient to meet climate goals

Orderly

Markets and the private sector, together with government action and international co-operation lead to a reduction in emissions in a measured way to meet climate goals

Hot house world

The global economy continues to increase emissions, with very little, if any, action taken to meet climate goals and to avert physical risks

Most expect a disorderly transition in some form

As well as realism over their decarbonization journey, investors are realists on the most likely climate transition scenario over the next decade. Only 19% of investors expect an orderly transition to take place, with emissions reduced in a measured way, as markets, government action and international co-operation work together. Nearly half (47%) expect a ‘too little, too late’ scenario, while over a quarter (28%) think there will be a disorderly transition, where the responses of governments,

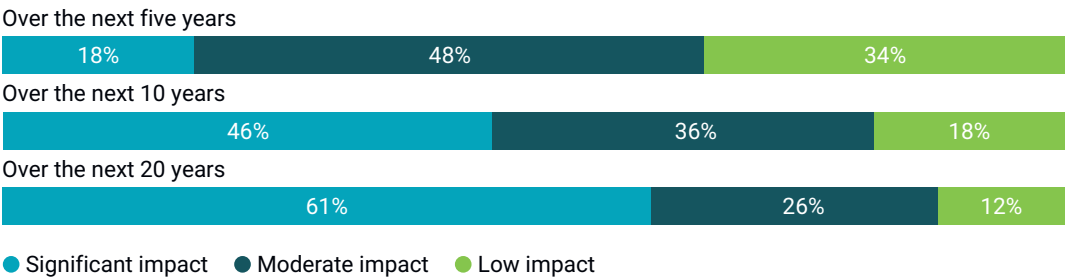
corporates and markets are disruptive, but are ultimately sufficient to meet climate goals.

Interestingly, on the likelihood of the four different climate transition scenarios, there is relatively little difference between investors in different regions. In addition, investor views on the climate transition scenarios have remained consistent over the last three years. Another indication of investor realism over the realities of climate change is that

44% now view the Paris Agreement 2°C target on limiting global warming as unachievable for the second year running. On this, APAC region investors are slightly more optimistic, with 38% seeing it as unachievable, compared to 46% in Europe and 48% in North America, and views here have remained consistent over the last two years.

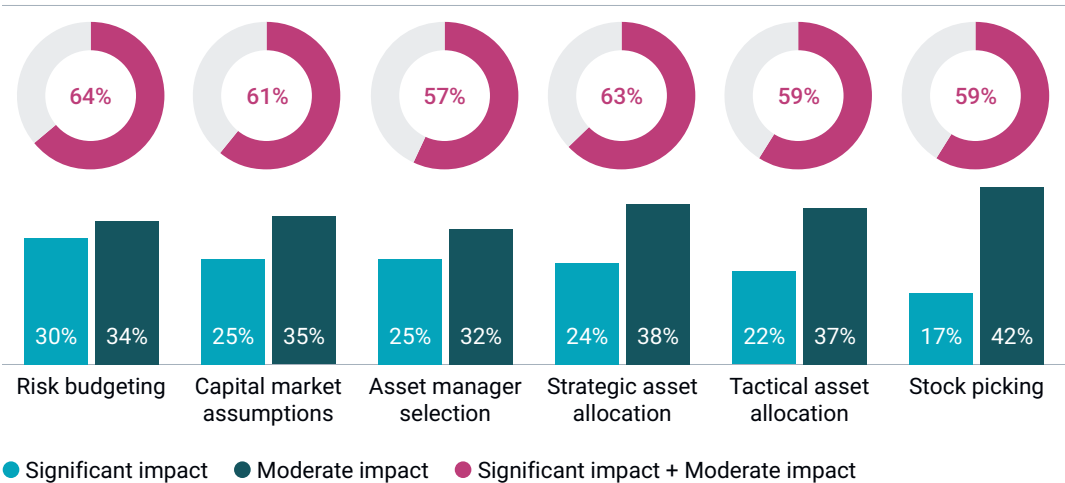
It should also be said that investor pessimism here reflects a growing scientific consensus that the Paris Agreement 1.5°C aspiration for limiting global warming is now beyond reach and the 2°C target will only be achieved with dramatic action.

Q *To what extent do you expect physical climate risks to affect asset prices over the following time periods?*



The impact of physical climate risks on asset prices increases over time

Q *To what extent do you expect physical climate risks to have an impact on the following investment activities within your institution over the next five years?*



Investment activities and the impact of physical climate risks

Some of the most striking findings in this year’s survey are on the expected impacts of physical climate risks. These risks can be classed as acute (event-driven risks such as extreme weather events, flooding or wildfires) and chronic (gradual shifts in climate leading to long-term impacts, such as sea level rise, permafrost thaw, ocean acidification or land degradation).

On a five-year outlook, two-thirds (66%) of investors expect physical climate risks to have a moderate to significant impact on asset prices. This increases over longer periods; 82% expect a moderate to significant impact over 10 years.

It is not surprising that investors see the impact of physical climate risks increasing over time. They can see that a

wide range of potential assets are likely to be increasingly affected by acute physical risks such as drought, wildfires or flooding. For instance, flood-prone properties in countries such as the US and the UK have seen falls in property values. And properties in coastal areas vulnerable to storm surges or rising sea levels, such as parts of Florida, are seeing insurance premiums increase sharply, or are even becoming uninsurable. Transport infrastructure, such as road and rail systems, can be adversely affected by extreme heat, with higher maintenance costs, while droughts have the potential to reduce the value of agricultural land as crop yields fall.

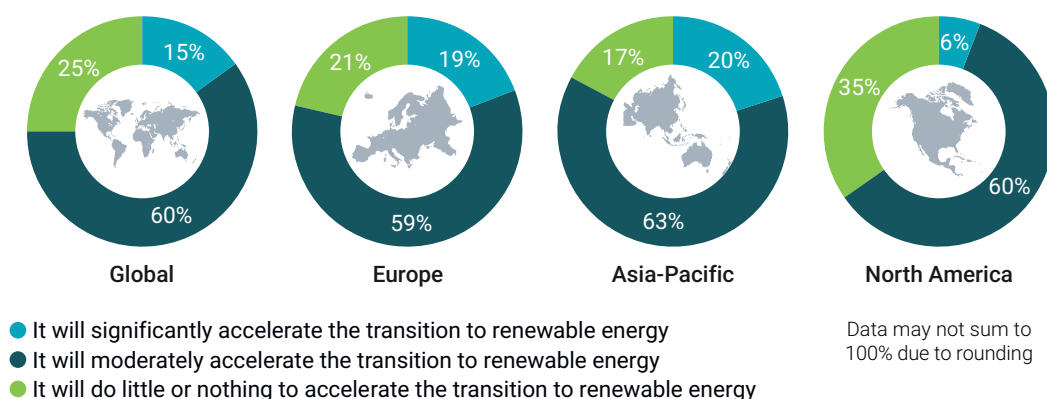
By size, as measured by assets under management, larger investors are more likely to expect physical climate risks to have a significant or moderate impact on asset prices over the next five years, 58% with less than USD 10 billion in assets and 66% with USD 10 billion to less than USD 100 billion in assets. This difference may reflect the

greater resources at larger investors. Very large investors are also more likely to take a 'universal owner' approach, where exposure to a very wide range of assets and geographic regions means an investor has to take account of a very wide range of risks.

Physical climate risks will also have an impact on various investment activities in the future. For example, 64% think physical climate risks will have a moderate or significant impact on risk budgeting over the next five years, while slightly fewer expect a significant or moderate impact on strategic asset allocation (63%), or capital market assumptions (61%) or stock picking (59%) over the next five years.

Regionally, European and APAC investors are more likely to expect physical climate risks to have an impact on asset prices and investment activities than their peers in North America.

Q *To what extent do you believe that the war in the Middle East, and the disruption it is causing to oil and gas markets, will accelerate the transition to renewable energy sources?*



The Iran war is expected to accelerate the renewable energy transition

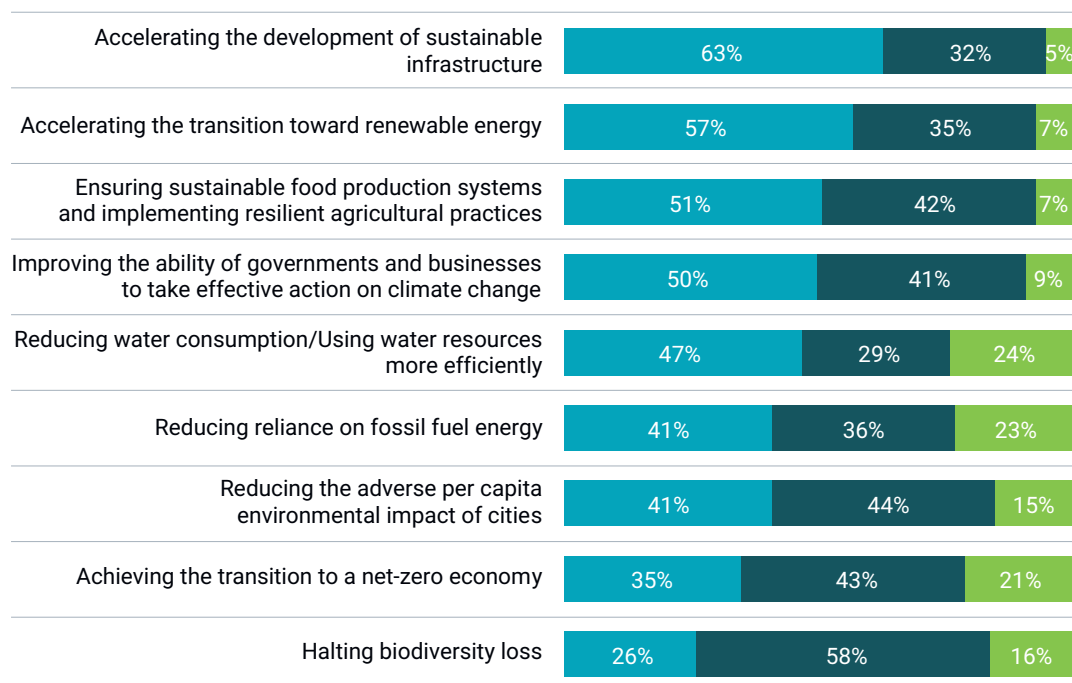
Another element in the new climate reality for investors is how geopolitical instability has affected investors and countries by raising issues such as energy security.

For example, the Middle East conflict in 2026 will accelerate the transition to renewable energy sources, according to most of the investors taking part in this year's survey. Globally, 75% think the conflict will moderately or significantly accelerate the transition to renewable energy sources, with this highest in the APAC region (83%) and lowest in North America (66%).

One explanation for the regional differences here is that Europe and the APAC region are more dependent on oil and gas supplies from the Gulf region. Along with the Russia-Ukraine conflict and its impact on Russian oil and gas exports, this conflict has led to concerns over energy security in many countries.

Q

Over the next 5-10 years, do you think the increasing adoption of artificial intelligence (AI) technology across the global economy will have a net negative impact or net positive impact on global progress toward the following climate goals/objectives?



● Positive impact ● Neutral impact ● Negative impact

Data may not sum to 100% due to rounding

Investors think AI has positive potential for some climate goals

Along with energy security and geopolitical realities, physical climate risks and the changing political support for tackling climate change, artificial intelligence (AI) is another element making up the new climate reality facing investors.

While it is very early to form an opinion on this, investors can see AI having a greater positive than negative impact on a range of global climate goals. For example, 57% think that AI will have a positive impact on accelerating the transition toward renewable energy, while 35% are neutral on this and 7% think it will have a negative impact.

However, investors are more divided over the impact of AI on reducing water consumption or using water resources more carefully (47% positive impact versus 24% negative impact) or on reducing reliance on fossil fuels (41% positive impact versus 23% negative impact). Investors also have a mixed view on the potential impact of AI on achieving the transition to a net-zero economy, where 35% take a positive view and 21% a negative view, with 43% neutral on this.

While investors can see the potential for AI to bring greater efficiency and productivity to some activities, there are also concerns about its implications for energy use and replacing employees. Speaking in the investor roundtable, Belaina Negash, ESG Manager Investments at the Government Employees Pension Fund (GEPF) in South Africa, commented: "A big aspect for us in a region where there are high levels of unemployment, is: does AI affect future jobs? Will there be a stranded human capital problem, where instead of reskilling people, headcounts are cut and some roles are automated?"

The need for large, power-hungry data centers for AI computing power is another concern. Here, Hiroshi Kobayashi, Chief Sustainability Officer at Nissay AM in Japan, said one solution could be to use new data centers as catalysts for both long-term growth and a green transformation. "We need to find out the way – through the partnership of industry and finance – to drive the transformation of large industrial complex zones that have long been major greenhouse gas emitters, turning them all into green hubs and renewable energy bases." ●



CHAPTER 2

Investor commitment remains

Investor allocations to investments or funds with the aim of actively combating climate change are set to rise in the future, with 42% of investors globally planning to increase allocations in the next 12 months, rising to 60% of investors in the next three years.

While this shows investor determination to act, it does come from a relatively low base of current allocations to investments that aim to actively combat climate change.

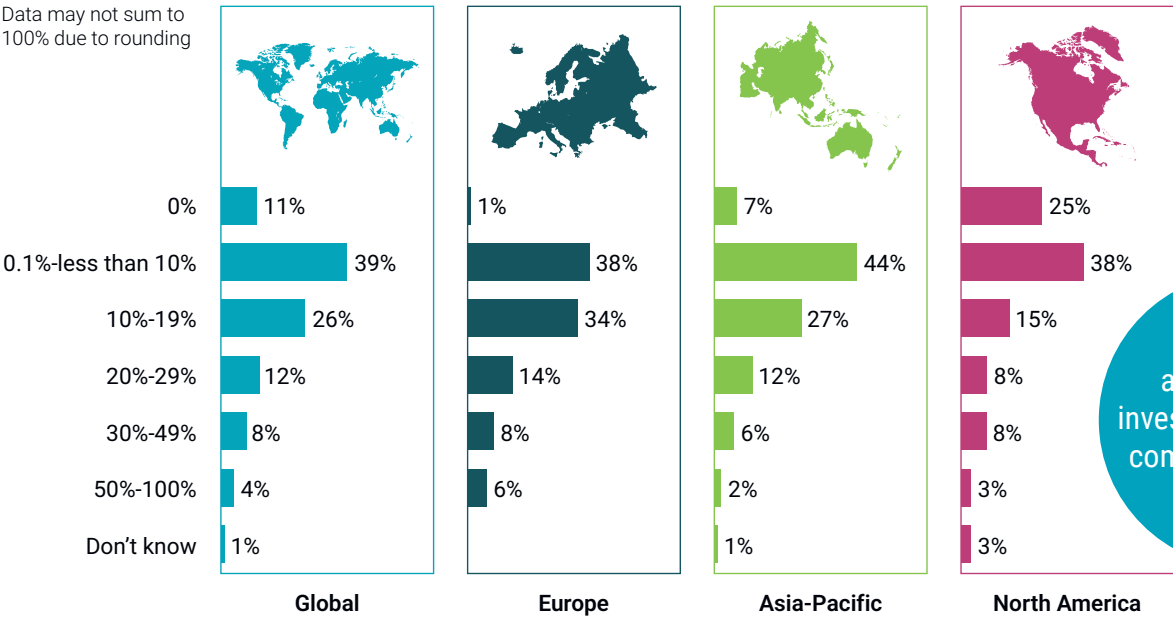
By region, European investors have been allocating more to actively combating climate change; 62% have 10% or more allocated in this way, compared to 48% in the APAC region and 34% of North American investors. European investors are also most inclined to increase their allocations, slightly

ahead of APAC region investors and North American investors. In fact, a quarter of North American investors have no allocation to investments with the aim of actively combating climate change, compared to 7% of APAC region investors and 1% of European investors.

Institutional investors (62%) are slightly more likely to plan to increase allocations to funds actively combating climate change over the next three years, compared to wholesale investors (55%). Pension funds are also more likely to raise allocations here (65%) compared to insurance companies (59%). This also applies to private banks and wealth managers (65%) compared to other wholesale investors (48%).

Q As at the end of 2025, approximately what percentage of your overall assets under management (AuM) was invested in investments/funds which have a stated purpose to actively combat climate change (e.g. SFDR Article 9 funds which have sustainable investment as their core objective or other funds and/or strategies which meet specific criteria on sustainability, such as decarbonization)?

Data may not sum to 100% due to rounding



Investor allocations to investments actively combating climate change

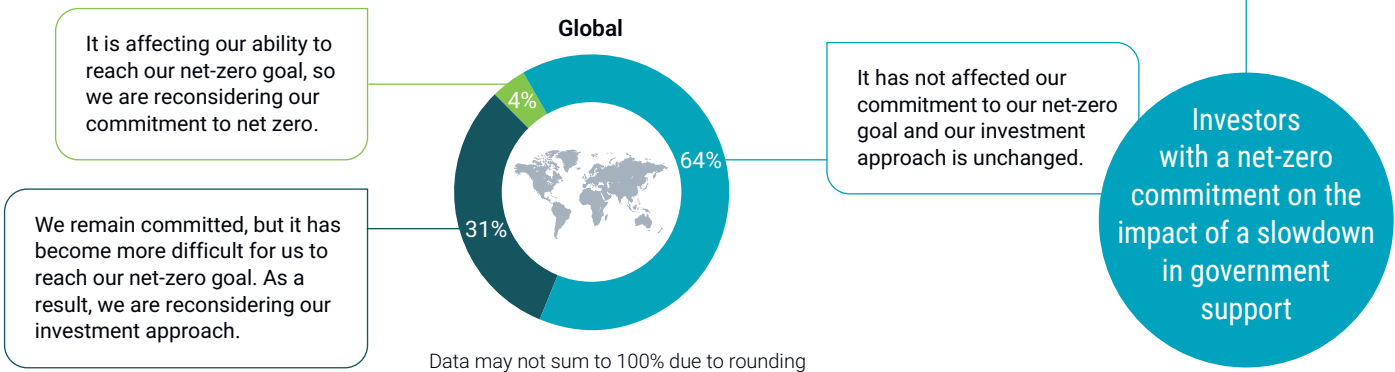
While many investors intend to increase allocations to assets with the purpose of actively combating climate change, this intention can be affected by external factors, such as government policies. In some cases, such as with the Trump administration in the US, government support for renewable energy projects has been cut, damaging the

investment case for institutional investors. In other cases, governments have delayed or weakened net-zero measures, in response to political pressures, with consequences for investment in assets such as electric vehicles or heat pumps, for example.

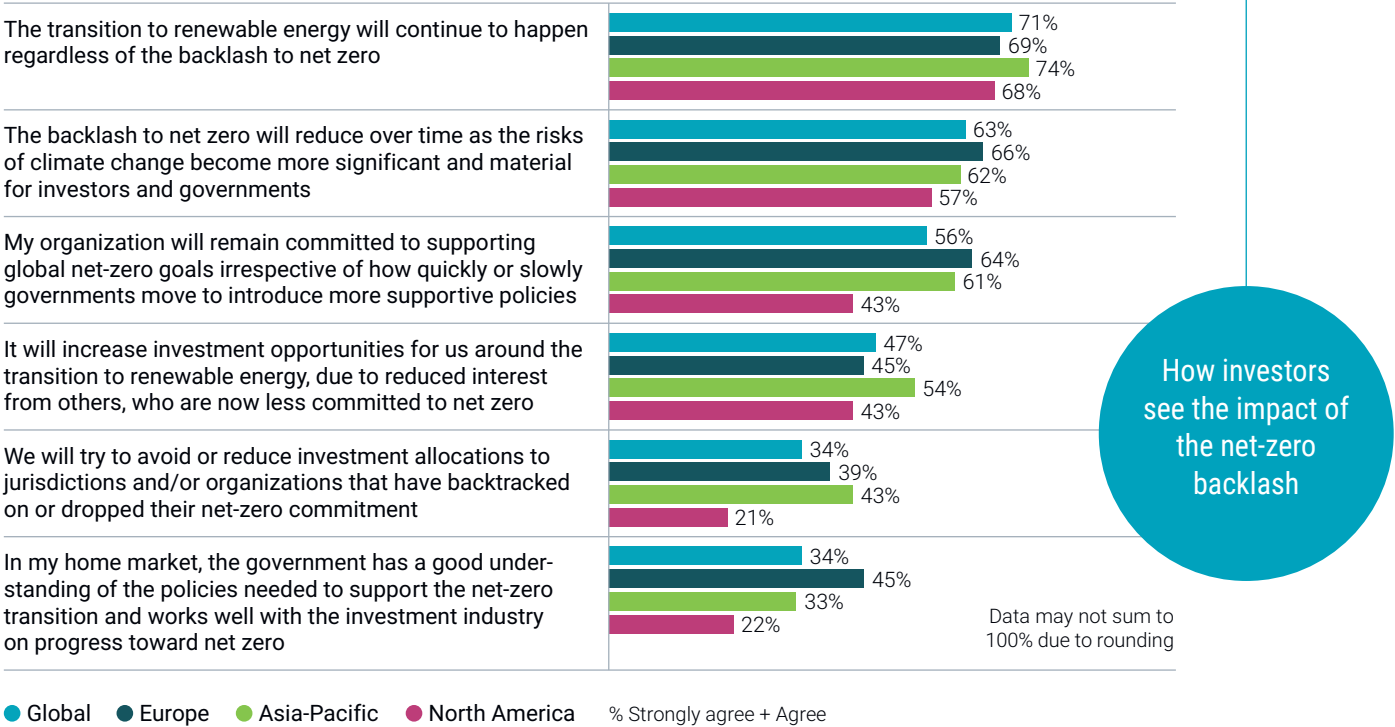
But even in the face of a government slowdown in support for net zero globally, 64% of investors who have made a public commitment to net zero say their commitment is unaffected and their investment approach is unchanged. However, nearly a third of net-zero investors agree that while they remain committed to their net-zero goal, it has

become more difficult and as a result, they have reconsidered their investment approach. And 4% of these investors are now reconsidering their net-zero commitment due to the effect of a slowdown in government support on their ability to reach net zero.

Q Which of the following statements about the slowdown in government support globally for the goal of net-zero greenhouse gas (GHG) emissions by 2050 is closest to your organization's position on this issue?



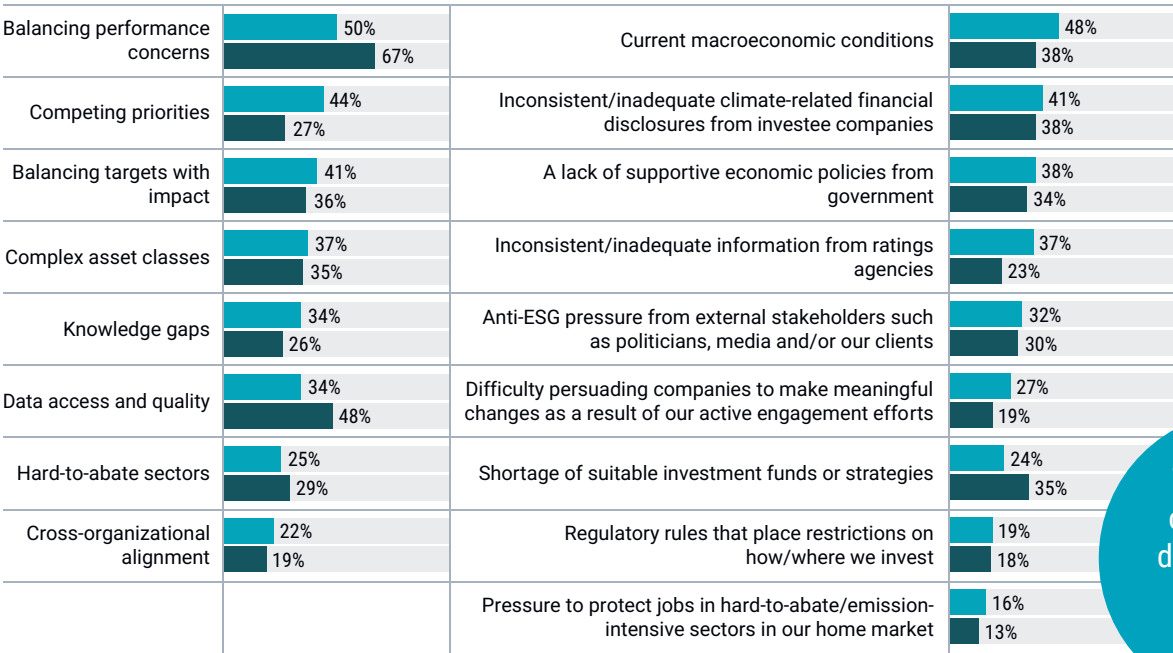
Q To what extent do you agree or disagree with the following statements?



Investor doubts and concerns over government support for the net-zero goal are also shown when investors are asked if they think the government in their home market has a good understanding of the policies needed to support the net-zero transition and if it works well with the investment industry on progress toward net zero. Here, roughly a third (34%) of investors globally agree with this statement, with 40% disagreeing.

There is also a feeling among investors that the political and populist backlash to net zero has its limits. For instance, a majority (71%) agree that the transition to renewable energy will continue to happen regardless of the backlash to net zero. And a smaller majority (63%) agree that the backlash to net zero will reduce over time as the risks of climate change become more significant and material for investors and governments.

Q What are the biggest organizational (right-hand side) and external (left-hand side) challenges/barriers to making further progress on decarbonizing your investment portfolio?



The biggest obstacles to decarbonizing investment portfolios

2026 2025 % Rank 1 + 2 + 3 Data may not sum to 100% due to rounding

In addition to wavering government support and a net-zero backlash, investors also face a range of challenges and barriers when decarbonizing their investment portfolios. Globally, this year sees a reduction in two challenges. On the issue of balancing decarbonization goals with investment performance, 67% cited this as one of their biggest organizational challenges a year ago, but this has fallen to 50% this year. And on the challenge of data access and quality, nearly half (48%) saw this as one of their biggest decarbonization challenges a year ago, but this has fallen to 34% this year.

These results suggest investors are now getting to grips with practical issues and trade-offs around decarbonization, as they progress on their decarbonization journeys.

Investors also face external decarbonization challenges. Here, current macroeconomic conditions have risen as a challenge, as 48% of investors cite this as one of their biggest external challenges this year, up from 38% a year earlier. It is the biggest external challenge in Europe and the APAC region and joint biggest in North America, along with anti-ESG pressure from external stakeholders, such as politicians, media and clients.



CHAPTER 3

Investor roundtable

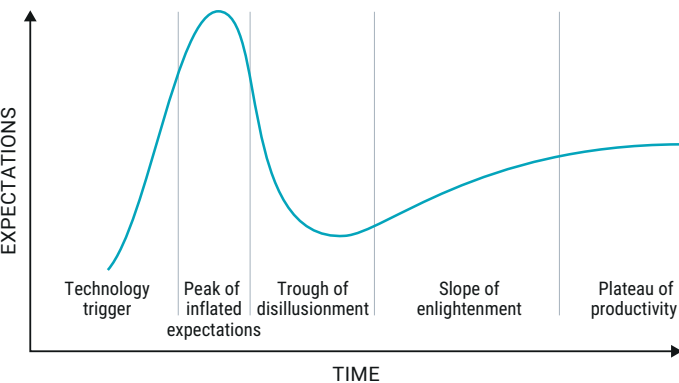
Participants



For the last few years, Robeco has tracked the views of investors on the importance of climate change to their investment policies and the extent to which they have made a public commitment to the goal of net-zero carbon emissions from their investment portfolios by 2050.

In both cases, after a burst of strong initial support and enthusiasm, there has been a drop in support which now seems to be stabilizing. Conceptually, this trend can be characterized as the net-zero hype cycle; after a peak of inflated expectations, there is a trough of disillusionment which in turn leads to a slope of enlightenment and then to a plateau of productivity.

The net-zero hype cycle



Source: Gartner Research, Robeco

Asked where investors are in this cycle, Alison Ewings, General Manager ESG at Queensland Investment Corporation (QIC), the sovereign wealth fund for the state of Queensland, Australia, said: “Globally, investors probably sit on the cusp of the trough of disillusionment

“Globally, investors probably sit on the cusp of the trough of disillusionment into the slope of enlightenment. Exactly where individual investors are on that line depends on their own approach and the geographies and markets they operate in”

Alison Ewings, General Manager ESG, Queensland Investment Corporation (QIC) Australia

into the slope of enlightenment. Exactly where individual investors are on that line depends on their own approach and the geographies and markets they operate in.”

Ewings added that investor thinking is maturing as they go through implementation experiences on their net-zero journeys. As an example, she said QIC is focusing on real-world emissions and accepting their portfolio emissions might increase in the short term, before falling. “We will take a position in corporate bonds for instance, where a company itself might be quite a high emitter, but we have strong confidence in its transition plans and ability to deliver them in a way that can add value and is consistent with our targets.”

Hiroshi Kobayashi, Chief Sustainability Officer at Nissay Asset Management, Japan, said initial support for sustainability and ESG investing in Japan was then hit by concerns over greenwashing and investment performance. But the Japanese government’s green transformation (GX) policies, which aim to shift the country from reliance on fossil fuels to greater use of green energy, have revived

net-zero ambitions. “We need to rejuvenate our country’s economy, and this shift is good motivation for that. That is why I think we have come out of the bottom of the cycle and are on the upward trajectory now. And the conviction that ESG and sustainability is a positive driver for corporate value creation remains deeply entrenched in Japan,” he added.

Lars Erik Mangset, Head of Sustainable Finance, at Grieg Investor AS, a Norwegian investment advisory firm, agreed that collectively, investors are between the trough of disillusionment and the slope of enlightenment, and their positioning will depend on their implementation experience. Mangset commented: “We are focusing on having flexibility in an investor’s alignment journey. It doesn’t necessarily have to be a linear trajectory, but one with a greater focus on helping decarbonize the real economy.”

Another roundtable participant, Belaina Negash, ESG manager at the largest pension fund in Africa, the Government Employees Pension Fund (GEPF) of South Africa, said her fund remains committed to action on climate change and sustainability. “At every single

engagement with investee companies, we discuss climate change and companies are receptive to the conversation.”

Negash added that GEPF’s commitment to climate change comes from its board. “The board has complete oversight over investments and ESG and how it affects the portfolio and it is very much committed, and so is management. We look at the implied temperature rise (ITR) of our portfolio, its financed emissions and the top 10 emitters in the portfolio and we track those metrics from quarter to quarter.”

“We are focusing on having flexibility in an investor’s alignment journey. It doesn’t necessarily have to be a linear trajectory, but one with a greater focus on helping decarbonize the real economy”

Lars Erik Mangset, Head of Sustainable Finance, Grieg Investor AS, Norway

Geopolitics: accelerating the transition but increasing uncertainty

Geopolitical forces, which have helped push up energy prices and sparked concerns over energy security for many countries, are one factor affecting net-zero commitments and creating a new climate reality for investors.

“There is confluence of new factors and influences creating this new reality, including energy security, supply chains, inflation, AI and physical climate risks. From a sustainability perspective, we have had to take all of this into account in our thinking”

Hiroshi Kobayashi, Chief Sustainability Officer, Nissay AM, Japan

Karen Lockridge, Director, Responsible Investing, at the CAAT Pension Plan in Canada, noted that geopolitical developments and changing policy environments are creating new challenges for investors pursuing long-term climate objectives. “As the Paris Agreement objective of

limiting global warming to 1.5°C above pre-industrial levels appears increasingly difficult to achieve, some investors are reassessing how portfolio decarbonization targets fit within broader approaches to managing climate-related risks and opportunities.” She notes that questions are emerging about how best to balance emissions reduction objectives with investments that support the transition to a lower-carbon economy and strengthen resilience to the growing impacts of climate change.

Lockridge said that, for CAAT Pension Plan, climate remains an important area of focus within its investment strategy. The Plan is continuing to evolve its approach to climate-related risks and opportunities against a backdrop of significant economic and geopolitical change, including Canada’s efforts to build a more resilient economy, capitalize on its natural-resource advantages, and respond to shifting trade dynamics. As her comments suggest, investor decision-making is influenced not only by market factors but also by the broader policy and geopolitical environment.

From a European perspective, Mangset said the geopolitical situation has promoted an agenda of self-sufficiency and regional competitiveness with the US and China. He added: “It is wider than just oil and gas from the Middle East; it covers raw materials as well, for example. Here in Norway, 90% of our feed for aquaculture, which is a major food production area in Norway, comes from outside Norway. What will happen if that supply chain is disrupted or there are tariffs imposed?”

Mangset added: “Sustainability is part of this self-sufficiency agenda, whether it is renewables, or circularity. It also brings some challenges, as we moved a lot of the more polluting activities outside Norway several decades ago. There’s also a focus on oil and gas which we still need as part of a mix of energy sources, so it is a fragmented picture.”

But the new climate reality for investors is a consequence of various factors, as Kobayashi points out: “There is confluence of new factors and influences creating this new reality, including energy security, supply chains, inflation, AI and physical climate risks. From a sustainability perspective, we have had to take all of this into account in our thinking. We recently held a conference with all our investment teams, talking about issues such as our future exposure to the defense sector, given the situation in Europe and what our government and the US government has said recently. What is the right stance for us, as a sustainability-focused asset manager?”

And QIC’s Ewings said that while climate and energy security discussions have been firmly intertwined for some time, we are now witnessing the latest development in this debate due to current conflicts. “There is a discussion about renewables in North America and parts of Asia-Pacific, there is also a discussion about gas, so it presents opportunities and challenges for decarbonization. The consumer response to recent global events has also been interesting; in Australia, where there has been a demand spike for electric vehicles. So that kind of individual consumer decision-making is beginning to influence the transition on a scale we haven’t seen before.”

Another part of the new climate reality is the rise in physical climate risks, as seen in this year’s findings. GEPF’s Negash commented: “Physical climate risks are becoming more material. From a GEPF perspective, we look at physical climate risk at a portfolio level. Are we more exposed to drought or tropical cyclones? We are already looking at the portfolio and tracking this quarter by quarter.”

On asset allocation, Negash explained that because the portfolio is largely passive, GEPF can’t diversify away from certain sectors, as it wouldn’t be able to match our benchmark if it did that. She added: “We seek to influence changes through engagement and proxy voting. That way, when you have conversations with investee companies, you see how they are managing climate change risks over time.”

“We seek to influence changes through engagement and proxy voting. That way, when you have conversations with investee companies, you see how they are managing climate change risks over time”

Belaina Negash, ESG Manager Investments, Government Employees Pension Fund (GEPF), South Africa

While the survey findings show investors expect the impact of physical climate risks on asset prices to increase over time, Ewings points out that markets are already adapting. “It is easy to talk about it as a long-term issue but implicit in that is the fact that repricing typically occurs long before the risks are realized.” She added that this translates into investment decision-making in different ways: “Not just in transaction-specific due diligence questions, but also in the implications for the macroeconomic environment and what it means for asset allocation generally. Whether it’s climate or geopolitical stress-testing, that’s where it is coming to the fore in terms of how we think about it.”

Will AI help global progress on climate goals?

Given its tremendous potential, artificial intelligence (AI) could help progress toward climate goals, such as the transition toward renewable energy, or the development of sustainable infrastructure, or sustainable food production and resilient agricultural practices.

While they acknowledge the positives of AI, the roundtable participants can also see potential downsides to it. GEPP's Negash said: "Besides the environmental aspects of AI and data centers, a big aspect for us in a region where there are high levels of unemployment, is: how does AI affect future jobs? Will there be a stranded human capital problem, where instead of reskilling people, headcounts are cut and some roles are automated?" Negash said this would be a discussion topic with investee companies and added that data sovereignty is another issue to be considered.

"AI could affect the social cohesion and institutional trust needed to address climate change. Its impact on misinformation, employment, decision-making, and geopolitical stability could either strengthen or undermine society's capacity to respond to long-term challenges. There are significant opportunities, but also real risks that need to be managed"

Karen Lockridge, Director, Responsible Investing, CAAT Pension Plan, Canada

Lockridge said she shared some of Negash's concerns on social issues and AI. She added: "AI could affect the social cohesion and institutional trust needed to address climate change. Its impact on misinformation, employment, decision-making, and geopolitical stability could either strengthen or undermine society's capacity to respond to long-term challenges. There are significant opportunities, but also real risks that need to be managed."

A key AI issue is the need for large-scale data centers, which require power and water at scale to operate. Kobayashi said that as their establishment is inevitable, they need to be in the right places, as part of long-term

strategies to position these sites as catalysts for long-term growth. He added: "It will also be necessary to advance the transition within clearly defined geographic zones and districts around regional cities. Then, for example, we need to find out the way – through the partnership of industry and finance – to drive the transformation of large industrial complex zones that have long been major greenhouse gas emitters, turning them all into green hubs and renewable energy bases. It may be an interesting topic in Japan from now on."

Others are less optimistic about AI, at least on certain aspects of its development, such as energy use. For example, Ewings said: "In the short term, the energy demand and resource demand issues are concerning. Increased demand for renewables doesn't necessarily support the clean energy transition, unless you are also reducing the overall demand for fossil fuels within the system."

Ewings said that AI's ability to address the challenges investors and others face is exciting, but added: "We are only just starting to scratch the surface of some of the structural and systemic implications of these technologies, particularly when you lay quantum computing over the top of that as well. At the risk of sitting on the fence, it's still uncertain how optimistic we should be."

And Mangset concurs with this view. "I would add that electricity use will maybe not be as big as some think but it will increase. Alison mentioned quantum computing, which will also require its own data centers and a very large energy demand. There is also a general electrification trend all over the world, so AI is competing with the electrification of transport and the decarbonization of industry."

He added: "We've also seen increasing social opposition to data centers in Norway, the US and many other places. I am not convinced that the positives will outweigh the negatives. Finally, in terms of our own approach to AI, we are still figuring it out. There is a focus on technology companies and questions from our clients, but we haven't really got a clear idea of how to approach AI as a thematic when it comes to sustainable investing."

Conclusion

As this roundtable discussion makes clear, investor commitment to sustainable investing is being tempered by a range of forces. One is the process of moving from the peak of inflated expectations, which was seen a few years ago, toward the slope of enlightenment, as investors come to terms with implementation issues and other challenges to reducing the carbon emissions associated with their investment portfolios. Investors increasingly understand that this is not a linear journey, particularly if the focus shifts to reducing real-world emissions.

On this journey investors are also subject to a range of external pressures, from a changing geopolitical picture to macroeconomic forces, the rise of AI and other technological developments, or changes to government policies. And increasingly, nature, in the form of physical climate risks, will have its say in all of this, driving investor interest in climate mitigation solutions, as well as in climate adaptation and resilience solutions. Together, these factors have created a new climate reality for investors, where they face a more dynamic environment, with different forces bringing greater complexity to the investor journeys to goals such as net-zero carbon emissions at a future date.

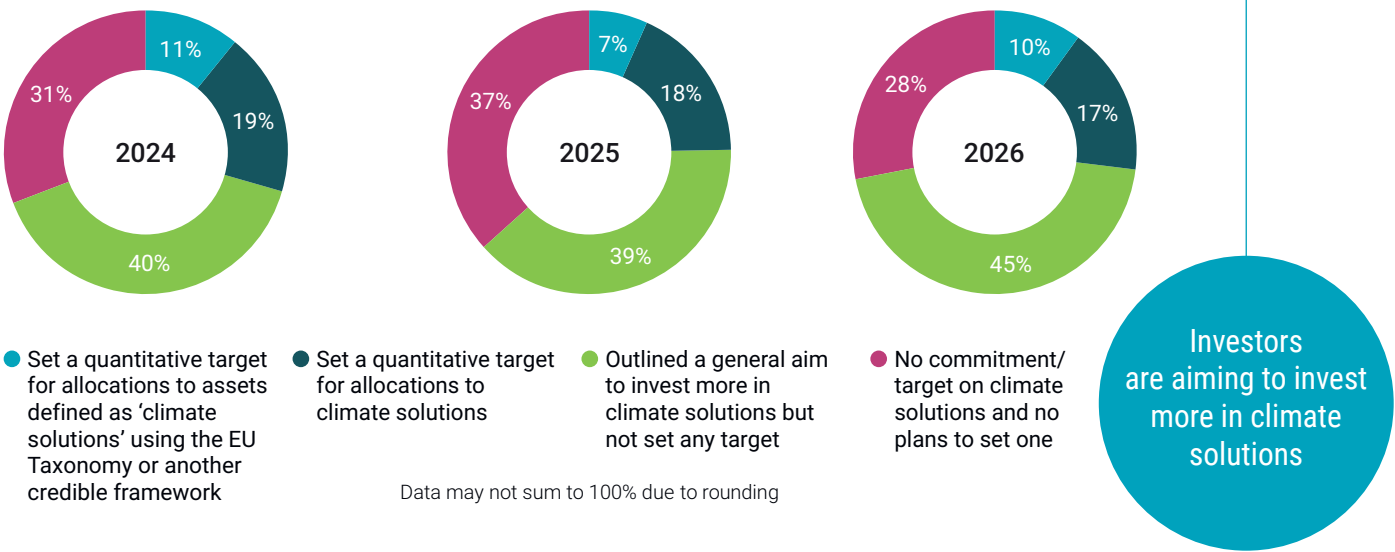
As their comments here show, investors are adapting their thinking to take account of issues such as physical climate risks and geopolitical challenges, as they seek to invest sustainably and with an eye on the necessity of acting to limit global warming. This investment mission has many challenges, but there are also many opportunities, from the strength and scale of the energy transition to the range of nascent opportunities in climate solutions. ●



CHAPTER 4

Investing in climate solutions and climate transition finance

Q *Has your organization made specific commitments or set targets related to investments in climate solutions?*



One important aspect of the new climate reality for investors is the growing importance of investing in climate solutions. Globally, 45% of investors have outlined a general aim to invest more in climate solutions, but have not set a target, up from 39% in 2025.

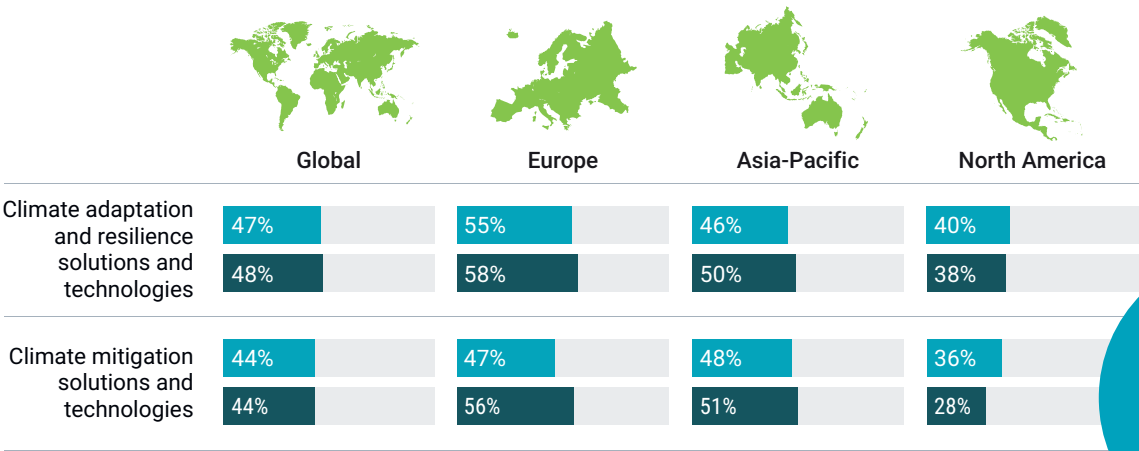
This cohort is highest in the APAC region (52%), ahead of Europe (44%) and North America (38%). In addition to this, the APAC region has seen the biggest increase in investors with a general aim to invest more in climate solutions over the last three years, as this has risen from 41% in 2024 to 52% this year.

In contrast to the other two regions, in North America, nearly half (46%) of investors have no target on climate solutions and no plans to set one, although this is slightly down from previous years.

Just over a quarter of investors globally have set targets for investing in climate solutions; 17% have set a quantitative target without the use of a specific taxonomy or framework, while 10% have set a quantitative target for assets defined as 'climate solutions' using the EU taxonomy or other credible framework.

European investors are the most likely to have set a target in either case; 23% have set a quantitative target without the use of a specific taxonomy or framework, while 16% have set a quantitative target using an EU taxonomy or other credible framework. In comparison, the respective figures for the APAC region (17% and 7%) and for North America (12% and 4%) are lower.

Q How would you rate the attractiveness of the potential risk-adjusted returns on offer from the investment themes below over the next 3-5 years?



2026 2025 Data may not sum to 100% due to rounding

Investors on the attractiveness of returns from climate solution investment themes

On the attractiveness of the two main types of climate solutions, there is a fairly even split between investors. Nearly half (47%) say that the potential risk-adjusted returns from climate adaptation and resilience solutions and technologies are attractive, while slightly fewer (44%) think that the potential risk-adjusted returns from climate mitigation solutions and technologies are attractive. The main regional difference here is that North American investors are less likely to find returns from these types of climate solution attractive.

Globally, there has been almost no change in these findings since 2025. By region, climate mitigation solutions and technologies are less attractive to European investors (47% in 2026 vs. 56% in 2025), but this type of climate solution is now more attractive to North American investors (up from 28% in 2025 to 36% this year).

One reason for investor interest in climate mitigation solutions, such as renewable energy or low-carbon technologies, is that over half (59%) of investors believe that demand will remain strong despite any political backlash and backtracking on net-zero goals.

However, the survey results show where improvements are needed to boost investments in climate mitigation solutions. For example, only 44% of investors say their organization has a strong understanding of which companies can be classified as providing ‘climate mitigation solutions’, showing a need for better information and

guidance for investors from companies that are providing climate mitigation solutions. Another finding pointing to an area for improvement is that only 30% of investors agree that there is already a sufficient universe of listed companies producing climate mitigation solutions to enable investors to scale up their public exposure to this theme.

For investors, one of the biggest barriers to allocating to climate mitigation solutions is policy uncertainty, or governments weakening their support for some climate mitigation solutions. This is cited as a significant barrier by 45% of investors globally and 48% in Europe. Two of the most popular types of climate mitigation solutions among investors are renewable energy/clean power, with 68% of investors already investing in this area, and electric vehicles, with 57% already invested. Both these assets are affected by government policies on the phase-out of petrol- and diesel-driven cars, taxes and subsidies. Electricity grid modernization is another widely used climate mitigation solution, and this area can also be influenced by government policies and support.

Looking ahead, just over a third of investors plan to increase investments in renewable energy, electricity grid modernization and new/emerging battery technologies in the next two years. Regionally, 37% of European investors plan to increase investments in sustainable real estate in the next two years, while 38% of APAC region investors plan to increase investments in carbon capture and storage technologies in the next two years.

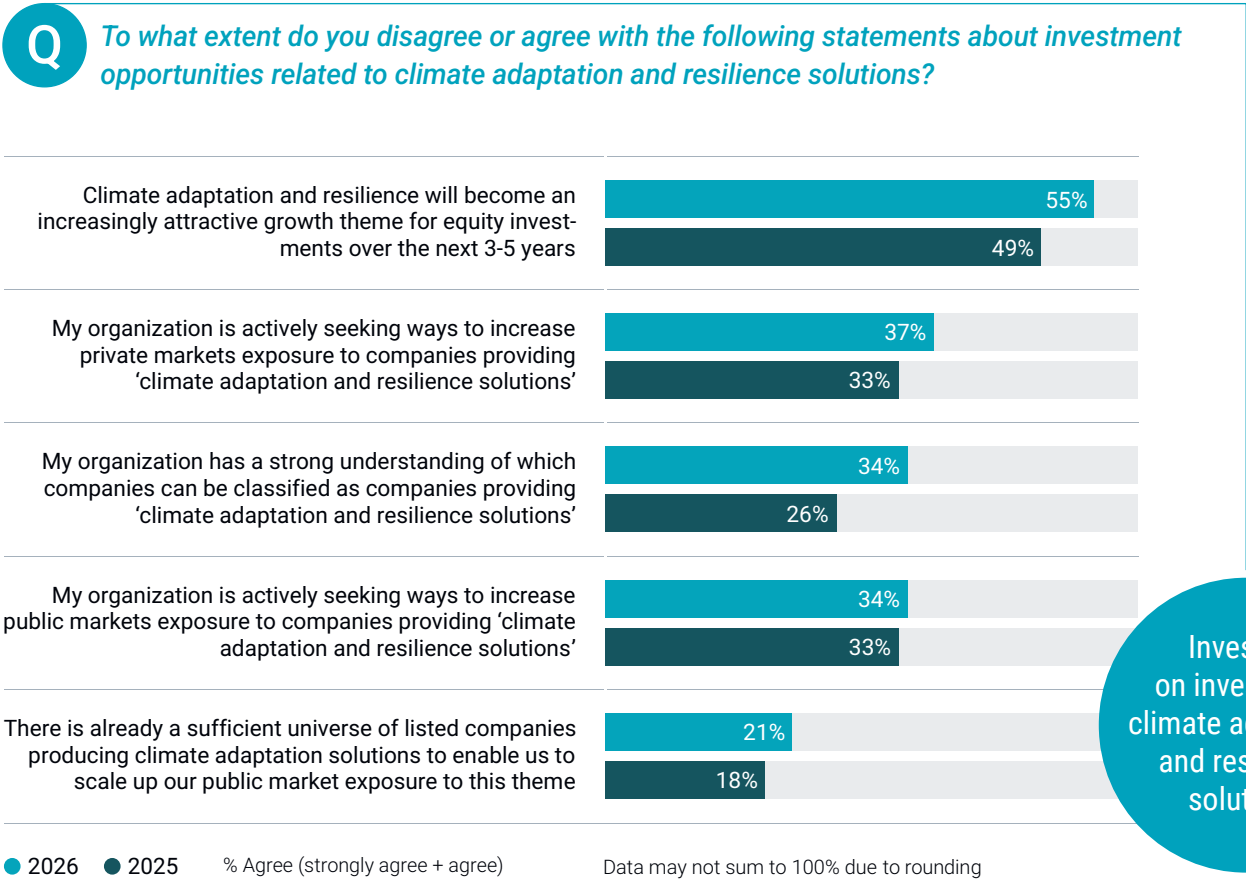
Over half of investors (55%) agree that climate adaptation and resilience will become an increasingly attractive growth theme for equity investments over the next 3-5 years.

As with climate mitigation solutions, there are gaps in investor understanding here; only 34% say their organization has a strong understanding of which companies can be classified as companies providing climate adaptation and resilience solutions, for example. And only 21% agree that there is already a sufficient universe of listed companies producing climate adaptation solutions to enable them to scale up their public market exposure to this theme.

Just as with climate mitigation solutions, policy uncertainty from governments is a major barrier for investor allocation, with 43% citing this, while 40% say that it is hard to identify credible climate adaptation companies.

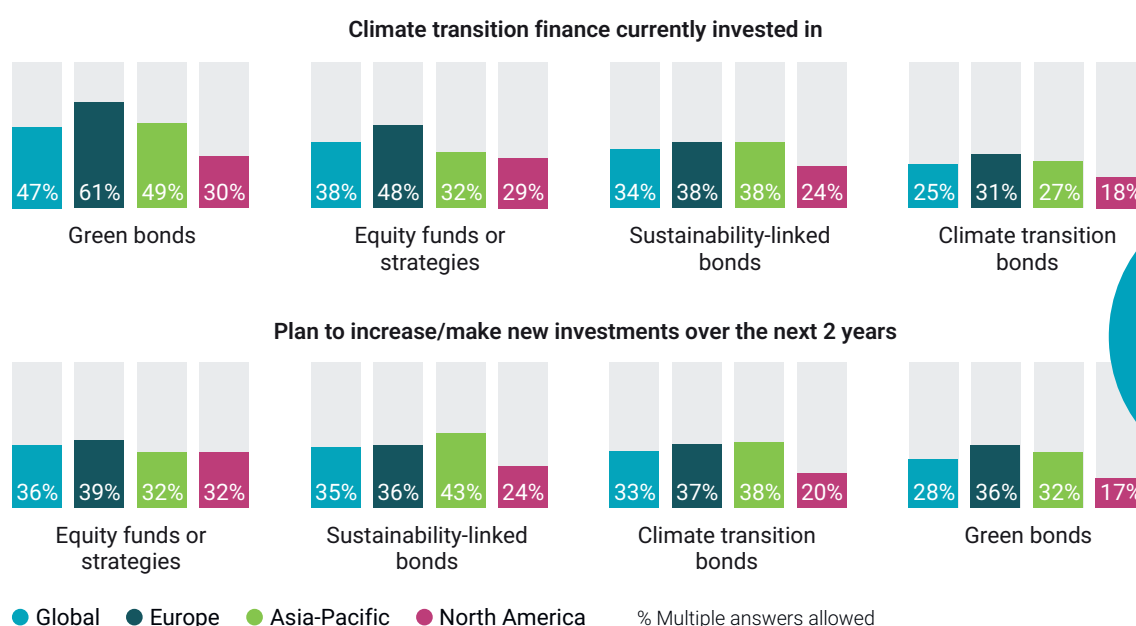
At present, the most widely held types of climate adaptation and resilience investments among investors are water management systems (41%), health, such as vaccines or drugs for new diseases (40%), climate-resilient energy technologies and systems (39%) and climate-resilient infrastructure and transportation (38%). And these areas are also favored for new investments in the next two years by investors.

One reason why investors are sticking with these areas could be that a barrier to allocating to climate adaptation and resilience solutions is uncertainty over their ability to achieve competitive risk-adjusted returns, although this has reduced from 58% of investors in 2025 to 39% this year.



Q

Which of the following types of climate transition finance have you already invested in? And which do you expect to increase/make new investments in over the next two years?



Climate transition finance investments held now and future intentions

Climate transition finance, or financing provided to high carbon-emitting industries, such as coal-fired power generation and traditional heavy industries such as steel, cement, chemicals, aviation or construction, with the purpose of funding their transition to lower carbon emissions, or even full decarbonization of their operations, is another way for investors to invest in support of a transition to a low-carbon economy.

Here, green bonds are the most widely used type of climate transition finance among investors globally, with 47% holding them. Green bonds are more likely to be held by European investors (61%), ahead of APAC region investors (49%) and North American investors (30%).

The next most widely held types of climate transition finance are equity funds or strategies (38%) and sustainability-linked bonds (34%). European investors (48%) are more likely to hold equity funds or strategies compared to their peers in the APAC region (32%) and North America (29%). But APAC region investors are equally likely to hold sustainability-linked bonds as European investors (both 38%).

Over the next two years, 36% of investors plan to increase or make new investments in equity funds or strategies, slightly ahead of sustainability-linked bonds (35%) and

climate transition bonds (33%). APAC investors tilt toward sustainability-linked bonds, with 43% planning increased investments, while European investors prefer equity investments, with 39% planning to increase investments. North American investors are also more likely to prefer equity investments (32%).

The biggest obstacle for investors when considering allocating to climate transition finance is the uncertainty about achieving competitive risk-adjusted returns, with over half (52%) of investors citing this, rising to 61% of APAC investors.

APAC investors also say a limited pool of companies with credible transition strategies is an investment obstacle (38%). For European investors, key obstacles include a lack of reliable, accurate data for assessing climate finance opportunities (39%) and unclear signals from policymakers holding back investor commitments over the long term (38%). The lack of accurate, reliable data is also cited as an obstacle by 34% of North American investors.

These findings show that greater clarity over investment returns, more reliable and accurate data, a bigger pool of investee companies with credible transition strategies and clearer signals from policymakers could also boost allocations to climate transition finance.

Conclusion

European readers will not need reminding that from late May onwards, they have experienced an intense and prolonged heatwave, with temperature records broken across the continent. While skeptics would dismiss this as just exceptional weather, climate scientists and meteorologists would point out that Europe is the fastest-warming continent, at twice the global average, with climate change a contributing factor to this. This heatwave has led to a rise in heat-related deaths, more intense and frequent wildfires, adverse impacts on agriculture, school closures, lower productivity and increased power usage for air-conditioning.

This resonates with some of the findings in this year's Global Climate Investing Survey. For example, 66% of investors globally think that physical climate risks will have a moderate or significant impact on asset prices over the next five years. Nearly as many, 63%, expect physical climate risks to have a moderate or significant impact on their organization's strategic asset allocation over the next five years.

It is not just in Europe that investors are seeing the effects of climate change happening now, or wondering about the efforts to combat climate change, such as achieving the Paris Agreement's targets on limiting temperature increases. Globally, most investors think there will either be a 'too little, too late' climate transition (47%), or a disorderly transition (28%). And 44% think that the Paris Agreement's 2°C target for limiting global warming is now unachievable.

Perhaps these findings, which indicate investor realism, are part of the reasons for investors planning to allocate more to investments that actively target climate change in the future. Many investors also plan to invest more in climate solutions, such as climate mitigation solutions and climate adaptation and resilience solutions.

One potential obstacle to these ambitions is the slowdown in government support seen in many countries. This can be in the form of policy uncertainty, such as on the phase-out of petrol and diesel cars, or over policies around renewable energy. Wavering government support for net-zero goals is also causing some investors to rethink their own net-zero goals, although for most investors with a public commitment to net zero, this remains in place.

The views of investors in this year's investor roundtable back up and add color and detail to many of the findings in this year's survey. As one participant states, new factors and influences, including energy security, supply chains, inflation, AI and physical climate risks are creating a new reality and have to be part of investor thinking on sustainability.

This year's survey shows how geopolitical factors are also influential, as three-quarters (75%) of investors believe that the conflict seen in the Middle East this year will moderately or significantly affect the transition to renewable energy. Here, the closure of the Strait of Hormuz and the disruption this has caused in oil and gas supplies is seen as another reason for countries to seek energy security and less reliance on vulnerable supply chains. Another key driver here is the strength of the energy transition, as many countries seek to move away from their reliance on oil and gas.

Overall, this year's survey helps with understanding the pressures on climate-aware investors and the challenges they face. It also shows how they are positioned as investors, as they seek to implement investment strategies that take account of climate change and the need to address it. The survey shows that making progress on the journey to a low-carbon economy is not a smooth, linear process for investors, but also that investors increasingly understand this, as they grapple with the trade-offs and challenges of investing sustainably.



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On 31 December 2025, Robeco had EUR 337 billion in total client assets, of which EUR 335 billion is committed to ESG integration.

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