The State of SWF Social Impact Integration: Trends and Opportunities

Ege Aksu, Fellow, Jain Family Institute

Roberta Costa, Research Manager, Jain Family Institute

Paul Katz, Senior Vice President, Jain Family Institute

Sina Sinai, Senior Research Associate, Jain Family Institute

Jain Family Institute (JFI)
jfiresearch.org
568 Broadway, Suite 601
New York, NY 10012

International Forum of Sovereign Wealth Funds
https://www.ifswf.org/

Contents

Executive Summary

The 2025 IFSWF Survey reveals that the sovereign wealth sector has moved past the question of whether social impact matters and on to questions of clarifying and measuring it effectively in practice. With growing scrutiny on the role of large institutional investors in shaping equitable and sustainable outcomes, sovereign wealth funds (SWFs) are increasingly expected to demonstrate how their investments contribute to broader social goals. Our findings reflect a sector-wide evolution from rhetorical commitments to implementation strategies—albeit at different stages of integration and with diverse institutional approaches.

Deepening Engagement Across the Board
Both development and savings funds are increasingly integrating social impact considerations into their investment processes. Among development funds, which often have mandates linking capital deployment to national development goals, five out of eight indicate that they already apply a defined methodology to evaluate social outcomes. Among savings funds, which are traditionally focused on long-term risk-adjusted financial returns, only one among nine respondents currently uses such a methodology, but five more report active plans to implement one. This suggests a widening recognition that addressing social outcomes is material to long-term performance and legitimacy.

Mandates Shape Social Priorities and Practices
Development funds consistently integrate social impact evaluation into core activities, often using multidimensional indicators aligned with national policy goals. By contrast, savings funds tend to prioritize infrastructure and environmental themes and are less likely to assess social outcomes systematically, reflecting the differing institutional origins and objectives of the funds.

Measurement Practices Are Evolving but Uneven
While most SWFs indicate that they use a combination of quantitative and qualitative approaches to assess social outcomes, measurement practices remain variable and context-dependent across funds. Despite ongoing fragmentation with regard to framework alignment, early signs of consolidation are emerging, particularly around the Sustainable Development Goals and select industry standards. Still, substantial gaps remain in the consistent application of metrics, definitions, and attribution logic, limiting comparability across funds and regions.

Gaps in Data and Methods Persist

Data availability and benchmark methodologies remain major obstacles. Most funds rely primarily on internal data or information provided by investees, with limited use of public or third-party datasets. This restricts capacity to benchmark performance and could impair credibility.

Barriers Reflect Different Stages of Social Integration

Funds exhibiting lower levels of social impact integration, such as those without defined methodologies or evaluation frameworks, tend to report challenges like unclear methods and difficulty aligning social goals with investment objectives. In contrast, funds with more established practices often face technical challenges, such as improving data quality, embedding impact evaluation into workflows, and scaling measurement efforts. Across the board, there is a recognized need for better measurement infrastructure: clearer standards, capacity building, and opportunities for peer learning.

Measuring Financial Additionality is Still a Nascent Practice

While awareness of financial additionality — the unique catalytic role of sovereign investments — is rising, few funds currently attempt to measure it systematically. Barriers cited include difficulty in establishing counterfactuals and a lack of consolidated methodologies. Even among adopters, defining and demonstrating additionality remains an operational challenge, highlighting the need for guidance and shared frameworks.

Normalizing Social Impact Integration

To better understand the variation in social impact practices, we developed a Social Impact Integration Index that normalizes survey responses across key dimensions such as measurement approach, frameworks, and thematic focus. This index, which is not to be interpreted as a ranking tool, helps to identify where funds are along the integration spectrum and what types of barriers they tend to face. Notably, funds with medium levels of integration — those actively engaging in but not yet institutionalizing social impact practices — emerge as a particularly strategic group for peer learning, capacity building, and trend forecasting. The index offers a foundation for future benchmarking and targeted dialogue across the SWF community.

We are eager to administer this survey regularly to build a time series and further contribute to the growing momentum for impact measurement, credibility, and shared learning between and among sovereign wealth funds.

JFI

Introduction

In 2022, the International Forum of Sovereign Wealth Funds (IFSWF) published *What the S in ESG means for Sovereign Wealth Funds*, the first such attempt to systematically map how Sovereign Wealth Funds (SWFs) integrate social impact into their operations. In 2025, IFSWF and the Jain Family Institute (JFI) followed up with a new survey to explore how SWFs have evolved in their understanding, measurement, and communication of social outcomes.[1]

The role of SWFs has evolved significantly in recent years, with increasing attention being paid to their social impact, particularly in relation to development goals, investment strategies, and conceptions of additionality. As global financial markets evolve and sustainability concerns intensify, SWFs have been progressively integrating social and environmental factors into their investment processes.

This report presents findings from the 2025 survey and contextualizes them in a fast-changing political and economic landscape. It offers a practical look at how SWFs are grappling with questions of financial additionality, social impact measurement, and evaluation frameworks — and how leading institutions are charting new paths in impact investing. The goal of this survey is to better understand where funds currently stand in their journey toward evaluating social impact, what barriers they face, and what support they need to enhance their capacity in this domain. The following visualizations and accompanying commentary highlight major themes across evaluation practices, indicator usage, reporting structures, institutional challenges, and alignment with global frameworks. Together, these findings offer a valuable overview of where the field is headed and where collaboration may be most valuable.

The survey was distributed to all IFSWF members, which comprises approximately 50 SWFs. We received responses from 21 funds — representing roughly one-fifth of all SWFs globally, and over 40% of the IFSWF membership — offering a meaningful snapshot of current practices. While the survey was

[1] The authors would like to thank IFSWF Director of Strategy and Communications Victory Barbary and Head of Data and Analytics Enrico Soddu, for their extensive work on behalf of this joint project, and for their intellectual and strategic partnership. We are grateful as well to JFI's Molly Dektar, Director of Editorial and Communications, and to JFI fellow Marcella Cartelegde, for their support of the report and associated workshop, and to all of the workshop speakers and participants for their time and insight.

conducted anonymously, voluntary confirmations of survey completion by 14 funds evidenced participation across a broad cross-section of the global sovereign investment community, with diversity across mandates, regions, fund size, and degrees of social impact integration.

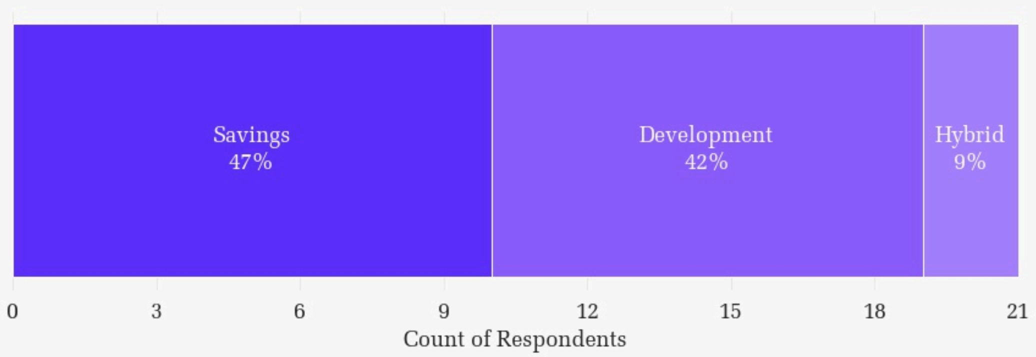
Throughout the survey and resultant report, we use *social impact* to refer to the social benefits that accrue as funds interact with their employees, contractors, stakeholders, portfolio companies, communities, and broader economies. This includes areas such as labor practices, community engagement, human rights, sustainability, and social equity. We define *financial additionality* as unique financial contributions not available from commercial, private sources — such as innovative instruments, concessional structures, or catalytic capital that helps bring in other investors at scale. These definitions were also included in the survey instrument to ensure shared understanding among respondents when answering questions. It is important to note that while environmental considerations were not the focus of this study, the inclusion of themes such as water/sanitation, clean and affordable energy, and a just energy transition make clear that social and environmental impacts are interconnected in complex ways.

In addition to the survey, findings from this report also draw on discussions held during the in-person convening "Measuring and Monitoring Social Impact: Best Practices for Sovereign Wealth Funds," co-hosted by IFSWF and JFI on May 12, 2025, at New York Law School in New York City. The event brought together sovereign investment professionals, researchers, and practitioners to explore challenges and innovations in social impact assessment. Held under the Chatham House Rule, the convening provided valuable context and candid insights that enriched the interpretation of survey findings. While the core of the report is grounded in the survey data, several themes and observations were sharpened and expanded through this collaborative dialogue.

Characterizing the Funds

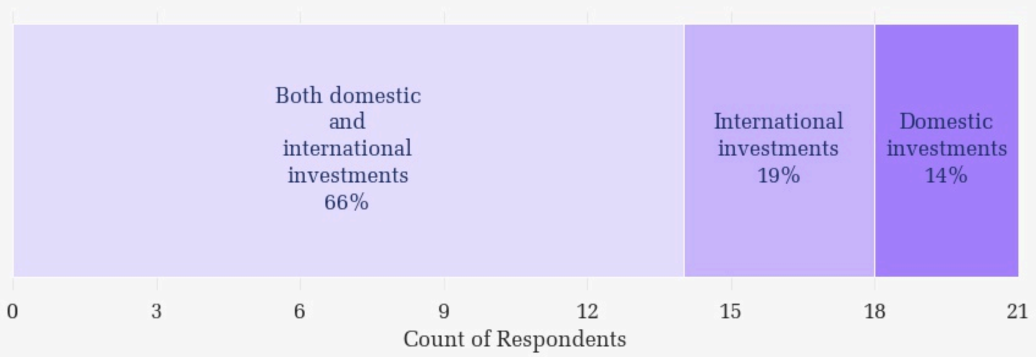
The respondent pool includes a balanced sample of fund types, with development mandates slightly outnumbering savings ones (Figure 1). While survey responses were anonymous, as noted above, private confirmations of participation from 14 of 21 respondents confirms that the sample to be geographically diverse, offering a representative snapshot to analyze differences in practice and degree of social impact integration across institutional contexts. Most funds invest both domestically and internationally (Figure 2), with some savings funds investing only abroad and some development funds investing only at home (Figure 3).

Figure 1. Survey Respondents by Mandate



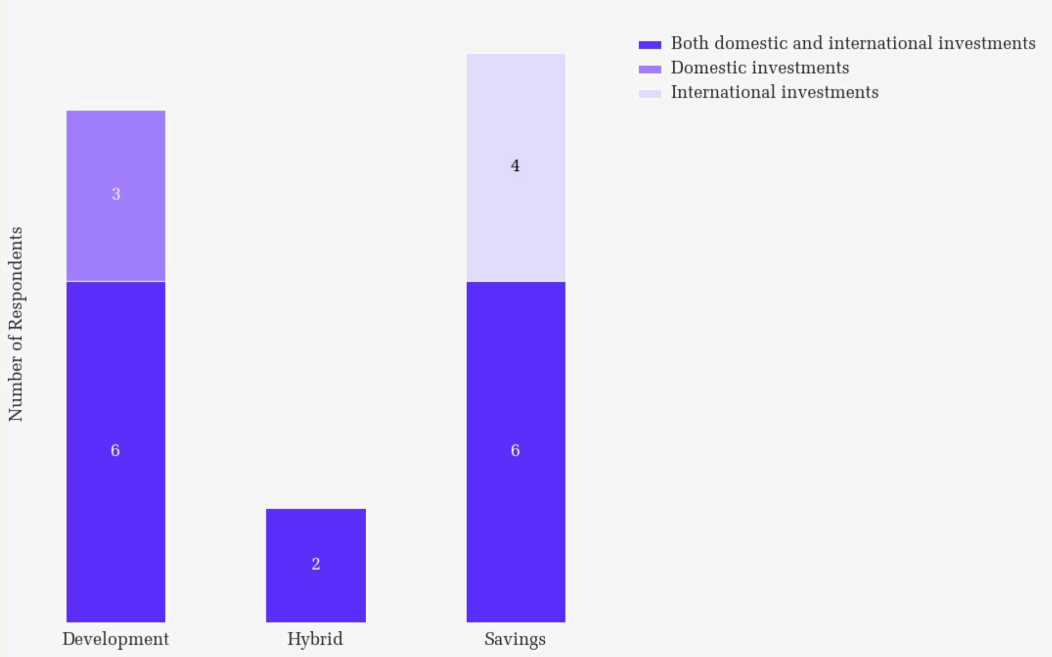
Source: IFSWF Social Impact Survey, February - March 2025.

Figure 2. Survey Respondents by Investment Universe



Source: IFSWF Social Impact Survey, February - March 2025.

Figure 3. Investment Universe by Mandate



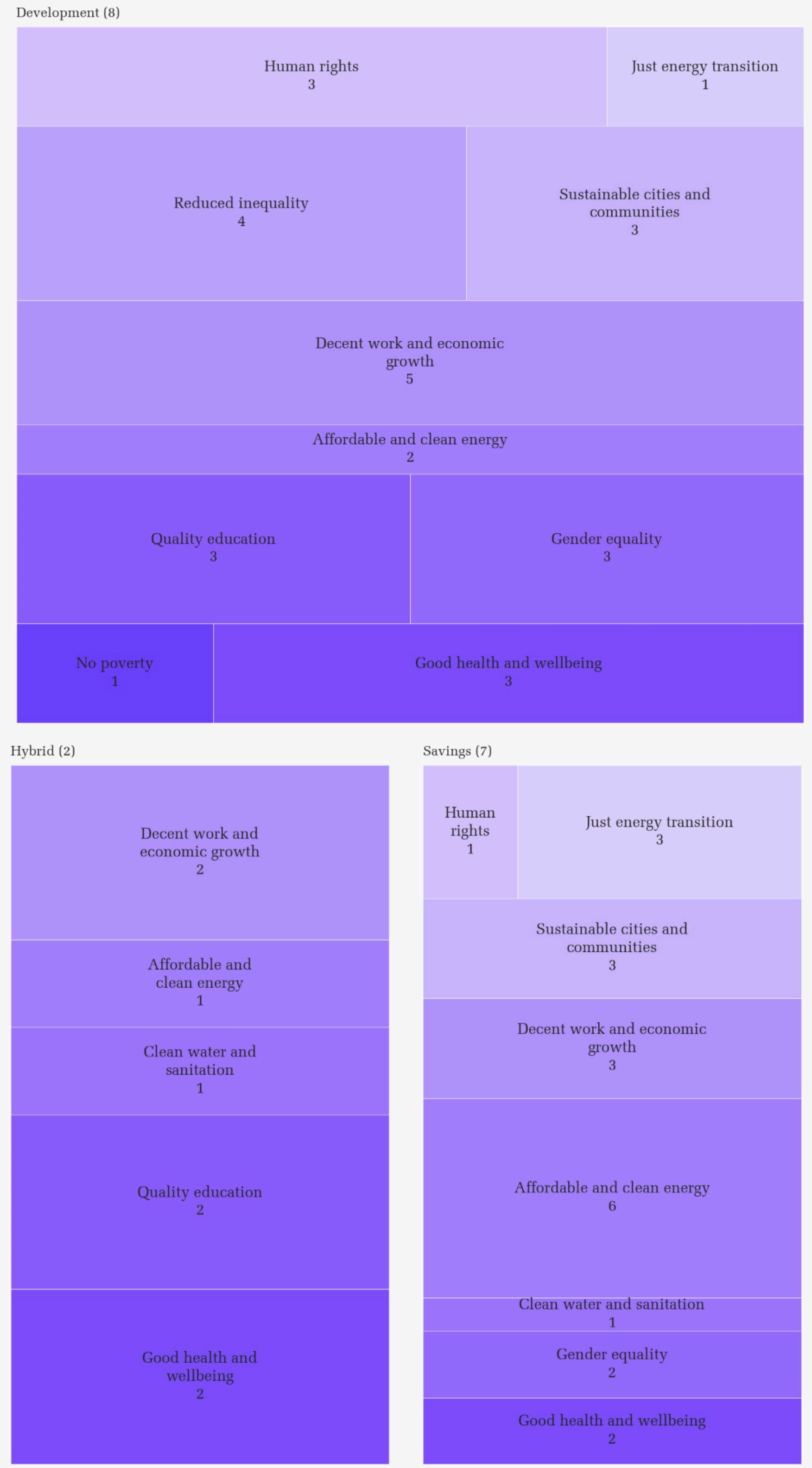
Source: IFSWF Social Impact Survey, February - March 2025.

Strategic Orientation and Process Integration

It is interesting to note that all 21 respondent funds consider responsible/sustainable investments to be “at least somewhat relevant”, with only four indicating that they are “still exploring its potential relevance”. Compared with the 2022 data from the *What the S in ESG means for Sovereign Wealth Funds* report, there is an increase of +10% in the number of funds that consider responsible investments a critical component of their process.

When asked to select their top social impact priorities, funds emphasized a wide spectrum of themes, with some variation by mandate (Figure 4). Development funds were more likely to prioritize goals such as decent work and economic growth, reduced inequality, and quality education that align with national policy objectives. Savings funds, by contrast, leaned toward clean energy, sustainable cities, and infrastructure like water and sanitation. This variation underscores that sovereign wealth funds are not monolithic in how they interpret social impact.

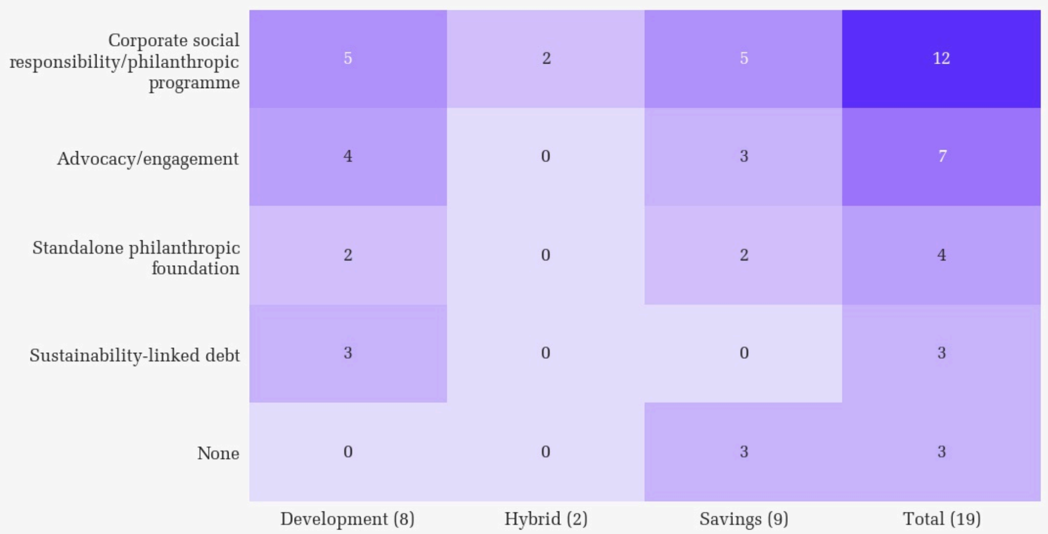
Figure 4. Top Social Impact Themes Selected by Mandate



Source: IFSWF Social Impact Survey, February - March 2025.

When asked which approaches beyond investing they use to engage with social issues, only three funds, all of them savings-oriented, report no alternative means of engagement (Figure 5). Most funds, whether hybrid, savings, or development, report that they use advocacy/engagement, CSR, and philanthropic foundations to achieve social impact. Strikingly, three development funds also reported using sustainability-linked debt.

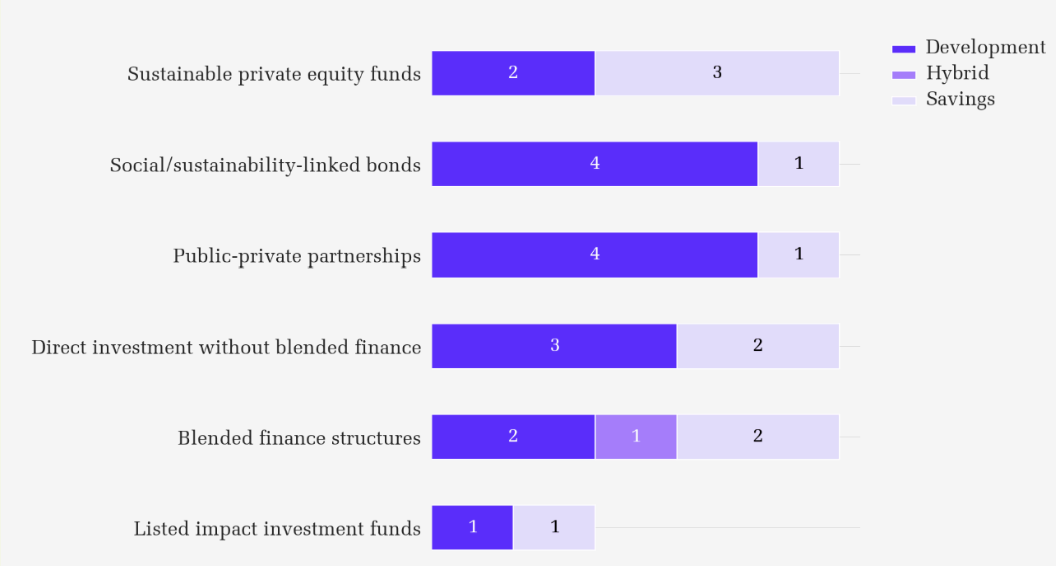
Figure 5. Other Approaches to Engage with Social Issues



Source: IFSWF Social Impact Survey, February - March 2025.

Taking a closer look at the investment vehicles funds use to make an impact, we see that development funds appear to be more active in investing in social/sustainability-linked bonds and public-private partnerships (Figure 6). On the other hand, savings funds are more selective in their approach, with fewer funds engaging with sustainable private equity funds or listed impact investment funds. Savings and development funds report roughly similar use of direct investment for social impact, both with and without blended structures. These findings point to a greater reliance on traditional financing models like bonds and partnerships among development funds, with savings funds exploring a narrower set of financing vehicles.

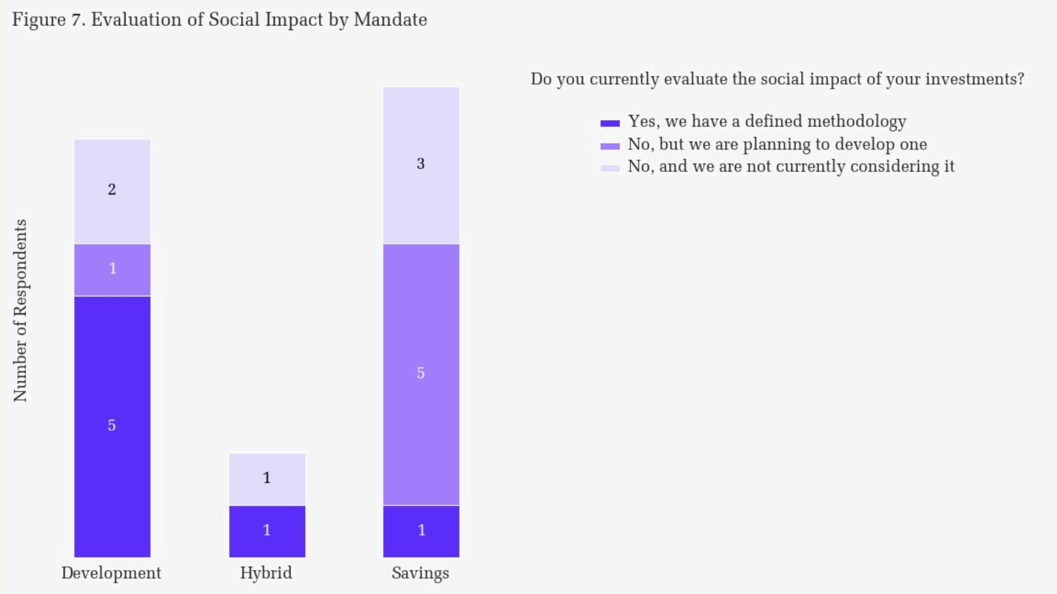
Figure 6. Financing Options Used for Social Impact



Source: IFSWF Social Impact Survey, February - March 2025.

Evaluating Social Impact

When asked whether they evaluate the social impact of their investments, funds' responses reveal differences across mandates (Figure 7). Development funds are more likely to report having a defined methodology in place, while savings funds are often in the early stages of considering social impact evaluation, or in some cases may not evaluate it at all. This gap illustrates a divergence in institutional constraints and priorities. For funds focused on national or economic development, social impact is often embedded in their *raison d'être*. For others, it remains a question of whether incorporating such a process is of relevance or perceived added value. Even so, it is striking that, while only 1 of 9 savings fund respondents report that they currently have a defined methodology, 5 of 9 say that they are planning to develop one, pointing to robust interest and the growing formalization of social impact evaluation among funds that have less traditionally pursued these objectives.

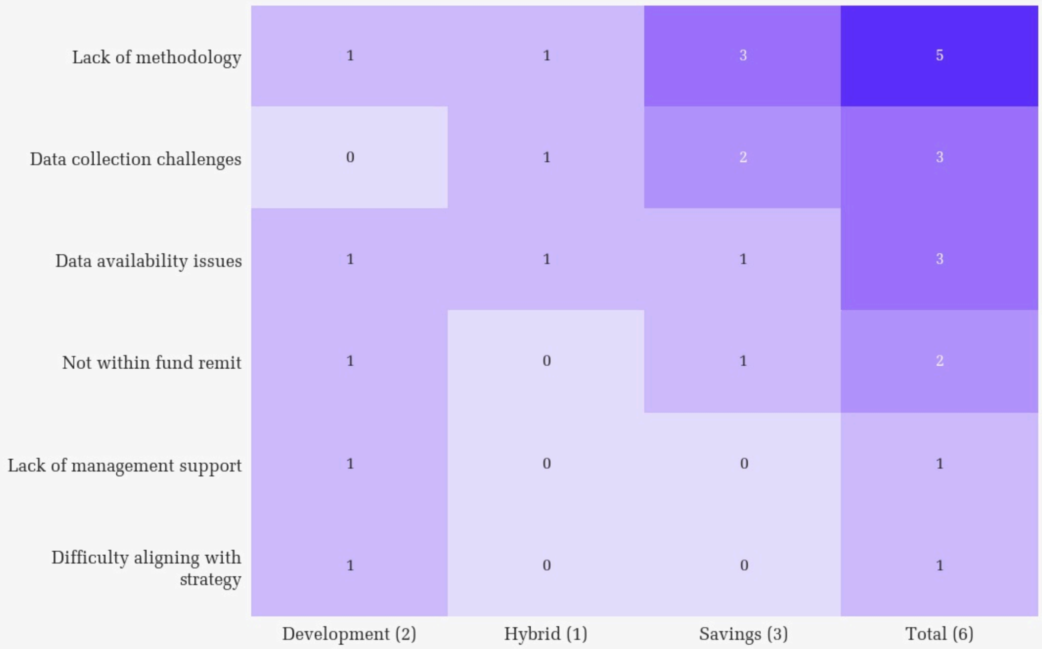


Source: IFSWF Social Impact Survey, February - March 2025.

Among the six funds that report that they do not evaluate their social impact, the most cited challenges include lack of a clear methodology, difficulty aligning social outcomes with existing investment goals, and insufficient internal data collection mechanisms (Figure 8). These concerns highlight common obstacles: funds recognize the relevance of social impact evaluation, but require technical support and examples of best practices to proceed with confidence.

When asked “If you were to evaluate your fund’s social impact, which of the following approaches would make the most sense for your organization?” only one fund expressed their wish of collaborating with external consultants or organisations. Five of these six funds report they would develop an in-house framework tailored to their investments if they were to evaluate their fund’s social impact – likely reflecting the unique characteristics of each fund’s operations and investment strategies. (Due to small sample size, this question is not depicted in a figure.).

Figure 8. Reasons for Not Evaluating Social Impact

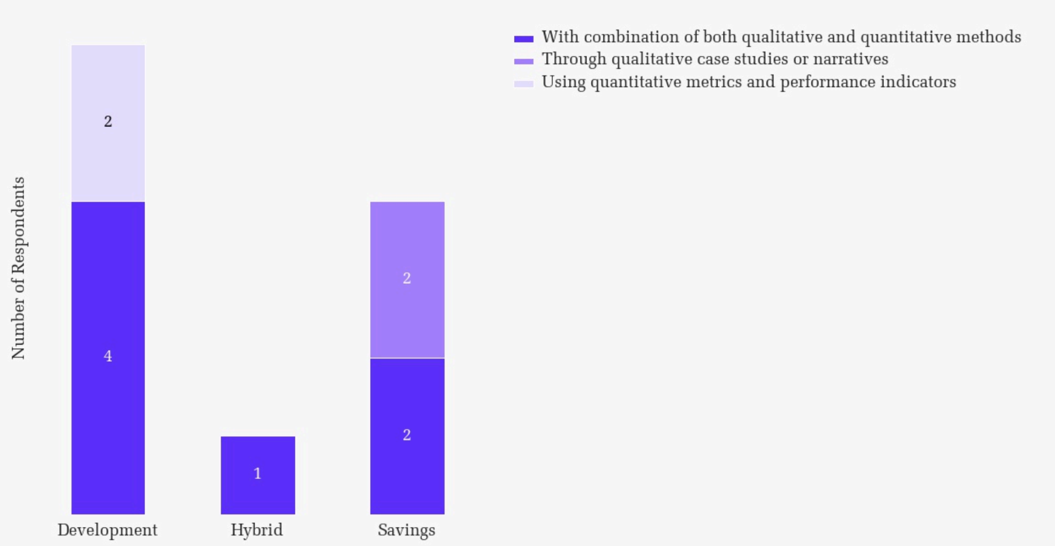


Source: IFSWF Social Impact Survey, February - March 2025.

Metrics, Frameworks, and Alignment Practices

Most funds report using a combination of qualitative and quantitative methods to evaluate social impact (Figure 9). The development funds that responded favored employing quantitative metrics and performance indicators, pointing to an opportunity to strengthen evaluation robustness through external validation and benchmarking tools.

Figure 9. How Social Impact is Evaluated by Mandate



Source: IFSWF Social Impact Survey, February - March 2025.

Respondents to the survey use a diverse set of indicators to assess social outcomes, but the emphasis varies once again by mandate (Figure 10). Development funds are more likely to adopt broader, multidimensional indicators, while others tend to focus on a more selective set of metrics. The distribution of responses suggests that some funds are moving beyond basic proxies, such as job creation, to explore more complex and interconnected metrics, including quality of life, inclusion, and alignment with international development goals, reflecting the more comprehensive approach that some development funds take toward measuring social impact aligned with their national development objectives. On the other hand, some savings funds prioritize more immediate, measurable indicators tied to economic outcomes and environmental sustainability, reflecting their focus on long-term financial returns.

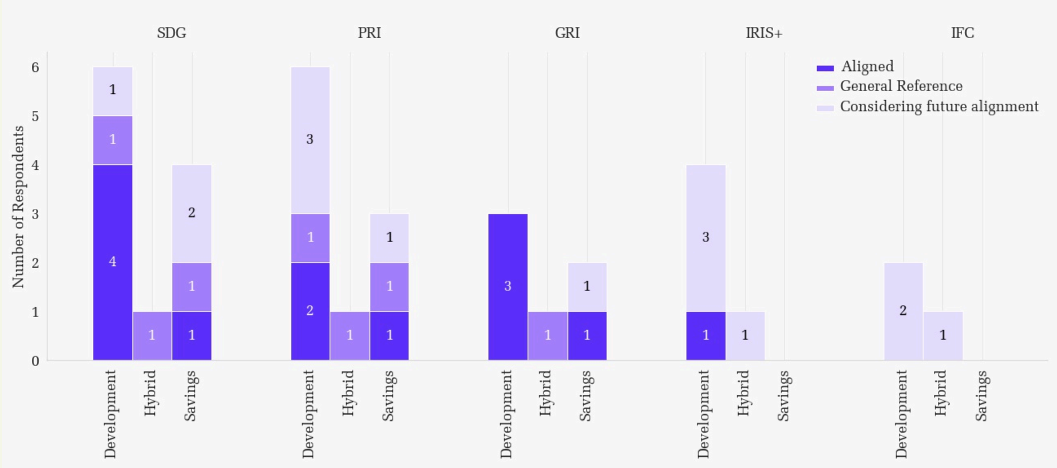
Figure 10. Indicators Used to Assess Social Impact

	Development (7)	Hybrid (1)	Savings (4)	Total (12)
Number of jobs created directly or indirectly	6	1	2	9
Environmental benefits	4	1	4	9
Progress toward global development goals	4	1	2	7
Reduction in poverty or inequality	3	1	1	5
Multiplier effects on local economies	3	1	1	5
Improvements in quality of life	3	0	1	4
Social inclusion outcomes	3	1	0	4
Improvement in public services	0	0	1	1

Source: IFSWF Social Impact Survey, February - March 2025.

Patterns in framework alignment are especially interesting (Figure 11). The Sustainable Development Goals (SGDs) and Global Reporting Initiative (GRI) are the most commonly referenced and integrated frameworks across all mandate types, especially among development funds. These funds show strong alignment, reflecting their emphasis on global development goals. Savings funds, while still actively engaging with frameworks, show slightly less alignment compared to their development counterparts. This presents an opportunity to further encourage the adoption of standardized frameworks, which could enhance impact consistency.

Figure 11. Framework Alignment by Mandate



Source: IFSWF Social Impact Survey, February - March 2025.

Looking more closely at framework alignment, there is noticeable consolidation. The frameworks mentioned in the survey are in many ways complementary, as summarized in Table 1 below. Among the 11 respondents to this question, all reported current or potential future alignment with the broad objectives offered by the SDGs. In most cases, funds aligned with the SDGs are also aligned with additional frameworks for disclosure, process standards, and/or measurement. Indeed, all four funds aligned with GRI also report alignment with the SDGs, while all five funds aligned with the SDGs report some form of engagement with PRI, suggesting a complementary and integrated approach to impact.

Table 1. Overview of frameworks

Framework	Type	Primary Focus	What It Provides	How It's Used
SDGs (Sustainable Development Goals)	Goals/ Objectives	Global sustainable development priorities	A shared set of 17 goals and targets	Used to align investments with global development outcomes
PRI (Principles for Responsible Investment)	Framework/ Commitment	ESG integration in investment decisions	Six principles for incorporating ESG factors	Serves as a voluntary commitment for institutional investors
GRI (Global Reporting Initiative)	Disclosure Standards	Corporate sustainability reporting	Standardized disclosures across ESG dimensions	Used to report sustainability performance publicly
IRIS+ (GIIN)	Metrics System	Impact measurement and management	A catalog of standardized impact metrics	Used to track, compare, and benchmark social/environ mental results
IFC Operating Principles for Impact Management	Process Standards	Managing investments for impact	Nine principles for integrating impact throughout the investment lifecycle	Used to ensure discipline in impact strategy, management, and verification

While global frameworks offer valuable alignment opportunities, effective impact measurement also requires flexibility. A one-size-fits-all approach may overlook institutional mandates, national priorities, or data constraints. Customized combinations of frameworks adapted to particular strategic goals may offer a more practical path forward. In this context, indexes and dashboards powered by data infrastructure that we touch on in the next section may emerge as useful tools for capturing multidimensional outcomes, allowing funds to balance global alignment with contextual relevance.

Data and Reporting Infrastructure

A large majority of funds rely on internal data collection or information obtained directly from investees when assessing social impact (Figure 12). The use of publicly available data (e.g., labor force, demographic indicators) and third-party data providers remain less frequently. The lower uptake of externally sourced data may reflect limited availability of standardized datasets, concerns about contextual relevance, lower prioritization, or lack of familiarity with newer data sources. As measurement practices advance, broadening access to quality third-party data could help mitigate concerns about internal reporting bias and comparability.

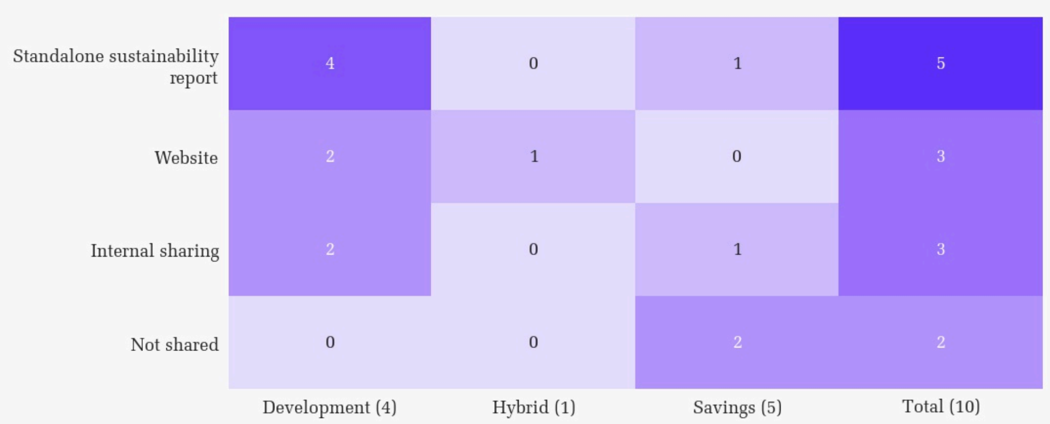
Figure 12. Data Sources Used to Measure Social Impact

	Development (6)	Hybrid (1)	Savings (5)	Total (12)
Internal/investee data	6	1	4	11
Publicly available data	3	1	1	5
Independent third-party data	1	1	2	4
No data used	0	0	1	1

Source: IFSWF Social Impact Survey, February - March 2025.

When it comes to social impact reporting, development funds are more likely to produce standalone sustainability or impact reports (Figure 13). All of the respondents in this group generate such reports, while others include social impact data in broader investment disclosures or share findings internally. In contrast, savings funds less frequently report their social impact externally, with only one of five funds publishing a standalone report.

Figure 13. How Social impact is Reported



Source: IFSWF Social Impact Survey, February - March 2025.

Moving beyond basic disclosure requires a shift from compliance-oriented data collection to systems that meaningfully capture social outcomes. Overreliance on self-reported data can delay action and limit visibility into concrete impact. In contrast, credible social impact measurement demands intentionality, clarity of purpose, and at times, mechanisms for tracing causal effects. This includes aligning data strategies with public value objectives and when necessary, incorporating external sources—such as satellite imagery and independent datasets—to strengthen transparency and attribution.

Challenges, Organizational Barriers, Aspirations and Capacity Building

Across the different fund mandates, the most commonly cited obstacles for integrating social impact considerations into investment processes include a lack of standards, limited data availability, and difficulties in defining materiality. These challenges are structural in nature and might point to synergies across the sector. Even among funds that are more advanced in social impact initiatives, these challenges persist, signaling the necessity for greater institutional coordination, knowledge and data sharing, and ideally the establishment of harmonized and accessible standards-setting efforts.

The indication of limited data availability does not necessarily mean there is a dearth of data that could be used by SWFs to evaluate their social impact. Rapid technological advances, including in artificial intelligence, may have left some funds unaware of the full range of data that could be used in their evaluation process.

When asked about challenges incorporating social impact considerations, the majority of funds, regardless of their mandate, demonstrate a clear commitment to addressing social impact concerns, as reflected in the low number of responses citing low institutional priority or unclear financial materiality (Figure 14). This suggests that, although the barriers are significant, there is a shared recognition across the sector of the importance of social impact integration.

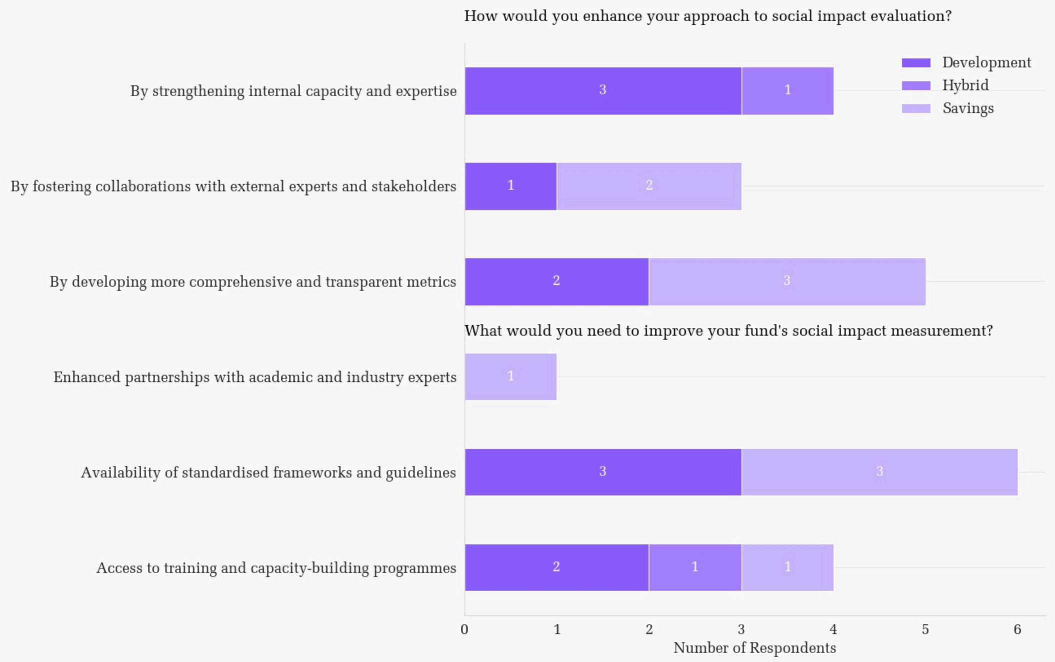
Figure 14. Challenges Incorporating Social Impact Considerations into Investment Process

	Development (6)	Hybrid (1)	Savings (5)	Total (12)
Limited data availability	5	1	4	10
Poor data quality	3	1	2	6
Lack of standards	2	0	2	4
Unclear financial materiality	2	0	2	4
Lack of investable opportunities	2	0	1	3
Political complexity	1	0	1	2
Application challenges	2	0	0	2
Low institutional priority	1	0	0	1

Source: IFSWF Social Impact Survey, February - March 2025.

There appears to be notable alignment between the social impact aspirations of funds and the types of support they identify as most helpful — particularly with respect to methodological development, data availability, and internal capacity (Figure 15). This suggests that efforts to strengthen social impact evaluation could benefit from a focus on these shared areas of interest. This overlap between different mandates points to the potential value of scalable approaches that can be adapted to a range of institutional contexts.

Figure 15. Aspirations and Support Needed for Social Impact Evaluation

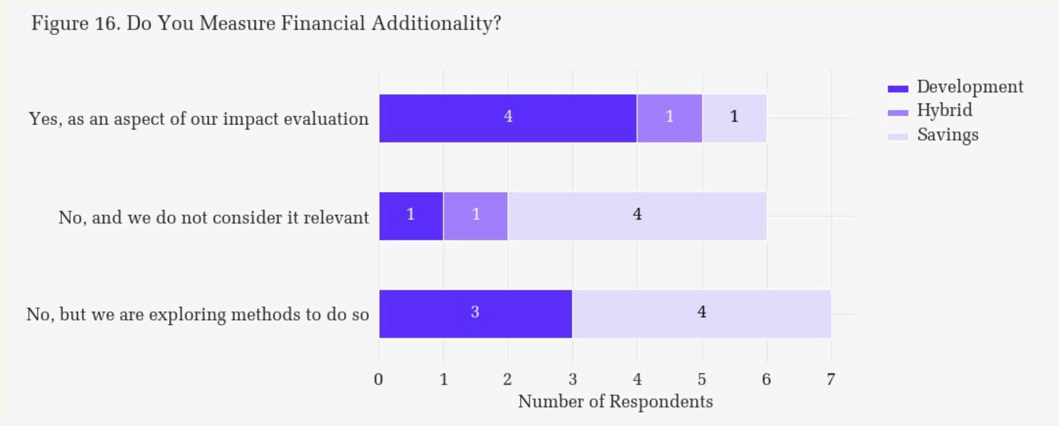


Source: IFSWF Social Impact Survey, February - March 2025.

A key challenge is the disconnect between conventional investment logic and the frameworks used in development finance. Aligning capital with social goals often requires a translation layer, both in language and in expectations. Sovereign investors are well positioned to bridge this gap by fostering collaboration between private capital and development finance institutions. Emerging initiatives around South–South cooperation, especially in infrastructure and climate finance, illustrate the potential for sovereign actors to support new investment vehicles that balance return expectations with public purpose.

Financial Additionality: Measurement and Barriers

Approaches to measuring financial additionality, or the unique catalytic role of sovereign investments, vary across funds. While some have fully integrated it into their evaluation processes, others are still exploring relevant methodologies (Figure 16). The response "No, but we are exploring" was common, suggesting that interest in the concept is growing, even if formal measurement practices are not yet widespread. It is also possible that funds are achieving their financial additionality goals without explicitly identifying or tracking it, pointing to an area where further guidance or illustrative case studies may be helpful for this evolving practice.



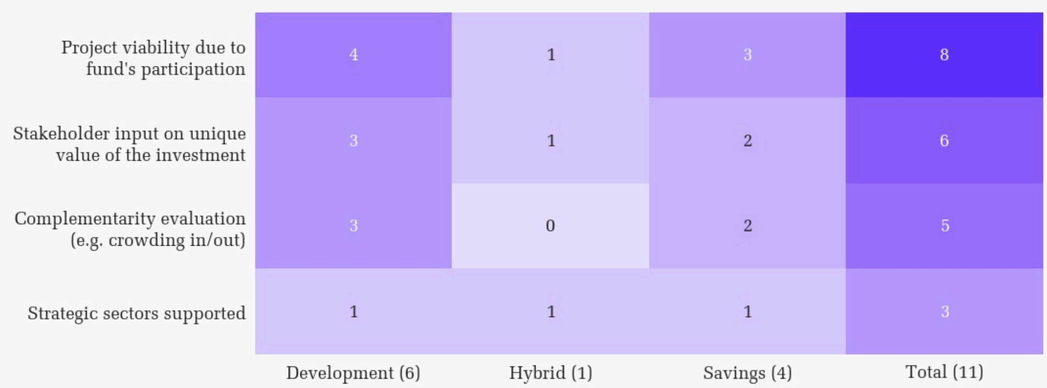
Source: IFSWF Social Impact Survey, February - March 2025.

Among funds that do not currently measure additionality, a range of factors help explain this choice (Figure 17). Some respondents noted that financial additionality is not formally incorporated into their strategic priorities or mandate. Others cited challenges such as the difficulty in isolating their investment's contribution from external factors and the lack of consistent data or benchmarks. These responses suggest that, while the concept is more established in some investment contexts, its application within sovereign wealth fund settings is still evolving.

Source: IFSWF Social Impact Survey, February - March 2025.

Among funds that currently measure or are considering measuring financial additionality, several approaches are commonly used (Figure 18). These include assessing whether the fund's involvement has been critical in attracting additional capital, consulting with stakeholders and beneficiaries, and evaluating the distinctiveness of the capital provided (e.g., concessionality, tenure).

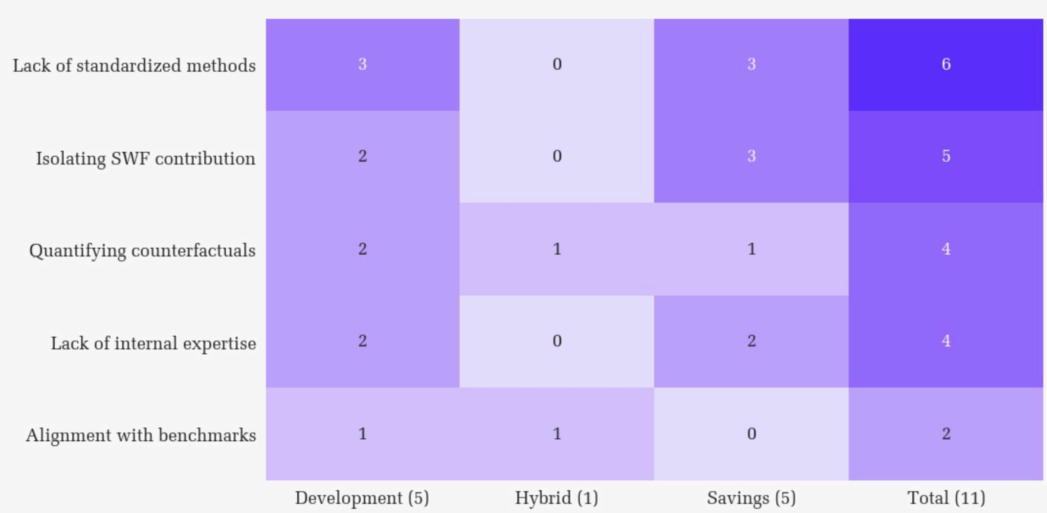
Figure 18. How Funds Evaluate Financial Additionality



Source: IFSWF Social Impact Survey, February - March 2025.

However, even among respondents with more consolidated practices, several challenges remain (Figure 19). The most significant of these is the absence of standardized methodologies and the difficulty in isolating the fund's specific contribution, followed by a lack of internal expertise. Even among those open to measuring additionality, then, there is considerable uncertainty regarding best practices and the analytical rigor required to define what qualifies as additional.

Figure 19. Challenges to Evaluating Financial Additionality



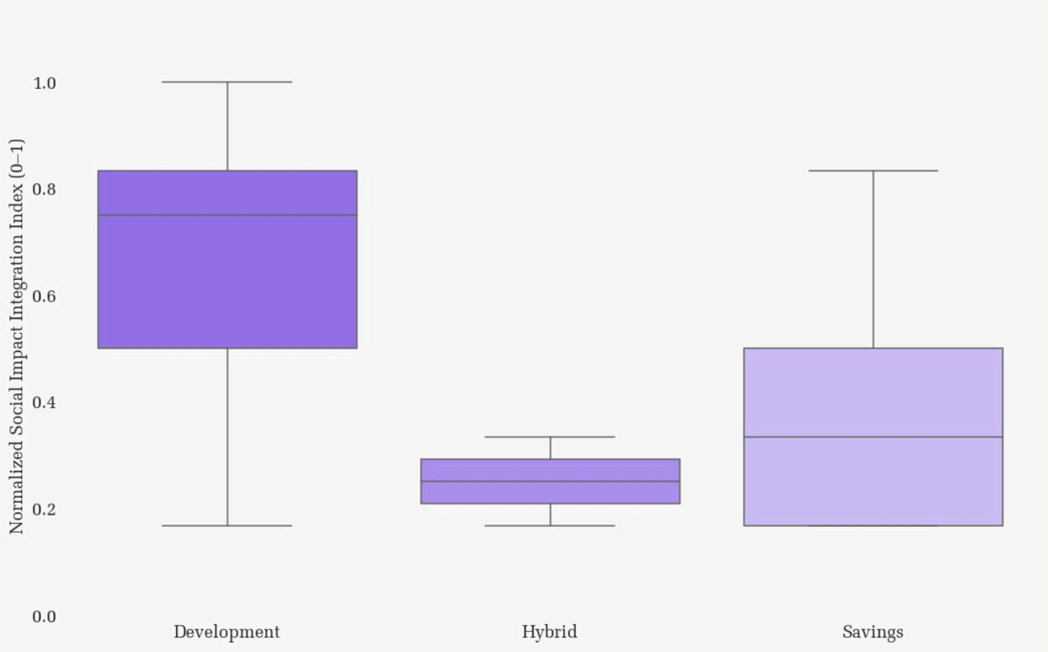
Source: IFSWF Social Impact Survey, February - March 2025.

Social Impact Integration Index

To better assess the integration of social considerations in sovereign wealth fund strategies, we developed a *Social Impact Integration Index* that aggregates responses across key dimensions of social impact engagement. This includes whether funds consider sustainability as core to their mandate, the extent to which social considerations are embedded across the investment process, current and planned evaluation practices, and the adoption of additionality evaluation and classes of social impact investments. Readers can find a detailed explanation about how the index was created in the Appendix.

The resulting index reflects a fund's overall alignment in implementing social impact strategies—not just rhetorically, but across decision-making stages, evaluation practices, and supporting instruments. When we plot the integration index by fund mandate, we observe a clear pattern: funds with development mandates tend to score higher on the index than those primarily focused on long-term savings, although there is a promising long tail of first-movers among the savings funds (Figure 20). Hybrid funds occupy a middle ground.

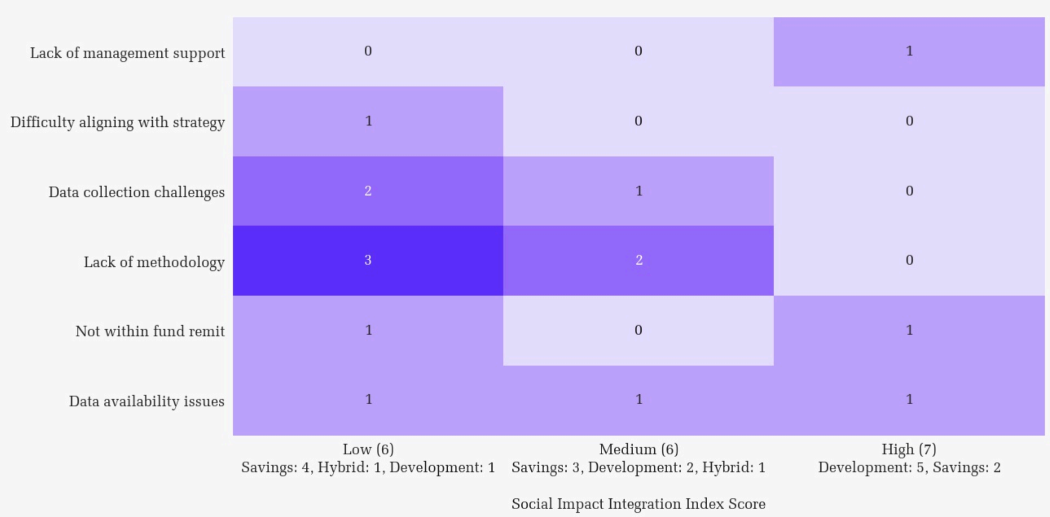
Figure 20. Normalized Social Impact Integration Index by Mandate



Source: IFSWF Social Impact Survey, February - March 2025.

To explore barriers to adoption, we explore funds' reported difficulties to incorporate social impact by social integration degree (Figure 21). A clear pattern emerges: lower-scored funds most frequently cite the absence of methodologies and strategic alignment as primary barriers. Conversely, higher-scored funds are more likely to raise issues around data availability and integration into existing workflows, pointing to second-order challenges. These insights are not only descriptive—they help identify where capacity-building, data support, or methodological alignment could be most catalytic.

Figure 21. Challenges by Social Impact Integration Index Score



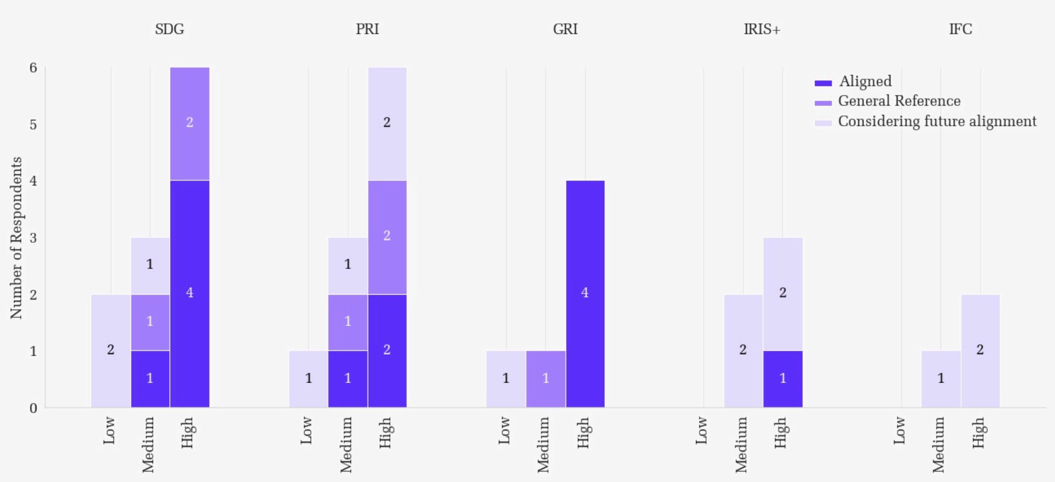
Source: IFSWF Social Impact Survey, February - March 2025.

Sovereign funds with different levels of social impact integration prioritize a varied range of thematic areas (Figure 22). Notably, funds in the "medium" integration tier represent a promising opportunity for advancing social impact. These funds have already demonstrated meaningful engagement by consistently selecting themes like "Affordable and Clean Energy" and "Decent Work and Economic Growth", while also signaling growing interest in "Reduced Inequality," "Human Rights," and "Sustainable Cities and Communities." This group is especially important because it sits at a transition point — actively identifying social priorities but not yet fully systematizing them. With targeted support, shared tools, and peer learning, medium-tier funds could quickly move toward deeper integration of social outcomes, and play a catalytic role in shifting norms across the broader sovereign investor community.

Similarly, medium-scoring funds stand out as a critical transition group when it comes to framework alignment (Figure 23). Many of them are already referencing key frameworks, with at least one medium-tier fund referencing SDGs, PRI, and

IRIS+, and several indicating plans to pursue further alignment. This suggests that these funds are not starting from scratch—they've begun to engage with global standards and could be mobilized toward full alignment with the right support and peer examples. As such, medium scorers represent a high-leverage opportunity to expand coherent, framework-driven social impact practices across the sovereign wealth fund landscape.

Figure 23. Framework Alignment by Social Impact Integration Index Score



Conclusion

As the approaches that sovereign wealth funds take to social impact continue to grow and evolve, understanding these developments grows increasingly crucial not only for them but also for global sustainability and social impact efforts writ large. This survey contributes to the growing body of knowledge on how large institutional investors are navigating the challenges of integrating social impact into their decision-making processes while pursuing long-term financial performance.

Despite a shared recognition of the importance of tracking social outcomes, practices remain fragmented. Key findings reveal both progress and persistent obstacles in how funds address and evaluate social impact, assess financial additionality, and align with broader socioeconomic goals. A consistent theme is the shared desire for clearer standards, higher quality data, and more collaboration around best practices — though there is still no consensus on the exact path forward. Many funds express openness to aligning with international frameworks like the SDGs, IRIS+, and the IFC's process standards. Yet while many funds show partial or multiple alignments, comprehensive or fully systematic alignment is still rare. Many funds are still seeking frameworks that accommodate diverse mandates and geographies, minimize reporting burdens, and balance financial return with social accountability.

To move forward, the development of customizable frameworks is essential. To be useful, frameworks fitted to the needs of long-term investors like sovereign wealth funds need to be able to accommodate different fund types and geographic contexts. In parallel, peer-learning opportunities, calling attention to case studies through various communications, regional workshops, and innovation-focused working groups, can help funds translate insights into practice. It is also clear that advancing social impact is not just a matter of adopting the right tools and metrics; it also depends on strengthening internal capacity, securing institutional buy-in, and aligning incentives. In this context, governance structures — such as decision-making processes, accountability mechanisms, and internal coordination — may prove just as critical to sustained impact integration as the analytical methods themselves.

As sovereign funds deepen their engagement with social impact, a critical enabler of progress will be the use of clear and accessible language. Simplifying technical jargon can help bridge communication gaps between asset managers, asset owners, policymakers, and other stakeholders. Building a shared vocabulary grounded in practical goals rather than competing acronyms, can foster alignment across institutions with differing mandates and capacities, and help translate impact ambitions into actionable strategies.

This report illustrates how sovereign wealth funds are making significant strides in integrating social impact into their investment strategies. However, challenges remain, particularly in the areas of data, capacity, and measurement. By addressing these barriers and continuing to evolve their practices, they can play a pivotal role in promoting both sustainable financial returns and meaningful social outcomes.

Appendix - Social Impact Integration Index

The Social Impact Integration Index aggregates responses across a set of survey questions that capture various dimensions of social impact engagement. It is intended as a diagnostic and benchmarking tool rather than a ranking mechanism.

Index Design and Purpose

The index was designed to reflect the practical integration of social impact considerations—not just rhetorical commitments—across strategic intent, evaluation practices, and supporting instruments. It provides a composite view of where funds stand in their integration journey and helps identify areas where further support or alignment may be most beneficial.

Scoring Method

Each component of the index corresponds to a specific survey question selected for its relevance to social impact integration. Responses to each question were scored as listed below. The values were then summed and normalized to a range from 0 to 1 for comparability.

Key Survey Questions Used

Responses to the following survey questions were scored to calculate the index. They consider strategic orientation, practical implementation, and aspirational commitment in order to capture a fund's overall alignment with best practices across these domains.

- Consideration of responsible/sustainable investment
  (2 = fully integrated; 1 = exploring relevance; 0 = not considered)
- Stages of the investment process where sustainability is considered
  (2 = more than one stage; 1 = one stage; 0 = none)
- Evaluation of social impact
  (2 = defined methodology; 1 = planning to develop; 0 = not considered)
- Measurement of financial additionality
  (2 = measured post-investment; 1 = exploring; 0 = not considered relevant)
- Other social engagement approaches beyond investments
  (2 = more than one approach; 1 = one; 0 = none)
- Interest in evaluating social impact in the future
  (1 = yes; 0 = no or unsure)

- Broader consideration of social engagement beyond investment activities *(2 = more than one approach; 1 = one; 0 = none)*
- Use of financing tools for social impact *(2 = more than one option; 1 = one; 0 = none)*

Interpretation
The index is not intended as a performance ranking. Instead, it offers a way to:

- Map where funds are in their social impact integration spectrum
- Identify high-leverage groups for targeted support (e.g., medium-integration funds)
- Inform peer learning and collaborative capacity-building efforts

Funds with higher index scores tend to report more consolidated practices, such as use of defined methodologies, integration of sustainability across investment stages, and application of financial additionality frameworks. Lower scores are generally associated with earlier-stage engagement or data- or methodology-based barriers to implementation.

By synthesizing complex and diverse responses into a single value, the index provides a basis for ongoing dialogue and shared learning across sovereign wealth funds.

About the International Forum of Sovereign Wealth Funds

The International Forum of Sovereign Wealth Funds (IFSWF) is a global network of sovereign wealth funds established in 2009 to enhance collaboration, promote a deeper understanding of sovereign wealth fund activity, and raise the industry standard for best practice and governance.

About the Jain Family Institute

The Jain Family Institute (JFI) is a 501(c)(3) nonprofit applied research organization founded in 2014 by Bobby Jain. JFI applies the instruments and frameworks of finance to issues of global policy concern. Working to understand and coordinate international channels of public and private capital, the institute applies data, modeling, and simulation tools to the most pressing challenges of our time.