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Private Equity's Fossil Fuel Footprint Deepens Climate Injustice in the Global South

Washington, D.C. – A new analysis from the Private Equity Climate Risks (PECR) research consortium, “Unequal Burdens: Private Equity-Backed Fossil Fuel Assets and the Global South,” reveals how the Global South is unfairly burdened by private equity’s investments in fossil fuels. While the Global North is responsible for the vast majority of excess emissions, communities in the Global South are hit hardest by the climate catastrophes caused by these emissions.

Thirteen major private equity firms own the 123 fossil fuel assets in the Global South—primarily midstream and downstream assets— found in the PECR database as of June 2025. Among these, nearly half (57) have demonstrated economic, social, or environmental risks while owned by a private equity firm in this study. All 13 private equity firms are primarily headquartered in the Global North, with the majority in the United States.

“Private equity threatens to put frontline communities in the Global South on a collision course with catastrophe, as their scores of fossil fuel assets create tangible environmental, social, and financial risks,” **said Dustin Duong, research associate at Americans for Financial Reform Education Fund.** “By continuing to invest in fossil fuel expansion, it’s only a matter of time until all communities are burdened by the far-reaching and long-term impacts of the industry’s failure to tackle climate change.”

Among these assets is Talwandi Sabo power plant, owned by Vedanta Resources, a portfolio company of Brookfield’s Oaktree Capital, in Punjab, India. The plant failed sulfur emissions tests 42 out of 42 times during a one and a half year period between April 2022 and August 2023, meaning it exceeded the emissions limit every single time a reading was conducted. Sulfur dioxide emissions endanger the environment and local inhabitants, making it difficult to breathe and harming the human respiratory, cardiovascular, and nervous systems.

“For a power plant to fail air pollution tests this many times over a year and half period is simply a tragedy for the local community,” **said Alex Hurley, Project Manager at Global Energy Monitor.**

In São Francisco do Sul, Brazil, local fishermen were left behind by a private-equity owned project. An LNG ship owned by Energos Infrastructure management, a portfolio company of Apollo Global Management, formed part of an LNG complex that obstructed the area’s artisanal fishermen.

In addition to exacerbating climate and environmental damage with serious human consequences, the private equity industry has put its own investors at risk by purchasing these risky fossil fuel assets. While these financial actors’ investors — such as public pensions and

university endowments — hope to profit from these lines of business, the negative impacts may ultimately lead them to suffer from the risks of propping up polluting assets in the Global South.

“Private equity’s fossil fuel expansion in the Global South is creating mounting risks for both communities and investors,” **said Amanda Mendoza, Senior Research and Campaign Coordinator at the Private Equity Stakeholder Project.** “These projects face delays, devaluations, regulatory challenges, and local opposition, and when they falter, workers’ pensions and other institutional investors could be the ones to absorb the losses. The industry’s short-term investment model and lack of transparency hide the true scale of these liabilities. Brookfield, whose fossil-heavy portfolio Canadian PM Mark Carney helped shape, is a clear example. Its fossil-heavy portfolio, including high-risk assets in the Global South, shows how even firms claiming climate leadership continue to expose investors to long-term financial instability while worsening climate impacts in the regions least able to bear them.”

Full report available at www.peclimaterisks.org/reports/globalsouth/

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Americans for Financial Reform Education Fund (AFREF) is a nonprofit, nonpartisan coalition of more than 200 civil rights, community-based, consumer, labor, small business, investor, faith-based, civic groups, and individual experts. It was founded in the wake of the 2008 financial crisis and its mission is to fight to create a financial system that deconstructs inequality and systemic racism and promotes a just and sustainable economy. @realbankreform

The Private Equity Stakeholder Project (PESP) is a nonprofit organization with a mission to bring transparency and accountability to the private equity industry and help empower impacted communities. Follow PESP at pestakeholder.org and on X/Twitter @PEstakeholder.

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