

Press conference 3 March 2021

Government Pension Fund Global

Responsible investment



How we work with responsible investment

Market

Standards
Expectations
Research

Portfolio

Integration
Investments
Divestments

Companies

Dialogue
Voting
Exclusion

A dense forest of tall trees, possibly a tropical rainforest, with a strong blue color overlay. The trees are layered, creating a sense of depth and a misty atmosphere. The lighting is soft, and the overall tone is monochromatic blue.

Climate and nature



NORGES BANK
INVESTMENT MANAGEMENT

Biodiversity and ecosystems

Expectations of companies

Biodiversity and ecosystems new expectations

Strategy

Risk management

Reporting



Climate change

Expectations of companies

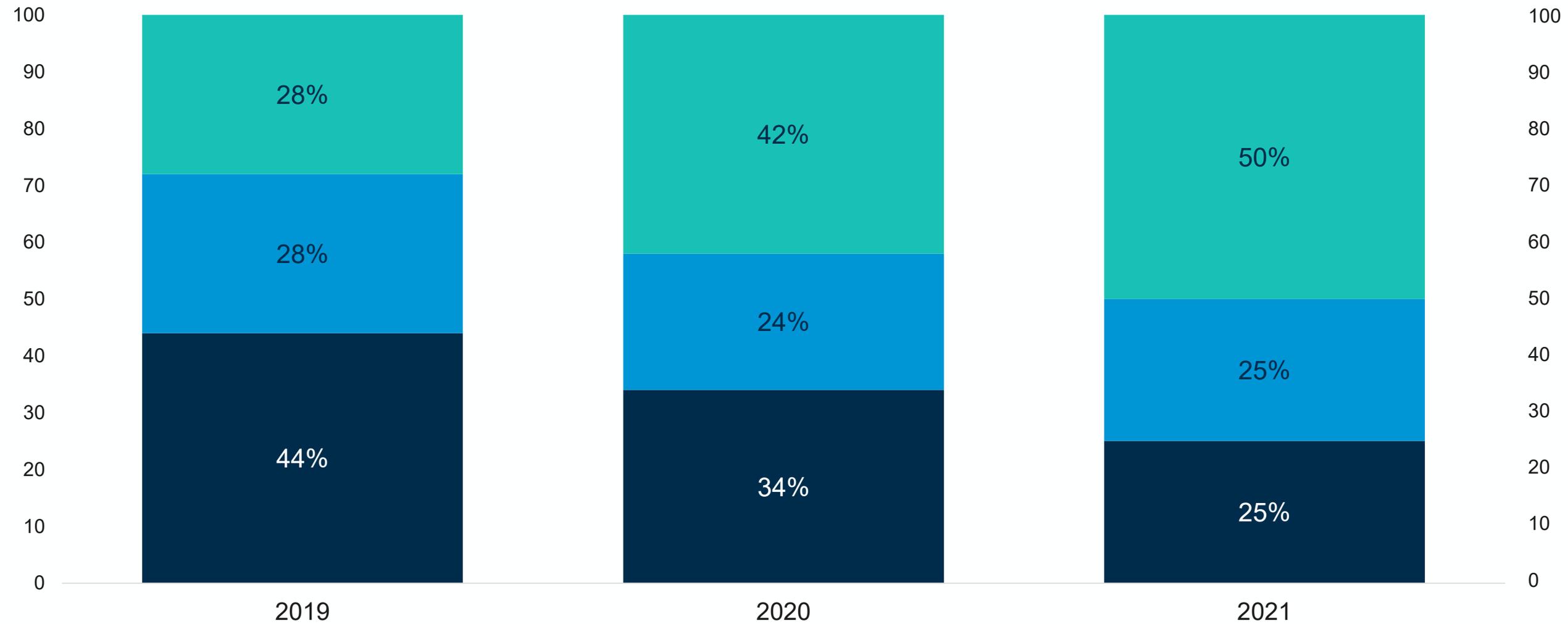
Climate risk

examples of thematic dialogues

- Bank financing of carbon intensive industries
- Climate lobbying in heavy industries
- Climate plans for integrated energy companies
- Low carbon transition in the steel industry
- Environmental impact of cement and concrete
- Net zero targets

Climate change assessment of companies

- Very good
- Good
- Medium / weak / very weak



Top five holdings in environmental portfolio

Investments in environmental technology



Low-carbon energy and alternative fuels

- NextEra Energy Inc
- Iberdrola SA
- EDP - Energias de Portugal SA
- Enel SpA
- Northland Power Inc



Clean energy and energy efficiency

- Eaton Corp PLC
- Legrand SA
- TE Connectivity Ltd
- Infineon Technologies AG
- Daikin Industries Ltd



Natural resource management

- Koninklijke DSM NV
- West Fraser Timber Co Ltd
- Veolia Environnement SA
- Graphic Packaging Holding Co
- Waste Connections Inc



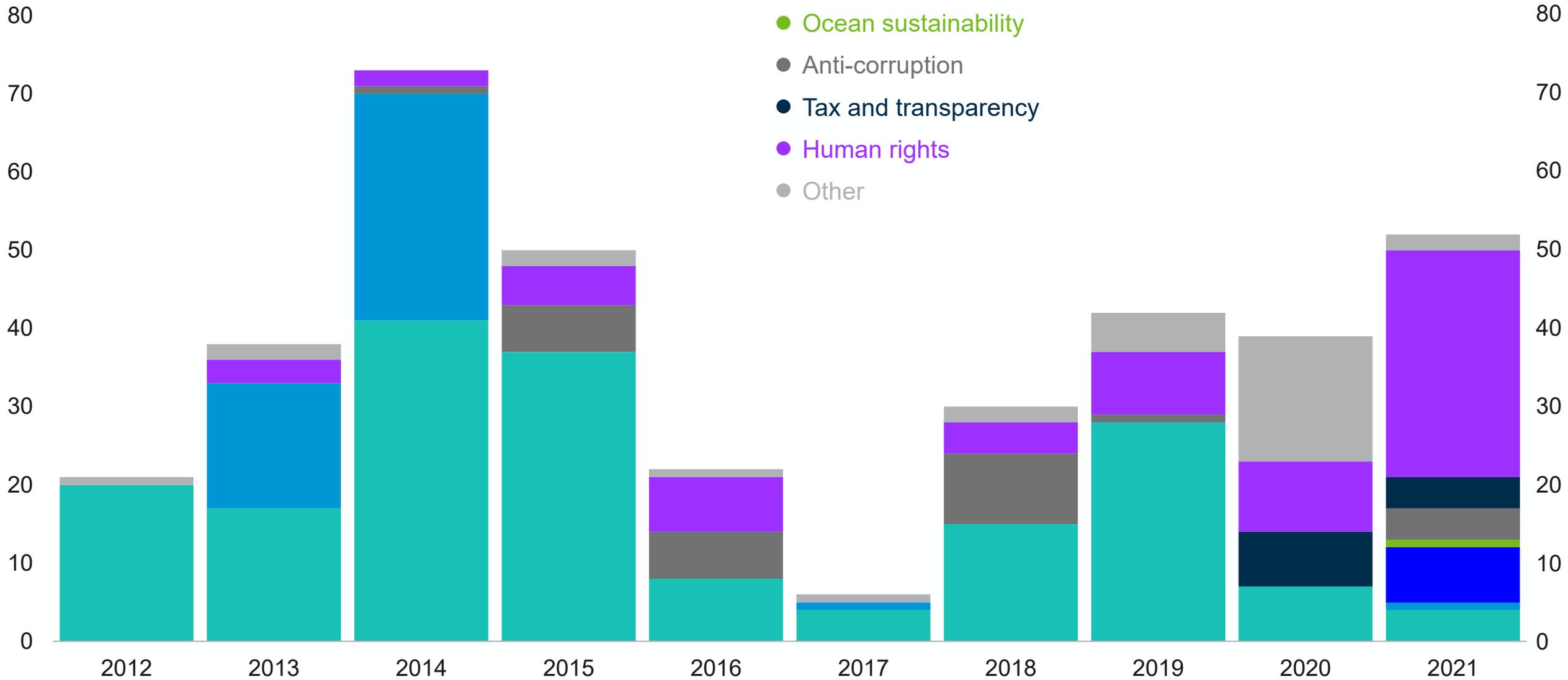
Renewable energy infrastructure

Borssele 1 & 2
Photo credit: Ørsted

Risk-based divestments

Divestments per category

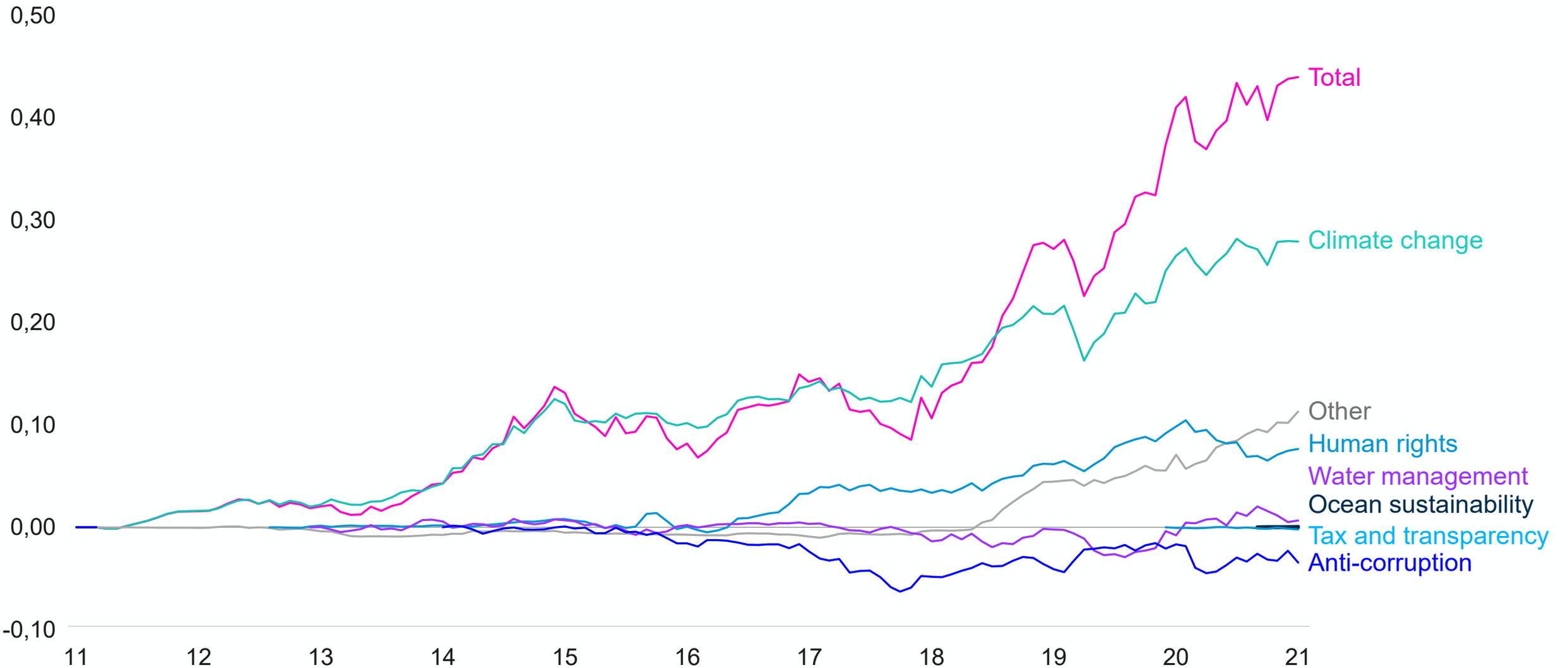
- Climate change
- Water management
- Biodiversity
- Ocean sustainability
- Anti-corruption
- Tax and transparency
- Human rights
- Other



Risk-based divestments

Measured in dollar

Return impact of risk-based divestments on the reference portfolio for equities. Percentage points.

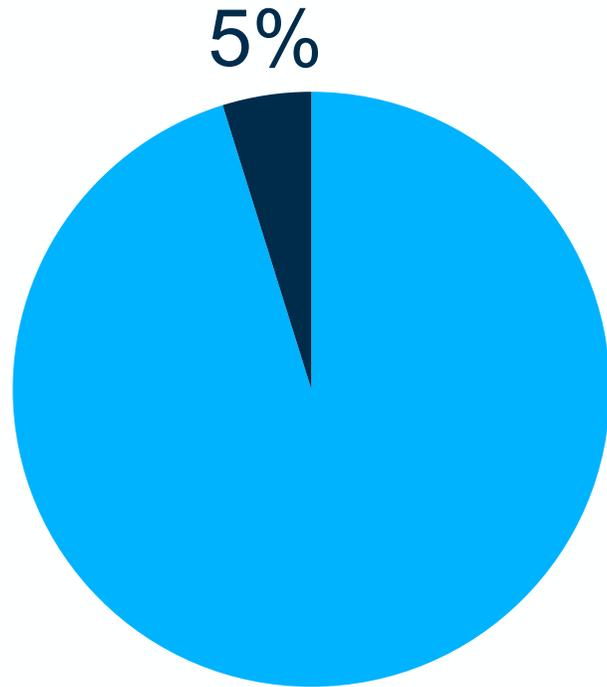




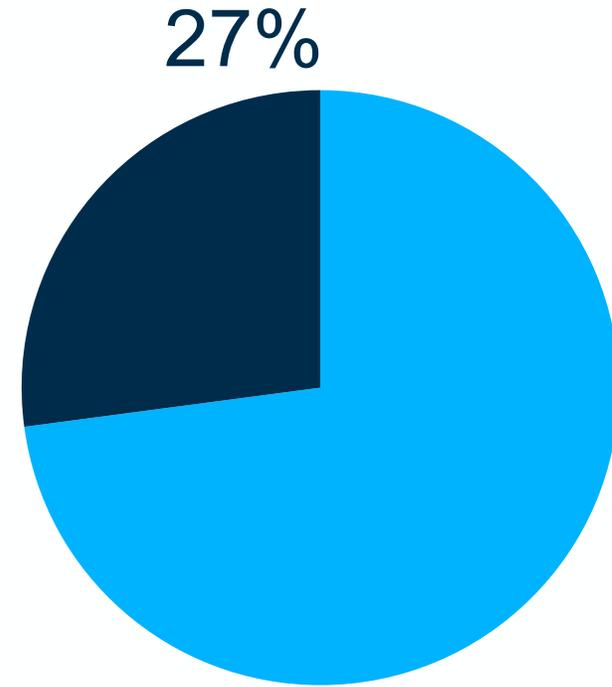
Voting

Voting

120,000 resolutions at 12,000 shareholder meetings



Resolutions we voted against

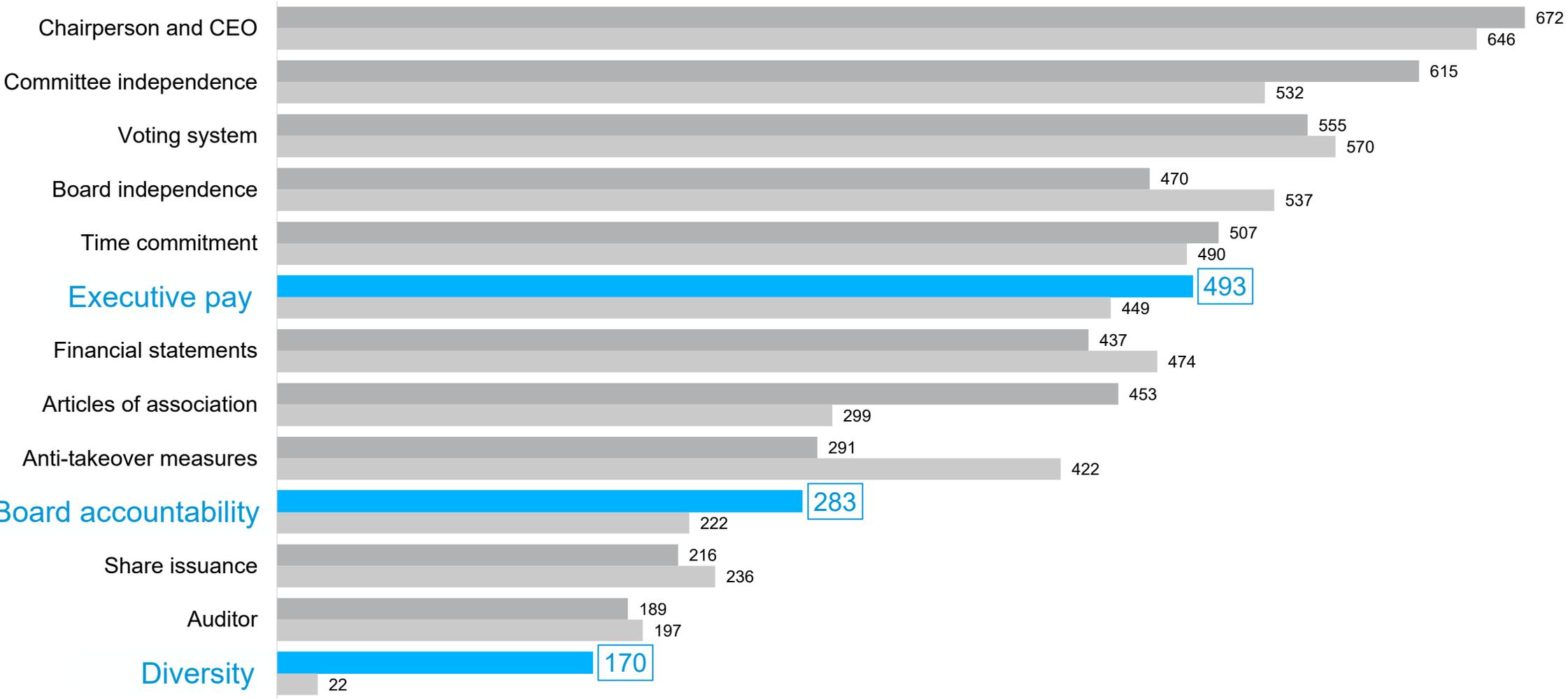


Shareholder meetings where we voted against

Executive pay, accountability and diversity

Votes against board recommendations

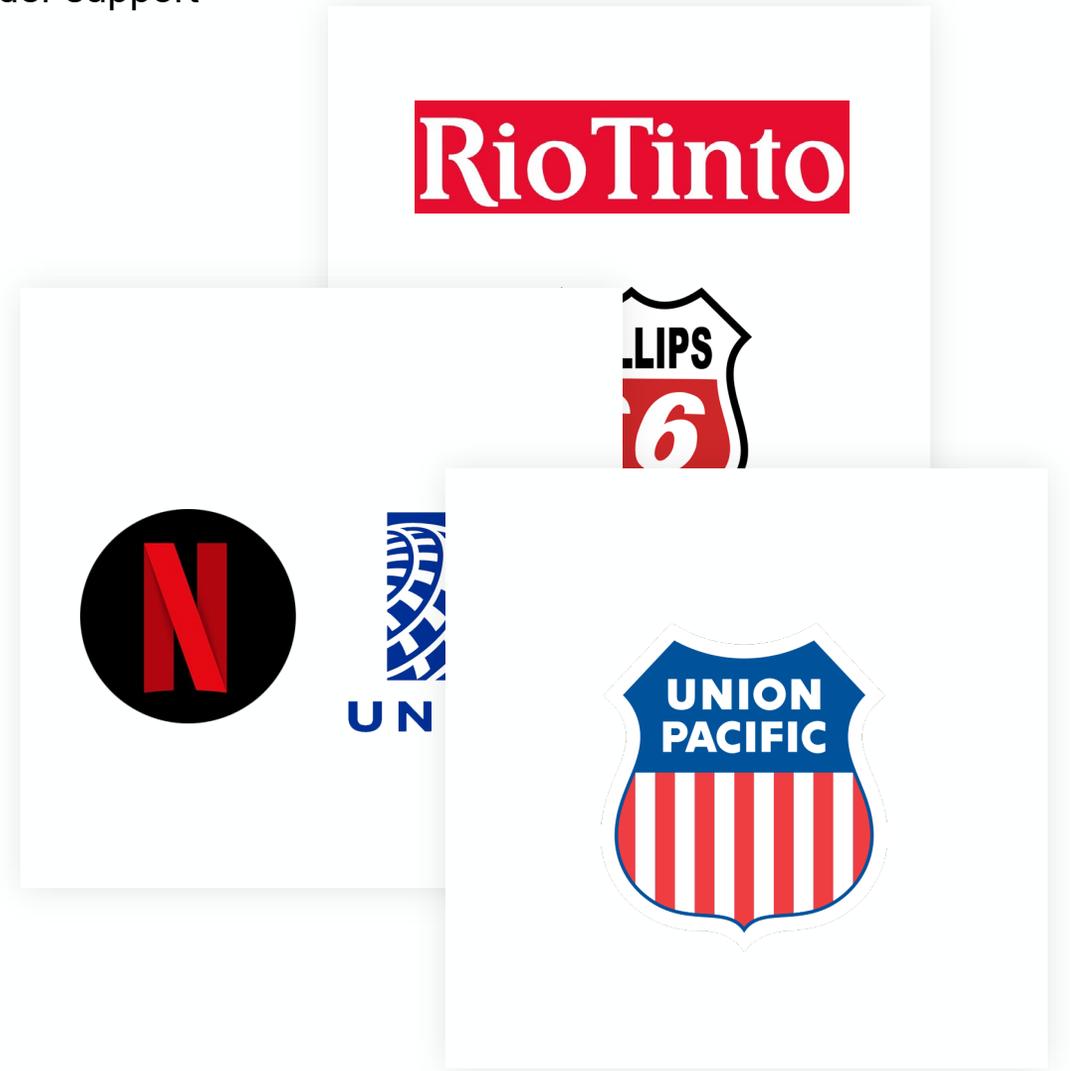
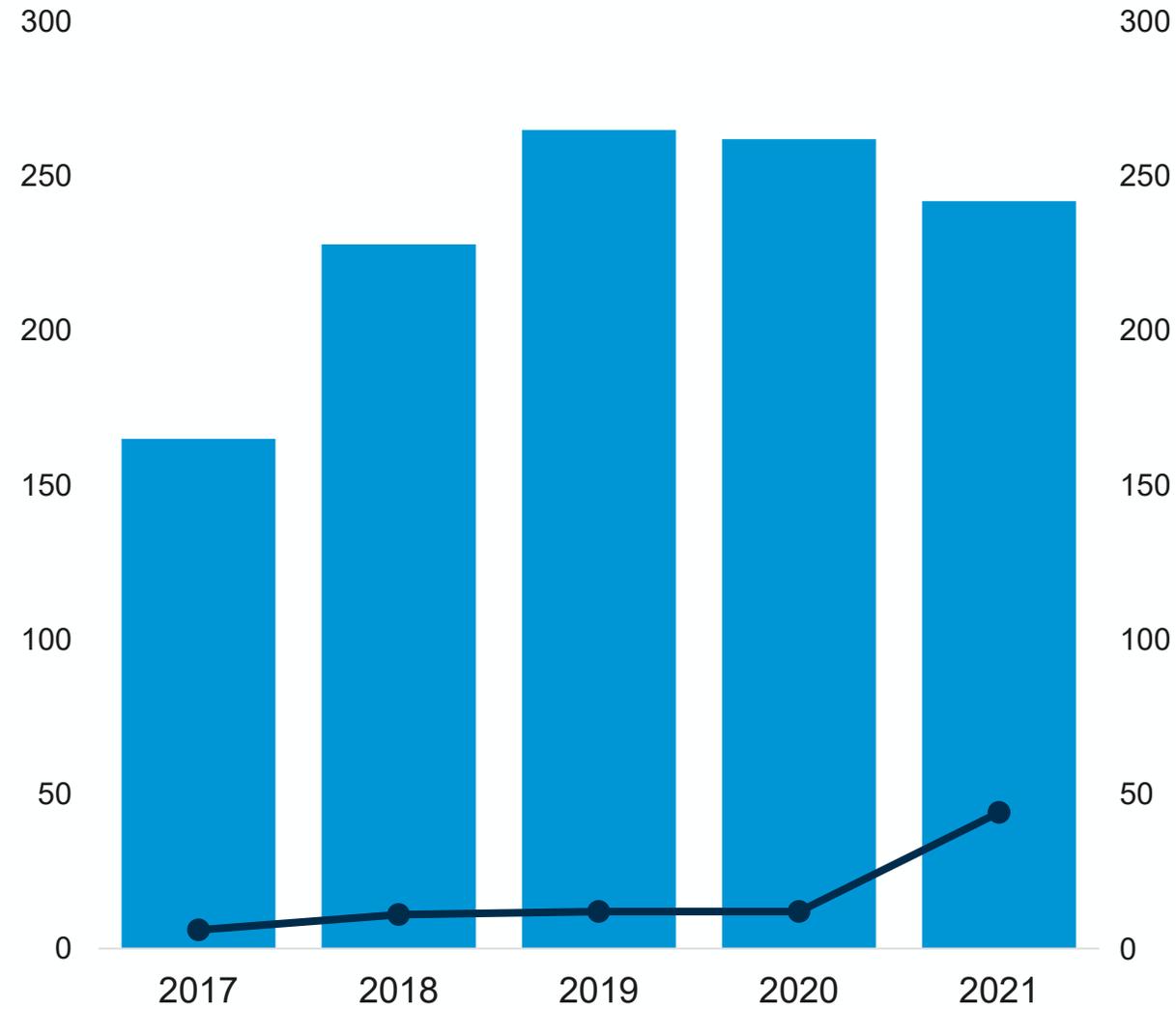
- 2021
- 2020



Sustainability

Shareholder resolutions

- Number of resolutions
- Resolutions with shareholder support



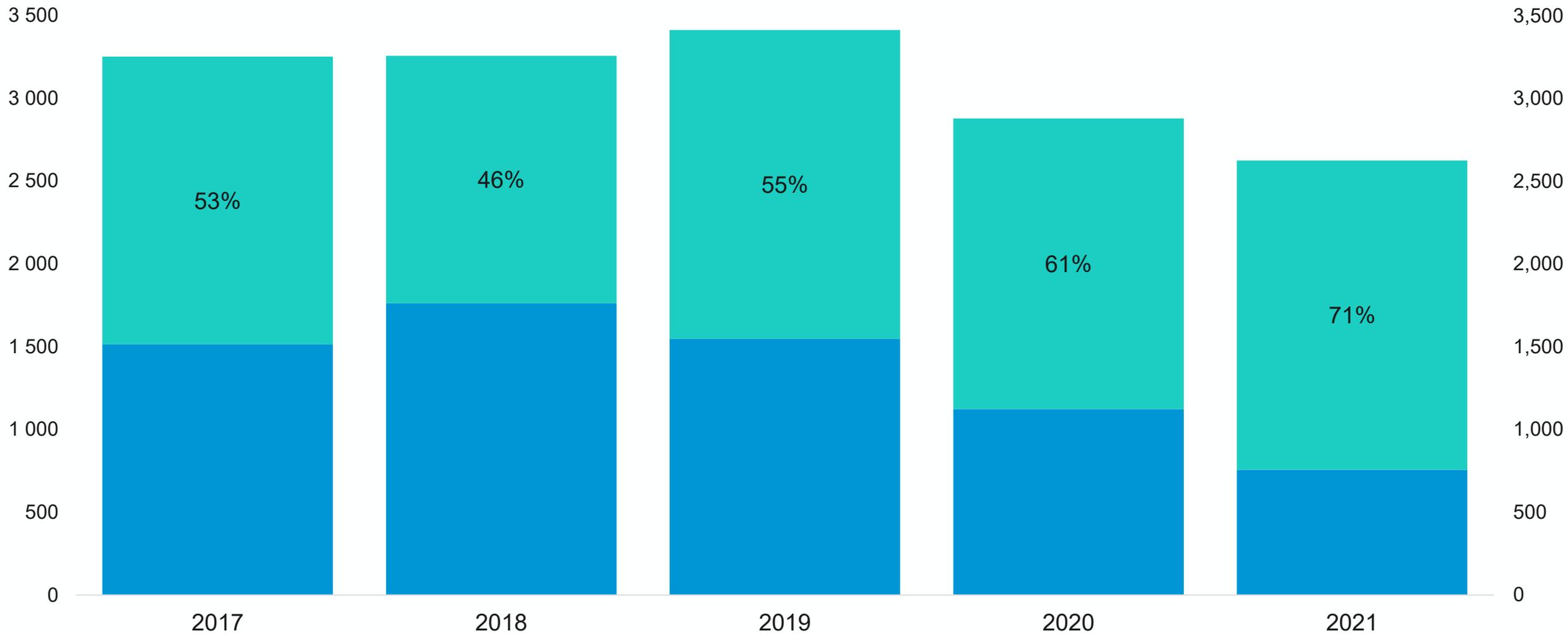


Company dialogue

Company dialogue

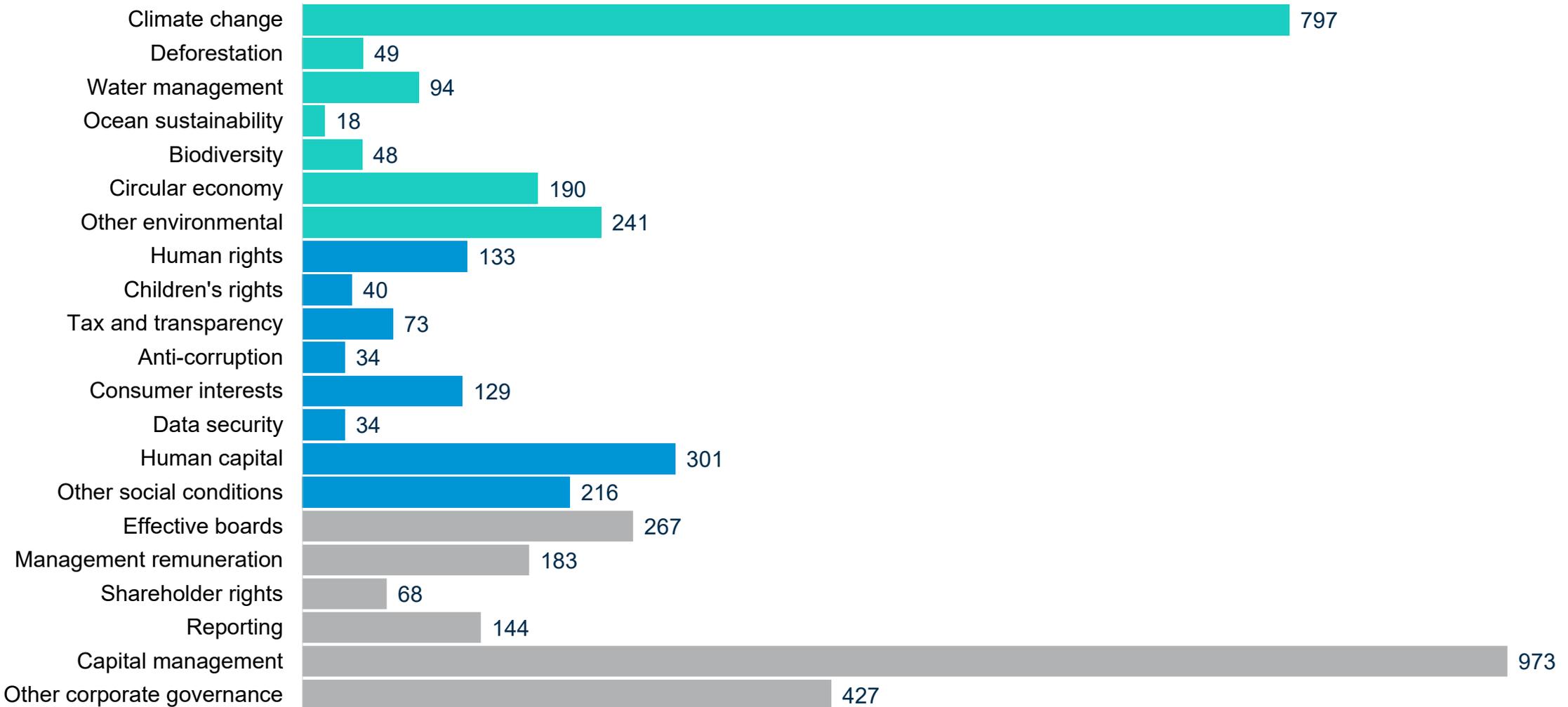
Numbers of company meetings

- Meetings on ESG
- Other company meetings



Company dialogue discussed topics

- Environmental
- Social
- Effective boards



Company dialogue

Changes in the companies



Ownership works

Reporting and increased transparency

4,196 assessments

160,000 data points

4.7 percentage points average improvement from 2020

11.9 percentage points improvement among companies we contacted



Responsible investment overview 2021

Consultation
responses

14

New expectations
of companies

2

Academic
projects

5

Carbon footprint,
billion tonnes of CO₂e

90

Environmental-related equity
investments, billion kroner

108

Divestments

52

Company
meetings

2,628

Shareholder
meetings

11,601

Exclusions

12

Government Pension Fund Global Annual report 2021



Annual reporting 2021

Year (as of 31/12) 2021
Investments in 7 regions, 69 countries
Sector All

Total market value
12,339,549,465,702 NOK
69 countries | 11,589 investments | 100 % of all investments

Equities →
8,878,464,267,752 NOK
65 countries | 9,338 companies | 72 % of all investments

Fixed income →
3,135,259,338,264 NOK
50 countries | 1,365 bonds | 25.4 % of all investments

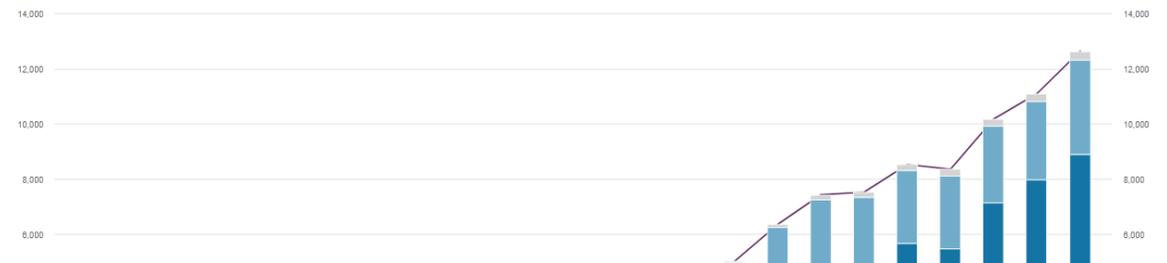
Real estate →
311,538,276,218 NOK
14 countries | 885 properties | 2.5 % of all investments

Renewable energy infrastructure →
14,287,583,468 NOK
1 country | 1 investment | 0.1 % of all investments



Show list of countries ↕

Historic investments





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Thank you