

2030 Climate action plan

Government Pension Fund Global



2030 Climate action plan

The goal of Norges Bank Investment Management is to generate financial returns, following a management mandate laid down by the Ministry of Finance. As a long-term and globally diversified financial investor, our returns depend on sustainable development in economic, environmental and social terms. Accordingly, the management mandate specifies that our responsible investment activities shall be based on the long-term goal that portfolio companies organize their activities to be compatible with global net zero emissions in accordance with the Paris Agreement.¹

To implement this mandate, we published our first Climate action plan in 2022 with an ambition for our portfolio companies to achieve net zero emissions by 2050. This second plan continues and builds on our 2025 Climate action plan and outlines the actions we intend to take to further develop our approach to 2030.

In our 2030 Climate action plan, we will continue to emphasise the links between our investment objectives and the climate plan, to help reduce risks and increase returns. The heart of our efforts will be engagement-led action to support and challenge our portfolio companies to transition their business models to net zero emissions by 2050, based on the appropriate industry and regional pathway. We will build on the experience of nearly 1,000 climate-related meetings with portfolio companies since the launch of our first plan to help them find the intersection of climate ambition and plan deliverability. Based on the measurable impacts of physical climate change on the global economy, we will update our work on physical climate risk and adaptation. Acknowledging the relationship between nature loss and climate change — as forests, wetlands, oceans and other ecosystems both store carbon and face increasing threats from rising temperatures and extreme weather — our new plan further integrates our efforts on nature.



The global economy cannot outrun climate change, so neither can our investments.

Nicolai Tangen

CEO, Norges Bank Investment Management

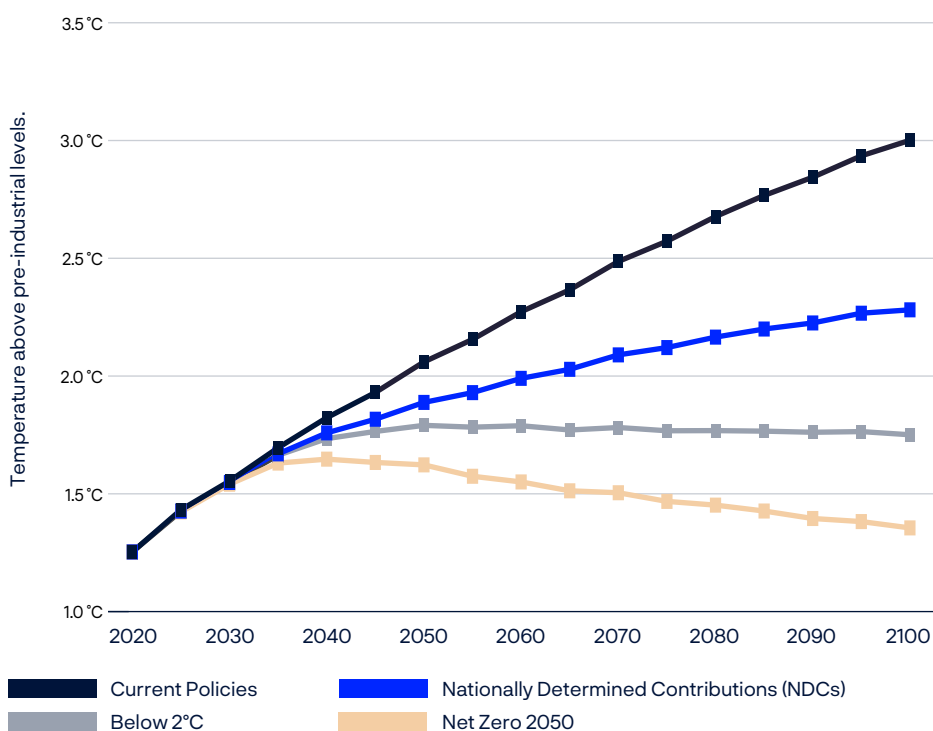
The financial case for climate risk management

Climate risk is financial risk. Climate change, encompassing physical risk, transition risk and transition opportunity, are material risk factors; the magnitude of which have increased since the launch of our first plan.

On its current trajectory, climate change is likely to drive 2.5°C of warming by 2100, well over the temperature threshold targeted by the Paris Agreement.² Research indicates that global GDP/capita has already been depressed by more than 20 percent based on physical climate change in the period 1960-2019 and may impact global GDP by over 20 percent for a rise of 1°C.³ It will impact the companies we invest in and the value of the fund. Our own analysis suggests risk of meaningful losses at the portfolio level even under the current emissions trajectory of the global economy.⁴ The potential impact of climate tipping points would be a further negative shock not included in this analysis and represents a topic for further scientific research.



Temperature trajectory 2020-2100.



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Divesting doesn't reduce the amount of carbon in the atmosphere, engagement can.

Carine Smith Ihenacho

Chief Governance and Compliance Officer, Norges Bank Investment Management

The fund therefore has an interest in an orderly transition to global net zero emissions.

With the energy transition underway, the companies we invest in are adapting their operations and business models. Many who operate in traditional energy markets are maximising their competitiveness and resilience, along the dual axes of lowest cost and lowest carbon intensity. In non-energy markets, low carbon alternatives are disrupting carbon intensive business models. As the climate transition progresses at an uneven pace, companies are required to balance the competing demands of short- and long-term value creation.



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Our long-term approach to climate change

Our approach to climate change is financially motivated and has been developed over nearly twenty years. We aim to be a global leader in managing the financial risks and opportunities arising from climate change. Our first discussion with a portfolio company on climate change was in 2006. We published our first expectations on climate change in 2009, covering how we think companies and directors should approach the challenge of climate change. Our latest expectations were published in 2023.⁵ We have been analysing the fund's greenhouse gas emissions since 2013. In 2021, an expert report to the Ministry of Finance on Climate Risk and the Government Pension Fund Global was published.⁶ Since 2022, our management mandate establishes climate risk as an investment risk alongside market risk, credit risk and counterparty risk. It also establishes as the goal of our responsible investment management for our portfolio companies to organise their activities in such a way as to make these compatible with global net zero emission in accordance with the Paris Agreement.

We believe an active ownership strategy and engagement with portfolio companies can best deliver these objectives. Over time, we believe companies are responsive to input on long-term value creation from their shareholders. Our expectation is that companies maximise their long-term value by effectively managing climate risks and opportunities.

We therefore look to remain consistent in the messages we give as a shareholder, and our approach recognises that decarbonisation takes place in the real world, not in portfolios.



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2025 Climate action plan close out

Our 2025 Climate action plan aimed at managing climate risks and opportunities for the fund through actions at market, portfolio and company level. We asked high emitters to set net zero 2050 targets urgently, with all portfolio companies to have set targets by 2040 at the latest. We have provided a detailed assessment of our plan implementation in a [separate document](#).

At the market level, we supported the development of the IFRS Climate-related Disclosure Standard as the global baseline for reporting financially material climate-related risks and opportunities. We formally advocated for regulatory adoption in 16 jurisdictions.

At the portfolio level, we increased our renewable energy infrastructure portfolio to 84.2 billion kroner. In our listed equity portfolios, we divested from 44 companies based on climate risk considerations and reversed 8 divestment decisions.

At the company level, we interacted with companies representing 71 percent of financed emissions⁷ through structured dialogues. We voted against directors at 69 companies for inadequate climate risk



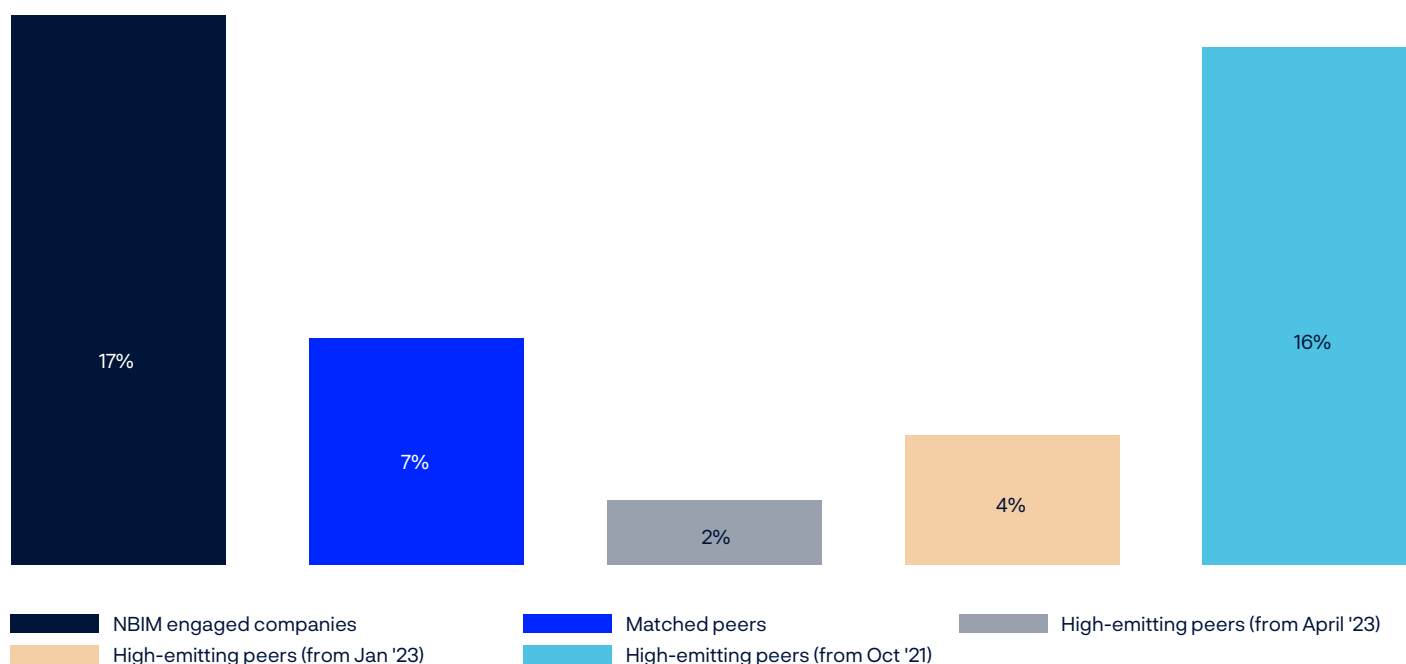
Our 2025 Climate action plan aimed at managing climate risks and opportunities for the fund.

Positive return of risk-based divestments in percentage point.



management. We filed seven shareholder proposals and took three of these to the companies' Annual General Meetings.

Net zero target adaption. NBIM-engaged vs. non-engaged companies from 2021–2025.



Our systematic tracking of engagement outcomes shows that company engagements often achieve their objectives with variation by objective type. Based on a comparative analysis, companies engaged on net zero targets specifically seem more likely to set targets than companies we did not engage.

We enhanced our reporting through the publication of our first combined Climate and nature disclosures in 2025 to address the interconnected nature of climate and environmental risks, including more insights into companies' nature and climate management.

Since the launch of our 2025 Climate action plan, the portion of total portfolio companies' emissions covered by science-based net zero targets has increased from 57 to 76 percent. The number of portfolio companies with science-based net zero targets more than doubled from 12 to 34 percent. Between 2022 and 2024, the fund's financed emissions and weighted-average carbon-intensity declined by 5 and 11 percent respectively, while the net asset value of the fund increased by 24 percent.

2030 Climate action plan

2030 Climate action plan

In formulating our 2030 Climate action plan, we have drawn on the combined experience from our 2025 Climate action plan and twenty years of working in the field. In our 2030 plan, we will maintain the core ambitions and approaches put in place in our 2025 plan, while addressing specific opportunities to keep our plan fit for purpose. The plan will be integrated into our overall strategy for the management of the fund.

Our plan has five strategic priorities.

1. Support the delivery of our management mandate by enhancing the links between our investment objectives and our work on climate change across risk management, investment and ownership functions.
2. Continue to engage with companies to support corporate net zero and interim targets covering scope 1, 2 and 3 emissions, and associated transition plans. We expect high emitters to set net zero 2050 targets as a matter of urgency.
3. Strengthen market-level standards and methodologies for climate and nature-related financial disclosures, target-setting and scenario analysis.
4. Enhance our focus on nature, physical climate risk, adaptation and resilience, in standard-setting, risk management and engagement.
5. Embed AI and proprietary analytics in our management of climate risk to streamline processes and enhance decision making.



Market level

As a global investor, we benefit from well-functioning markets and agreed-upon international standards. Where standards have been developed, such as through the International Sustainability Standards Board (ISSB), we will focus on uptake globally. In the less mature areas, such as biodiversity finance, we will support academic research that can help investors manage climate risk and opportunity.

- We will continue to work with regulators and stock exchanges to drive adoption of the ISSB standards as a global baseline for sustainability-related financial information. We will encourage companies to voluntarily report against the standards.
- We will continue support for standard-setting efforts on company reporting of climate-related uncertainties in their financial statements, including those of the IFRS.⁸
- We will continue our support to the Taskforce on Nature-related Financial Disclosures to foster adoption of financially-material disclosures on nature and push for global standards alignment on nature through the ISSB.
- We will support the Network for Greening the Financial System in developing climate scenarios that help the financial sector understand policy pathways, technological change and risks to investment and lending portfolios.
- We will continue to support the adoption of global standards and tools for measuring climate risk in investment portfolios, including PCAF and CRREM.
- We will support the development of corporate net zero standards, including those with sectoral and regional specificity.
- We will support initiatives that enable companies to set financially material targets and transition plans to reduce nature impacts.
- We will continue our support for academic research on the financial impacts of climate change and nature degradation.
- We will contribute to the development and simplification of market standards for labelled bonds.



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- We will continue our support for the development of supply and demand side approaches for voluntary carbon markets.
- We will support the development of carbon intensity labels, environmental attribute certificates, and the associated data infrastructure.
- We will support the development of tools and approaches that build transparency at the intersection of climate change and corporate policy advocacy.



Portfolio level: Investment

Our investment efforts seek to capture the financial opportunities arising from climate change and enhance the way in which climate change considerations are integrated into investment decisions across our relevant investment strategies.

- We will increase our investments in renewable energy infrastructure, subject to market opportunities. We will focus on renewable electricity generation and storage, electricity grids, and renewable energy infrastructure funds.
- Renewable energy infrastructure investments will target the intersection of public and private markets, including public to private, initial public offerings and strategic equity.
- We will aim to achieve no net loss of nature for new investments in renewable energy infrastructure to enhance long-term value creation and business resilience. We will do this by minimising nature impacts through thorough due diligence and seeking opportunities to implement industry-leading environmental solutions throughout the asset lifecycles.
- We will continue to work towards our interim target for 2030 of reducing the operational greenhouse gas emissions intensity of our unlisted real estate portfolio by 40 percent compared to 2019. We do this to strengthen the portfolio's risk-adjusted returns through reduced operating costs, higher asset liquidity, stronger tenant demand, and regulatory compliance.
- We will continue to work towards our net zero by 2050 target for our unlisted real estate portfolio, encompassing both operational and embodied carbon. We will implement life cycle assessments for all new developments and major refurbishments to position our portfolio for evolving market expectations.
- We will include data derived from our proprietary climate analytics, including expectation scores, in the Investment Simulator, our platform for trading analysis for portfolio managers, and promote internal adoption through analytical insights and training.
- We will use AI in our proprietary information and models to strengthen investment processes across teams and help identify transition winners across industries.



We will increase our investments in renewable energy infrastructure, subject to market opportunities.

Portfolio level: Risk management

Our risk management work addresses how climate change, through physical climate risk, transition risk and nature, impacts our investments and what adjustments we can make to our portfolio to address this.

- We will stress-test the equity portfolio against extreme climate-related scenarios to identify vulnerabilities and test resilience.
- We will further develop our in-house climate scenario analysis to capture a wider range of climate impacts and use different methods to estimate the financial impacts on the fund.
- We will systematically monitor climate and nature risk in the portfolio and continue to consider companies for risk-based divestments based on long-term financial considerations. We will streamline the link between our ownership and risk-based work on climate change.
- We will continue to monitor all risk-based divestments related to climate change and ensure that our understanding of the companies' financial risk exposure is up to date. We will consider reversing decisions if we assess that the long-term financial risk to the fund is no longer significant.
- We will conduct analysis of how physical climate risk impacts our unlisted real estate and infrastructure assets, considering direct physical impacts and broader effects on surrounding infrastructure. We will integrate these analyses into our real asset investment decisions and asset management.
- We will conduct analysis of how physical climate risk is likely to impact our government and government-related fixed income portfolios.
- We will provide climate risk analytics for all investment portfolios to allow for further integration of climate risk in investment decisions.



We will stress-test the equity portfolio against extreme climate-related scenarios to identify vulnerabilities and test resilience.

Company level

We will continue our engagement-led active ownership based on our climate change expectations, with the intention of supporting and challenging our portfolio companies in their long-term efforts to reach net zero emissions. We will look to harvest the findings of these engagements and embed them in investment decisions.

- We will adjust our climate focus list to include companies representing ~70 percent of our scope 1 and 2 financed emissions, those with the highest scope 3 emissions, and further companies with heightened vulnerability to physical climate and nature risk.
- We will target board-level interactions on climate with companies on the climate focus list.
- Consistent with our core climate change expectations, we will continue to support and challenge companies in setting credible net zero and interim targets covering scope 1, 2 and 3 emissions, along with associated transition plans.⁹
- In our company engagements, we will increase our emphasis on physical climate risk, adaptation and resilience and the intersection with nature. This includes an increased focus on the need to eliminate deforestation and conversion of natural ecosystems in the short term. We will update our climate change expectations to reflect this.



We will continue our engagement-led active ownership based on our climate change expectations.



- In our company engagements, we will consider how human rights due diligence processes are included in the implementation of climate transition plans, referencing international standards such as the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
- In our company engagements, we will increase our scrutiny of the intersection of climate change and corporate policy advocacy, consistent with our view on responsible corporate policy engagement.¹⁰ We will update our climate change expectations to reflect this.
- We will use a range of ownership tools in our company engagements, including voting against boards and supporting shareholder proposals. We will consider filing our own.
- We will publish the methodology for our proprietary climate change expectations scores on our website, alongside aggregated sector scores.
- We will use AI to structure data and extract signals from company dialogues to enhance our engagement approach and inform investments. Cross-company pattern analysis will help prioritise companies for effective engagement.

Our ethical exclusions

The Norwegian Ministry of Finance has issued a set of ethically motivated guidelines for observation and exclusion from the fund. These guidelines contain criteria for the exclusion of companies based on their products or on their conduct, some of which pertain to climate change.¹¹

- We will evaluate companies with the highest absolute and relative greenhouse gas emissions, and lacking transition plans, for exclusion under the ethical climate criterion.
- We will continue to review companies currently excluded, or under observation, under the ethical coal criterion, based on forward-looking assessments of their investments in renewable energy and the credibility of their transition plans.

Reporting

Our management mandate has requirements for managing and reporting on financial climate risks in line with international standards.

- We will continue to report on the financial effects of climate and nature risk on our portfolio, reflecting their interconnectedness.
- We will integrate climate change into the fund's annual stress-testing framework and reporting.
- We will enhance our analysis and reporting of companies' climate performance and emission reduction progress over time. Our goal is to improve and contribute to robust measures of climate transition plans and associated reporting practices, including tracking progress towards interim targets.
- We aim to be market-leading in evaluating our climate action plan implementation, including conducting systematic reviews of our engagement effectiveness.



Outlook

The scientifically established relationship between greenhouse gas emissions and climate change is unequivocal. The impacts of physical climate change will get worse. What remains uncertain is exactly how and where physical climate change will manifest. There is also uncertainty around the future developments of climate-related technologies and policies.

Climate policy globally has not tightened uniformly in the way that was envisaged after the Paris Agreement. Instead, policy has been promised, delivered, and removed, in waves. Policy support for climate change mitigation, in all countries, and always, cannot be taken for granted. This raises the prospect of a disorderly transition, driven by policy delay and divergence globally and serves as a reminder that the most important factor in the delivery of global climate goals is the formation of government policy.

Furthermore, the costs and competitiveness of climate change mitigation technologies have not advanced at a uniform rate. In certain industries, there are still competing pathways to decarbonisation.

The implementation of our Climate action plan will accommodate this uncertainty in the operating environment. We will remain vigilant in identifying new signs of physical climate risk and will adapt our approach to companies' specific business environments. Based on our experiences and the evolution of portfolio climate risk exposures, we expect to update our plan for the next five-year period in 2030.



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Important Information: We will not apply any policies discussed herein in circumstances where we believe that implementing or following such policies would be deemed to constitute seeking to change or influence control of a portfolio company with securities registered on an exchange regulated by the United States Securities and Exchange Commission.

We develop and implement our Climate Action Plan independently, based solely on our own investment objectives, risk assessments, and long-term financial interests. Our engagement with portfolio companies is conducted on an individual basis, without coordination or agreement with other investors or market participants regarding company-specific climate targets or actions. While we support the adoption of international standards for sustainability-related disclosures to promote transparency and comparability, these efforts do not involve the coordination of investment decisions or competitively sensitive matters. We remain fully committed to complying with all applicable antitrust and competition laws.

Endnotes

- 1 [Management mandate for the Government Pension Fund Global](#)
- 2 [BloombergNEF: New Energy Outlook 2025](#)
- 3 [The macroeconomic impact of climate change: global vs local temperature](#)
- 4 [Norges Bank Investment Management: Climate and nature disclosures 2024](#)
- 5 [Norges Bank Investment Management: Climate change expectations of companies](#)
- 6 [Climate risk and the Government Pension Fund Global](#)
- 7

Financed emissions are defined as indirect emissions attributed to financing activities – such as lending and investments – of financial institutions. These activities all contribute to providing capital or financing to a company that emits GHG emissions.
- 8 [Norges Bank Investment Management: Comments on IASB Exposure Draft 'Climate-related and Other Uncertainties in the Financial Statements](#)
- 9 [Norges Bank Investment Management: Climate change expectations of companies](#)
- 10 [Norges Bank Investment Management: Responsible corporate policy engagement](#)
- 11 [Guidelines for Observation and Exclusion of companies from the Government Pension Fund Global](#)



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