

Nature Expectations of companies



Norges Bank Investment Management manages the assets of the Norwegian Government Pension Fund Global. We work to safeguard and build financial wealth for future generations. As a long-term and global financial investor, we are dependent on sustainable development, well-functioning markets and good corporate governance.

Our expectation documents set out how we, as a financial investor, expect companies to manage various environmental and social matters. Our expectations are based on internationally recognised principles such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the G20/OECD Principles of Corporate Governance, the OECD Guidelines for Multinational Enterprises and other topic-specific standards. This document serves as a starting point for our interaction with companies on nature-related topics. We expect companies to address these topics in a manner meaningful to their business model and wish to support them in their efforts.

Our expectations are primarily directed at company boards. Boards should understand the broader environmental and social consequences of company operations, taking into account the interests of relevant stakeholders. They must set their own priorities and account for the associated outcomes. Companies should pursue relevant opportunities and address significant risks. They should report financially material information to investors, and broader impacts as appropriate. Boards should effectively guide and review company management in these efforts.



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Nature

Expectations of companies

The goal of Norges Bank Investment Management is to generate financial returns, following a management mandate laid down by the Ministry of Finance. The degradation of land, freshwater systems, and marine environments all affect the long-term value of companies in our portfolio. Companies face risks when natural resources they depend on become scarce or degraded, and when their environmental impacts lead to regulatory action, legal liability, operational restrictions or reputational risks. Evolving trends in consumer demands and availability of natural resources will also present opportunities as new markets are created.



The financial materiality of nature

Nature degradation already poses material risks to our portfolio. Seven out of nine “planetary boundaries”, which are the processes that support and regulate life on earth, have now been crossed.¹ The financial risks associated with breaching such thresholds are already apparent and are likely to increase over time. A global review of nature-related financial risks found over 600 examples, ranging from inflationary impacts on food production, supply disruptions due to water shortages and liability risks from environmental pollution.² In our own survey of companies, we found that 48 percent of surveyed companies view nature risks as financially material today.³

Governments have recognized the urgency of action by making commitments to protect and preserve nature, most notably by signing the Kunming-Montreal Global Biodiversity Framework adopted in 2022.⁴ This framework establishes 23 targets, including protecting 30 percent of terrestrial and marine areas and reducing pollution. This international framework lays the foundation for the formation of regional and national policies on nature, and for companies to align their operations with these goals.

Our expectations to companies

Our nature expectations are aimed at companies in our portfolio whose activities or value chains depend on or affect land, freshwater, and marine ecosystems. We wish to support companies as they develop their strategy towards sustainable business operations.

These expectations are a foundation for our engagement activities, which include company dialogues, filing and voting on shareholder proposals, and voting for or against the re-election of board members. Our expectations also inform our investment analysis and risk management. In specific cases, companies that do not respond to engagement will be candidates for assessment under risk-based divestment criteria for nature-related risks.

¹ [Planetary boundaries - Stockholm Resilience Centre](#)

² [TNFD \(2025\)](#)

³ [NBIM and University of Zurich \(2025\)](#)

⁴ The framework complements existing international agreements including the UN Convention on Biological Diversity and aligns with UN Sustainable Development Goals 14 (Life Below Water) and 15 (Life on Land).



Nature degradation already poses material risks to our portfolio.

We acknowledge that companies have different starting points and capabilities, and that approaches to nature management will vary across regions, industries, and the specific ecosystems. We will consider such factors, as well as a company's trajectory, or progress over time, when we engage with portfolio companies on our nature expectations.

Publication of guidance by the Taskforce on Nature-related Financial Disclosures (TNFD) in 2023 established a common framework for nature-related disclosure. We now wish to support companies to focus on reporting more quantitative, business-relevant information to understand how nature-related factors affect their activities and cash flows.

Nature-related risks are closely interconnected with climate risks, and we view these issues as integrated challenges that require coordinated responses. We expect companies to develop approaches that recognise the interdependencies between nature and climate action. These expectations also address responsible stakeholder engagement, particularly with local and indigenous communities affected by the environmental impact of companies' operations.

Our expectations follow a logical implementation flow from strategic oversight to implementation. The core expectations establish the foundational governance and strategic requirements that boards and senior management should address. The further guidance sections provide more detailed direction on how companies can implement these core requirements in practice. The ecosystem-specific expectations then set out how companies should manage activities specifically related to land, water, and ocean ecosystems.



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Core expectations

These eight core expectations apply to all companies. These are foundational, central to our board-level dialogues, and directly inform our ownership activities.

Board oversight and strategy integration

Board oversight: Company boards should ensure nature-related risks and opportunities are identified and integrated into corporate strategy and risk management. They should disclose associated governance structures and oversight mechanisms.

Policies: Boards should ensure companies have policies on the management of critical land, water and ocean habitats that they materially impact or depend on.

Assess and disclose nature impacts, dependencies, risks and opportunities

Assessment and reporting: Companies should assess how their activities, products and services materially impact and depend on nature, and assess associated risks and opportunities. These should be disclosed using recognised methods and metrics, such as those recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) and the International Sustainability Standards Board (ISSB).

Supply chains: Companies should transparently demonstrate how their supply chains materially impact and depend on nature.

Targets and action plans

Targets: Companies should set targets to address material nature impacts and dependencies.

Plans: Companies should set and implement time-bound action plans to deliver on these targets.



Company boards should ensure nature-related risks and opportunities are identified and integrated into corporate strategy and risk management.

Responsible engagement

Local communities: Companies should engage responsibly with local communities and other stakeholders on the impact and dependency of their business practices on nature.

Advocacy and policy engagement: Companies should be transparent about advocacy and policy engagement on nature-related issues and how this aligns with global and national nature goals and frameworks.



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Further direction

Expectations of companies

The next section provides further direction on the good practices we encourage companies to adopt. It sets out practical guidance for how companies should implement the eight core expectations. We group them into four categories: board oversight and strategy integration; assess and disclose nature impacts, dependencies, risks and opportunities; targets and action plans; and responsible engagement. All are based on established and emerging international standards for nature risk management and conservation.



Board oversight and strategy integration

Board oversight

Companies should integrate nature considerations into existing risk management frameworks and strategic planning processes where they are material.

Companies should explain the potential synergies and trade-offs between nature and climate objectives. This includes synergies such as carbon sequestration from nature-based solutions and alignment with climate targets, as well as trade-offs such as land use impacts from low carbon infrastructure and material sourcing for clean technologies that may impact ecosystems functioning and resilience.

Companies should pursue sustainable business opportunities that are relevant to their business model. They should consider how these can promote or contribute to restoring, protecting, or maintaining ecosystem resilience and productivity across land, freshwater, and marine ecosystems.

Policies

Companies should publish policies on how they manage critical habitats and protected areas which they materially impact or depend on. This includes information about how companies identify these habitats in their operations and value chains, clear criteria for operating in or near such areas, and stakeholder engagement approaches with local communities. They should update these policies regularly.

Companies should respect initiatives to preserve biodiversity and ecosystems by:

- avoiding disruptive operations in UNESCO World Heritage Sites and IUCN Category I-IV protected areas
- implementing enhanced due diligence and applying the mitigation hierarchy for operations in IFC Performance Standard 6 critical habitats
- establishing environmental management systems with stakeholder consultation for operations in IUCN Category V-VI protected areas and within buffer zones of higher category protection areas



Companies should explain the potential synergies and trade-offs between nature and climate objectives.

Companies should adopt a precautionary approach where there is a risk of significant species loss or ecosystem impacts, especially in sensitive or poorly understood environments. This includes impacts of new infrastructure, resource extraction, use of chemicals and synthetic materials, invasive species or products of genetic modification.

Assess and disclose nature impacts, dependencies, risks and opportunities

Assessment and reporting

Companies should use recognised risk assessment and disclosure methodologies. Companies should align their disclosures on financially material nature-related issues with international frameworks and standards, such as those developed by the TNFD and ISSB/SASB.

Companies should assess dependencies and impacts from their own operations and from their supply chains.

Companies should provide information on nature-related impacts and dependencies at an appropriate level of geographic and operational detail, including coordinates and footprint of main operations with proximity to protected areas, critical habitats or water-stressed regions.

Companies should explain whether their nature strategy has informed their business model and disclose expected impacts or changes to their financial model.

Supply chains

Companies should use internationally recognised metrics on nature-related impacts and dependencies in their supply chains and disclose these to demonstrate transparency, including levels of traceability, certification percentages, and geographic origins.

Companies should adhere to recognised independent certification systems that focus on improving sustainability performance.

Companies should engage with companies in their value chains to implement sustainable practices and work with suppliers to encourage the adoption of best practices for environmental management.



Companies should adopt a precautionary approach where there is a risk of significant species loss or ecosystem impacts, especially in sensitive or poorly understood environments.

Targets and action plans

Targets

Companies should set targets using internationally recognised frameworks and metrics. As a starting point, companies could prioritize TNFD core metrics and ISSB/SASB metrics for both disclosure and target-setting purposes.

Companies should disclose (a) the objective; and (b) the scope, including which business units, geographies, or value chain segments, each target covers.

Targets should be time-bound and measurable, with clear baseline periods, interim milestones, and quantitative targets specified as absolute or intensity-based. Companies should report annually on performance against target.

Companies developing infrastructure and undertaking resource extraction should commit to achieving no net loss or net positive impact on biodiversity. This should include the full lifecycle of their activities, from environmental impact assessments to continuous monitoring, and responsible decommissioning at end of life.

Companies should disclose whether targets have been validated by third parties and their processes for reviewing and revising targets, including explanations for any revisions made.

Plans

Companies should implement and disclose a plan detailing how it will reach its targets. This should be integrated with a climate transition plan where possible. This plan should include the scope of each target, including business units, products, locations that will be affected, and the implementation strategy detailing specific actions that will be taken to achieve the targets, and assumptions made.

Companies should apply the mitigation hierarchy (avoid, minimize, restore, offset) to manage their impacts on nature.

Plans should consider impacts and dependencies with adjacent sustainability topics, such as workforces and affected local communities.



Companies should set targets using internationally recognised frameworks and metrics.

Responsible engagement

Local communities

Companies should be transparent about how they collaborate with local stakeholders in minimising adverse impacts on natural systems and communities.

Companies should respect the rights of local communities. This includes the right to free, prior and informed consent for indigenous people. They should disclose their processes for meaningful engagement and consultation.

Advocacy and policy engagement

Companies should not conduct policy advocacy that undermines the core objectives of the Global Biodiversity Framework and UN Sustainable Development Goals 6, 12, 14 and 15. Companies may engage constructively on policy design and implementation approaches.

Companies should disclose membership of trade bodies or associations relevant to a company's nature policies.



Companies should be transparent about how they collaborate with local stakeholders in minimising adverse impacts on natural systems and communities.

Land

The following expectations apply to companies whose operations or value chains interact with terrestrial ecosystems, including agriculture, forestry, manufacturing, retail, mining, real estate, and infrastructure projects.

Companies should assess their dependency and impact on terrestrial ecosystems, incorporating land use scenarios and biodiversity assessments into strategic planning.

Companies should demonstrate responsible land use planning, avoid unnecessary conversion, prioritize degraded lands for development and look for opportunities to contribute to nature restoration.

Companies involved in agricultural value chains should have a policy for sustainable or regenerative farming, and a plan for implementation.



Companies should demonstrate whether they have eliminated deforestation and peatland loss from their business activities and value chains by disclosing policies, traceability percentages and certification levels.

Companies should commit to eliminating conversion of all other natural ecosystems by 2030 at the latest.

Companies should monitor and engage with suppliers of forest-linked products (cattle, palm oil, soy, timber, cocoa, coffee, rubber, rice, sugarcane and corn) to implement best practices for environmental management and adhere to international standards and certification for sustainable production and land management.

Companies should minimize air pollution from their operations and value chains to protect human health, environmental quality, and community well-being. They should implement comprehensive emission controls, monitor air quality impacts, and be transparent about their air pollution risks and mitigation measures.

Companies should set targets to reduce virgin plastic use and take measures to eliminate unnecessary plastic packaging, increase recycled content, and aim for all plastic packaging to be reusable, recyclable, or compostable. They should implement strategies for transitioning towards circular economy models covering the full lifecycle of their products, including investments in collection and recycling infrastructure.

Companies should assess, prevent and remediate land contamination from their operations and value chains. They should adopt a precautionary approach to soil health, implement comprehensive contamination prevention measures, implement community-led remediation planning, and take responsibility for legacy contamination.

Companies should implement waste management strategies that prioritize prevention and reduction. This includes food waste, textiles and e-waste.



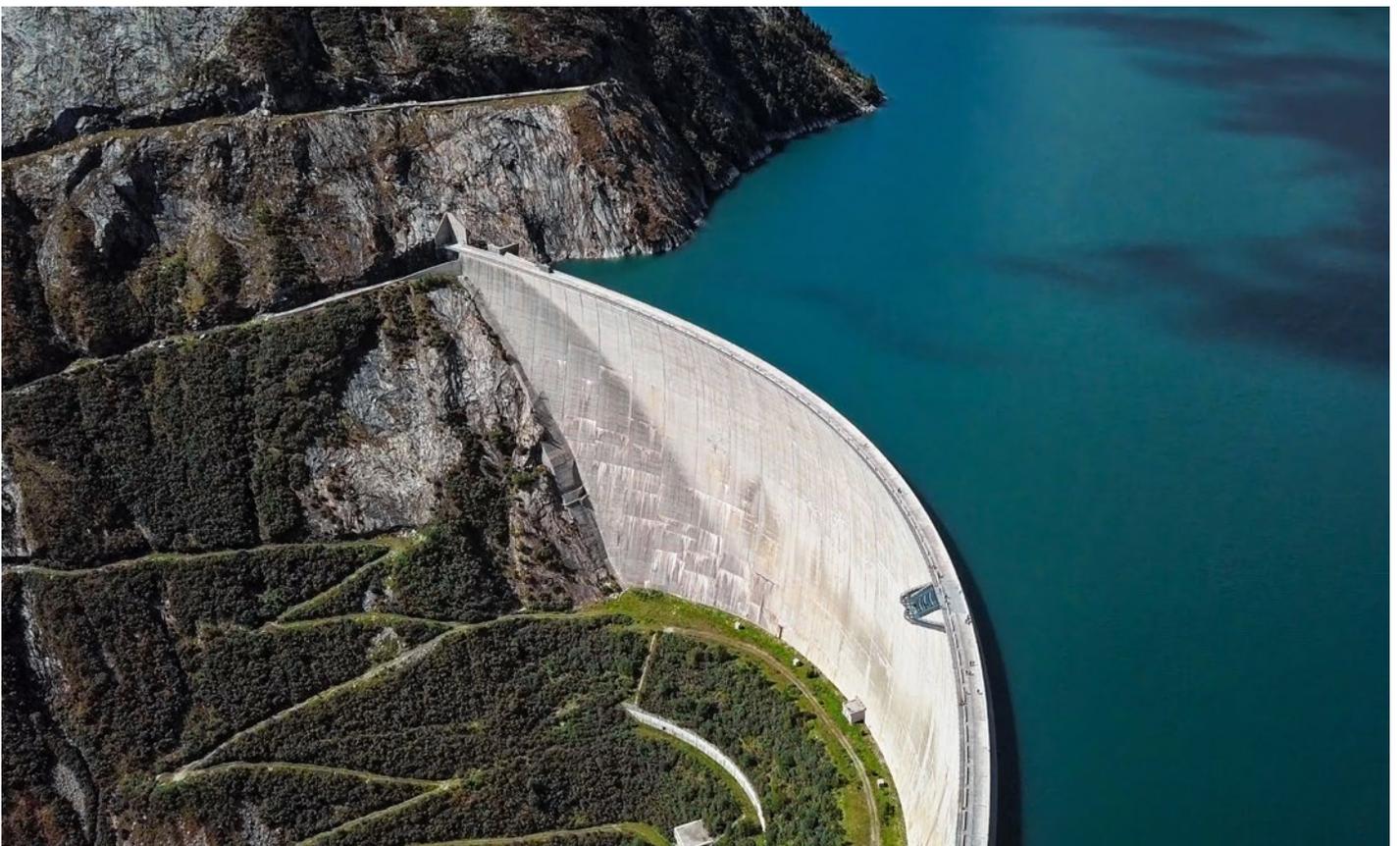
Companies should demonstrate whether they have eliminated deforestation and peatland loss from their business activities and value chains by disclosing policies, traceability percentages and certification levels.

Water

These expectations are directed at companies with significant dependencies on or impacts to freshwater resources, including manufacturing, energy, agriculture, mining, chemicals and technology. Companies in water-stressed regions or those with high water consumption, discharge, or pollution risks should prioritize these guidelines.

Companies should assess their dependency and impact on water resources across operations and supply chains by incorporating water stress scenarios and regional supply and demand factors into strategic planning.

Companies should adopt industry standards and best practices for sustainable water management, including improved water efficiency in production processes and increased recycling practices.



Companies should report water use and discharge data at basin-level detail where appropriate, including proportions of withdrawals in water-stressed regions, and environmental quality of discharge.

Companies should establish targets and measures for sustainable water management, including water efficiency improvements, recycling practices, and reduction of water dependency across operations and value chains.

Companies should immediately disclose significant pollution incidents that could have serious, extensive or persistent impact on the environment and people, including volume of discharge and area affected, as well as mitigation measures to remediate any adverse impacts on nature and local communities.

Companies that own or operate mine tailings facilities should disclose locations of these along with key attributes and management approaches relevant to their safety.

Companies should disclose the use or production, current or historical of PFAS (per- and polyfluoroalkyl substances) or similar chemicals in their operations, products, and byproducts. They should identify the specific compounds used or produced. Companies should have a strategy to manage any associated waste and address environmental remediation where contamination has occurred. Where PFAS compounds are an integral part of production or supply chains, companies should consider options to phase out the use of these compounds.

Companies should participate in or support collective action water stewardship initiatives, including nature-based solutions, monitoring systems, and watershed-level conservation efforts that benefit all water users in their operating regions.

Companies should engage transparently with regulators, communities, and stakeholders on water management, understanding their impact on local water access and contributing to collective river basin management efforts.



Companies should establish targets and measures for sustainable water management.

Ocean

The following expectations apply to companies with marine operations or whose value chains significantly impact ocean ecosystems, including shipping, offshore energy, fisheries, aquaculture, coastal infrastructure, and companies contributing to marine pollution through land-based activities.

Companies should consider their reliance on ocean health and ecosystems, including impacts of climate change such as warming, acidification, deoxygenation and sea level rise.

Companies should respect conservation by avoiding activities that undermine the objectives of Marine Protected Areas and other effective area-based conservation.

Companies involved in production, transportation, or handling hazardous materials should minimize spills through prevention and infrastructure maintenance.



Companies involved in marine transportation should implement measures to reduce air, water and noise pollution, prevent the spread of invasive species, minimize wildlife disruption, and commit to responsible ship recycling.

Companies should be transparent about the source of marine resources, such as reporting on volumes, capture locations, species, and fishing methods of wild-caught seafood, working towards full supply chain traceability.

Companies should disclose the percentage of certified seafood using internationally recognised schemes, such as Marine Stewardship Council and Aquaculture Stewardship Council (ASC).

Companies buying or selling wild-caught seafood should ensure activities do not involve overfished or exploited stocks beyond maximum sustainable yield, or fishing which is illegal, unregulated, or unreported. They could demonstrate this through credible certification.

Companies buying or selling harvested seafood should take measures to reduce the impact of their harvesting gear and practices on the environment, including by limiting their use of destructive gears and minimising bycatch.

Companies involved in aquaculture should minimise environmental impact by demonstrating best practices through implementation of ASC, including for feed sourcing, disease prevention, escape management, and waste treatment.

Companies involved in activities that result in land-based marine pollution, and related supply chains, should prevent or significantly reduce such pollution, including nutrient runoff, sediment discharge, chemical contaminants, heavy metals, and plastic waste.

Companies should promote ocean sustainability through responsible engagement in poorly regulated areas, development of relevant standards and certifications, and collaboration with stakeholders on sharing ocean data and marine biodiversity knowledge.



Companies involved in marine transportation should implement measures to reduce air, water and noise pollution, prevent the spread of invasive species, minimize wildlife disruption, and commit to responsible ship recycling.

Important notice

These expectations are based on our beliefs about what contributes to long-term value creation and sound risk management. They are not prescriptive requirements for our investee companies. We will not apply any policies discussed herein in circumstances where, under the applicable beneficial ownership reporting regulations promulgated by the United States Securities and Exchange Commission (the "SEC"), our ownership level in an issuer whose securities are registered on an exchange regulated by the SEC meets or exceeds the relevant reporting threshold established by Section 13(d) of the Securities Exchange Act of 1934, as amended, and Rule 13d-1 thereunder (17 CFR § 240.13d-1), and the application of such policies could reasonably be deemed as seeking to change or influence control of that issuer.