



# The Norwegian Sovereign Wealth Fund



# Brief History

## The search for oil begins

Over the next four years, 37 wells will be drilled.

1966

## The proposal of a fund

Norway profits greatly from oil, leading to a idea of a sovereign wealth fund

1983

## The Council on Ethics

Ethical guidelines for the fund are established.

2004

## Renewable energy infrastructure

First investment in unlisted renewable energy infrastructure

2021

1966

## Ekofisk is found

The largest offshore oil field ever discovered.

1996

## The first capital transfer

The fund receives its first capital transfer from the Ministry of Finance.

2015

## Council on Ethics

Norges Bank's Executive board now decides on the observation and exclusion of companies

THE FUND'S VALUE ●

# 18 719 537 056 531<sub>NOK</sub>

We work to safeguard and build financial wealth  
for future generations

Value development →



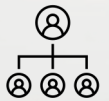
# Objective of the Fund



Manage Norway's oil and gas revenues



3% Fiscal rule (handlingsregelen)



Key actors: Norwegian Bank Investment Management (NBIM),  
Ministry of Finance and the Norwegian Parliament

# The Funds Approach to ESG



ESG factors and global challenges have a direct impact on the fund



Strict ethical guidelines monitored by the Council of Ethics



Around 100 companies have been excluded

- Weapons production (e.g., Boeing Co., - nuclear weapon involvement)
- Tobacco and cannabis (e.g., British American Tobacco)
- Human rights violations (e.g., Elco Ltd, Evergreen Marine Corp)
- Severe environmental damage or emissions (e.g., Barrick Gold Corp)
- Gross corruption or economic crime (e.g., China State Construction Engineering)
- Other serious ethical violations (e.g., Delek Group Ltd)



Active ownership:

- Voting (110,000 votes at 11,000 meetings)
- Dialogue (3,300 meetings)
- Expectation documents (published on selected topics)



# Balancing Ethics with Returns



Poor ESG performance is considered a financial risk



New challenges:

- War in Ukraine
- Pushback on ESG under President Trump



The debate continues ...



# Directives (CSRD and CSDDD)



## CSRD: Transparency

- Standardized ESG reporting across companies



## CSDDD: Accountability

- Companies must manage human rights and environmental risks



CSRD = Reporting, while CSDDD = Requirement



Global Impact Beyond the EU



# How CSRD and CSDDD Affect NBIM's Investments



CSRD - Better ESG Data  
→ More reliable info → Better investment decisions



CSDDD - Aligned with Fund Ethics  
• Required to meet standards we already value



Compliance Costs  
• Short-term expenses, but better long-term risk control



Stronger Divestment Decisions



Applies to NBIM?

## CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE



Europe



2026



Human rights



Environment



Identify



Prevent



Mitigate



# A real example of EU directives on the fund's investments: Nestlé



ESG Controversies → Child labor, environmental impact



CSRD → Transparency: Nestlé must disclose ESG performance



CSDDD → Accountability: Must act on risks or face consequences



NBIM's Role

- Active ownership first
- Exclusion as last resort



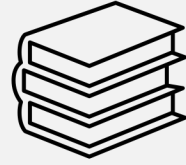


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**THANK YOU**





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