

Responsible investment report 2023

Government Pension Fund Global



Responsible investment

Government
Pension Fund
Global 2023

We work on three levels



Market



Portfolio



Companies

A photograph of a dense forest with mist or fog rising from the trees, creating a soft, ethereal atmosphere. The colors are muted greens and greys.

**Climate
action plan**

A close-up photograph of two hands gently cradling a small globe of the Earth. The globe shows continents in green and yellow and oceans in blue. The background is dark and out of focus.

**Artificial
intelligence**

A photograph of a computer keyboard that is heavily blurred, with light reflecting off the keys, creating a bokeh effect. The overall tone is soft and out of focus.

**Transparency
and reporting
on results**



2025 Climate action plan

Driving our portfolio companies towards net zero 2050

Our ambition is for
our portfolio
companies to reach
net zero by 2050

Climate change

Expectations of companies



**Shifting the focus
from targets to
transition plans**



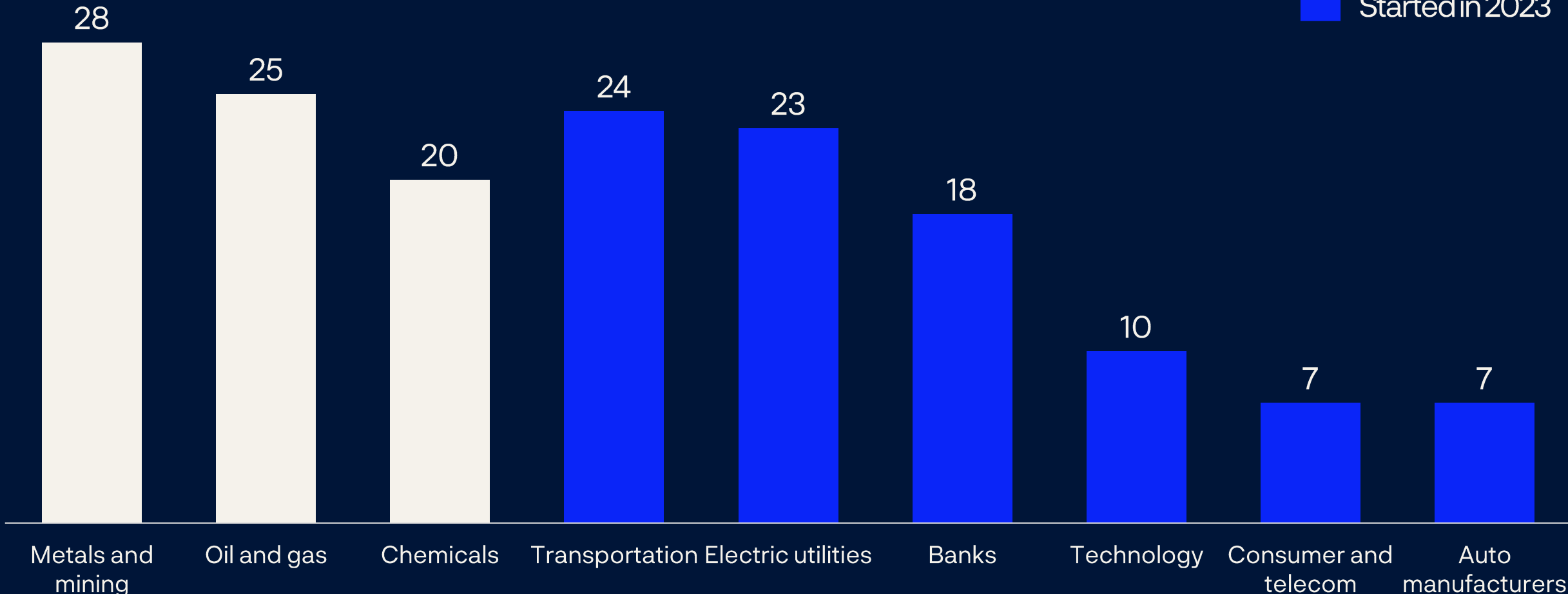
Climate change
discussed in
812 meetings

Which accounted
for **32 % of the**
equity portfolio

Engagement with the highest emitters on net zero

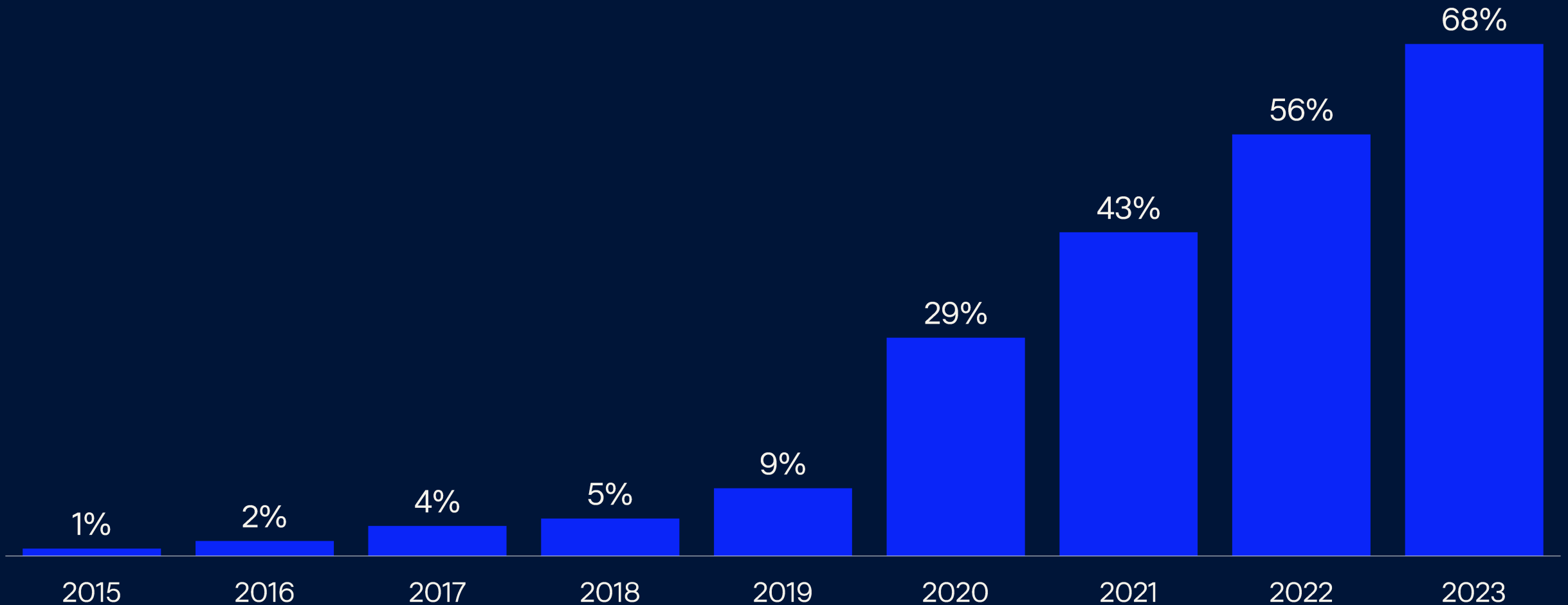
Number of companies

■ Ongoing
■ Started in 2023



More companies setting net zero targets

Percent of financed emissions covered by net zero 2050 targets



Immense opportunities, important risks

The Economist Menu Q

Finance and economics | Free exchange

The AI boom: lessons from history

How powerful new technologies transform economies



IMAGE: OTTO DETTMER

Feb 2nd 2023

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SEARCH FORTUNE

SUCCESS · A.I.

The CEO who manages one of the world's biggest sovereign wealth funds says 'force yourself' to use A.I. — even if you have to beg an intern to teach you

BY JANE THIER
June 13, 2023 at 3:56 PM GMT+2




Forbes FORBES > INNOVATION > ENTERPRISE TECH

The 15 Biggest Risks Of Artificial Intelligence

Bernard Marr Contributor [Follow](#)

Jun 2, 2023, 03:07am EDT

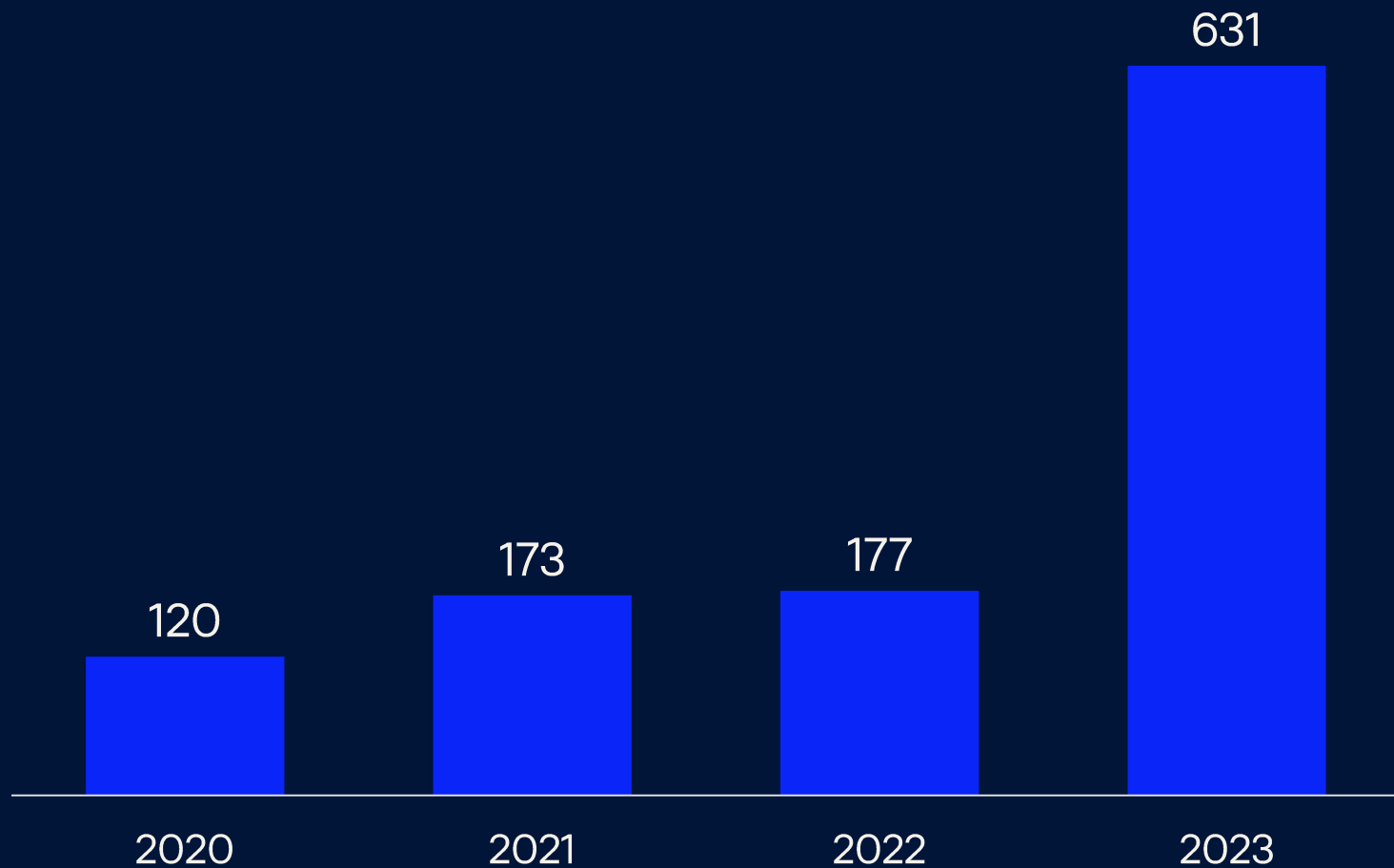
As the world witnesses unprecedented growth in artificial intelligence (AI) technologies, it's essential to consider the potential risks and challenges associated with their widespread adoption.



The 15 Biggest Risks Of Artificial Intelligence ADOBE STOCK

Massive increase of meetings about AI

Number of meetings



Topics we are focussing on

Health care



Technology



Children online





The world's most transparent fund

Global Pension Transparency Benchmark

15
countries

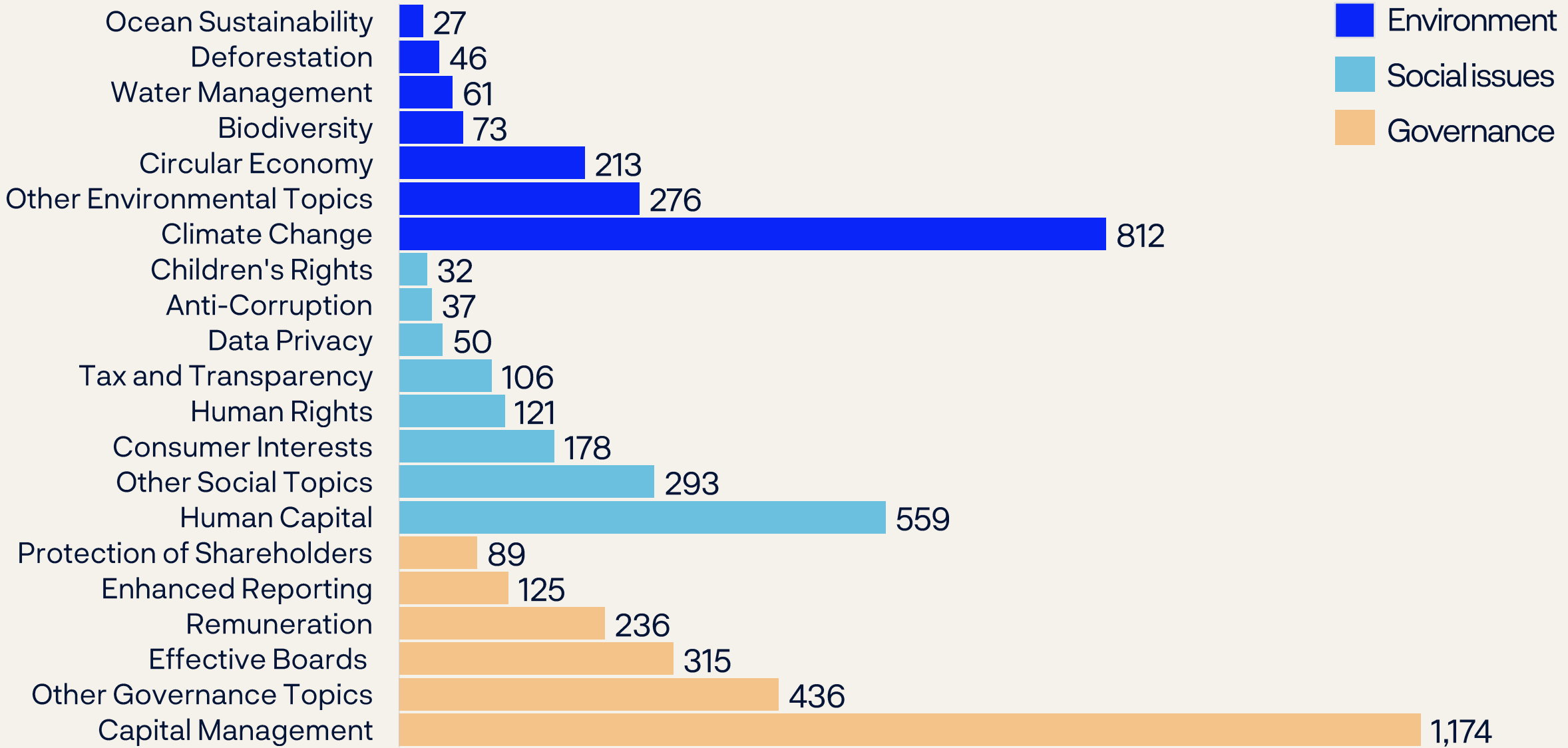
75
funds

185
questions

Disclosing more information

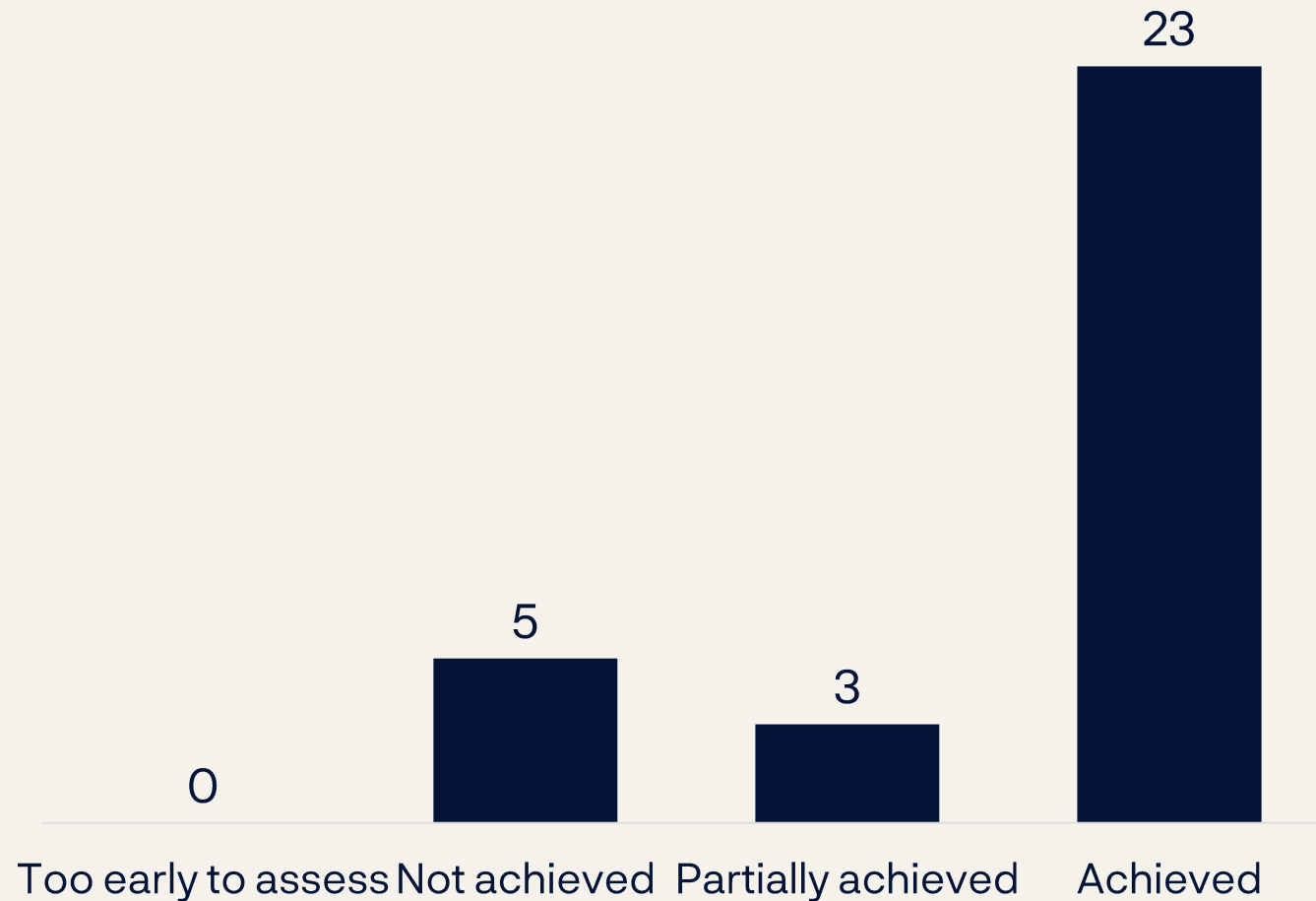


Raising material topics with companies



Tracking and accounting for progress

Reporting dialogue goals and progression, an example



11 mining companies
in areas with
high biodiversity value
or near indigenous
peoples' territories



**Leading by Example: Can One Universal Shareholder's Voting Pre-Disclosure
Influence Voting Outcomes? ***

Rüdiger Fahlenbrach

Ecole Polytechnique Fédérale de Lausanne, ECGI, and
Swiss Finance Institute

Nicolas Rudolf

University of Lausanne

Alexis Wegerich

Norges Bank Investment Management

December 5, 2023

We analyze the impact of a large shareholder disclosing its voting decisions prior to shareholder meetings on final vote outcomes for management and shareholder proposals. We find that pre-disclosures of against votes lead to an average increase of 2.7 percentage points in against votes by other shareholders. Voting pre-disclosures are more effective for proposals with a higher information demand, and if the large shareholder pre-discloses a decision that is not directly observable from its proxy-voting guidelines. The results highlight the potential for large institutional investors to use voting pre-disclosure as a tool for influencing other shareholders and, ultimately, companies.

Pre-disclosure may
sway votes by nearly
3 percentage points

Voting matters

Walmart 

rbi restaurant
brands
international

 Microsoft





Record year of pre-screening

1,048

companies screened

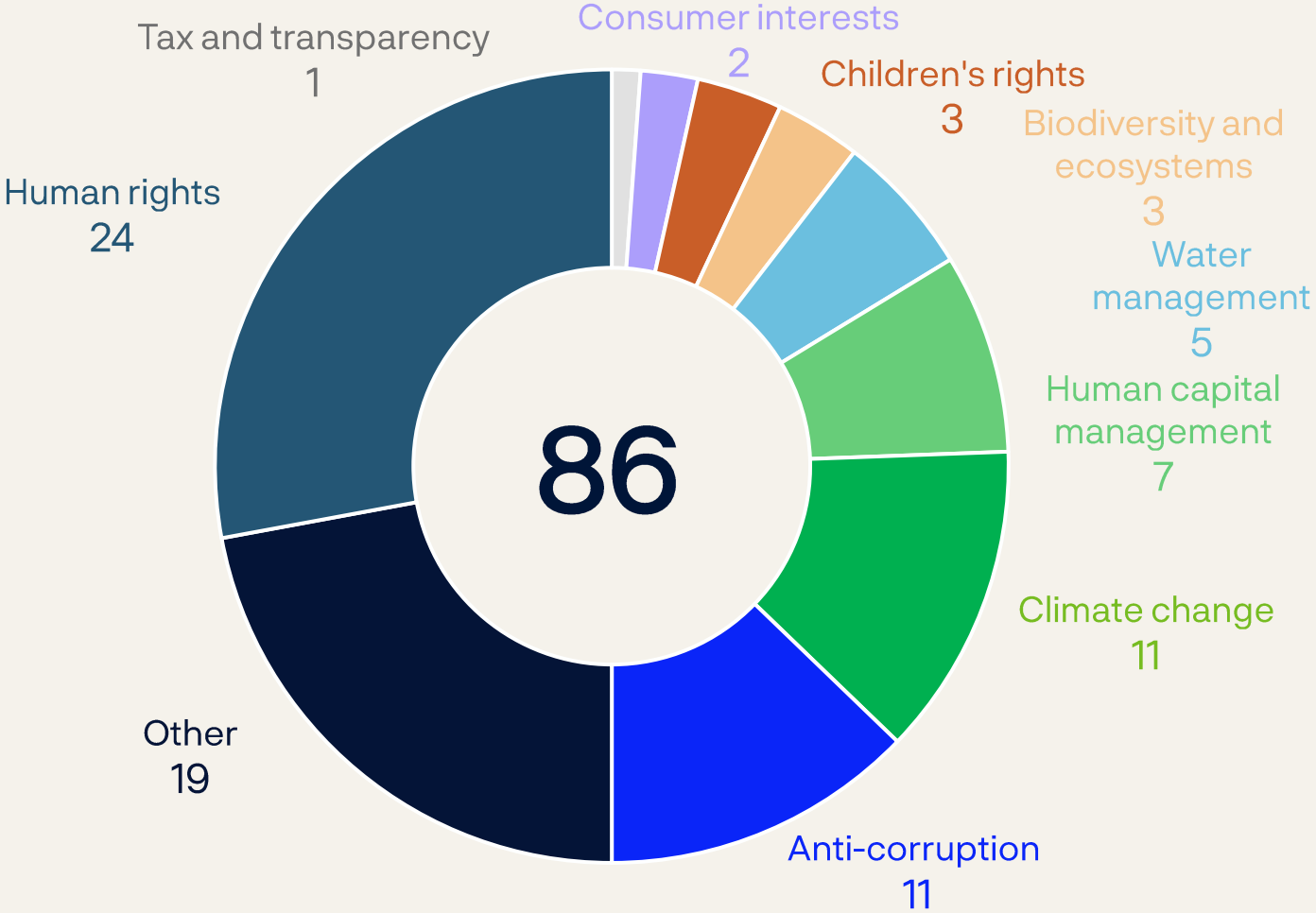
263

placed on monitoring list

54

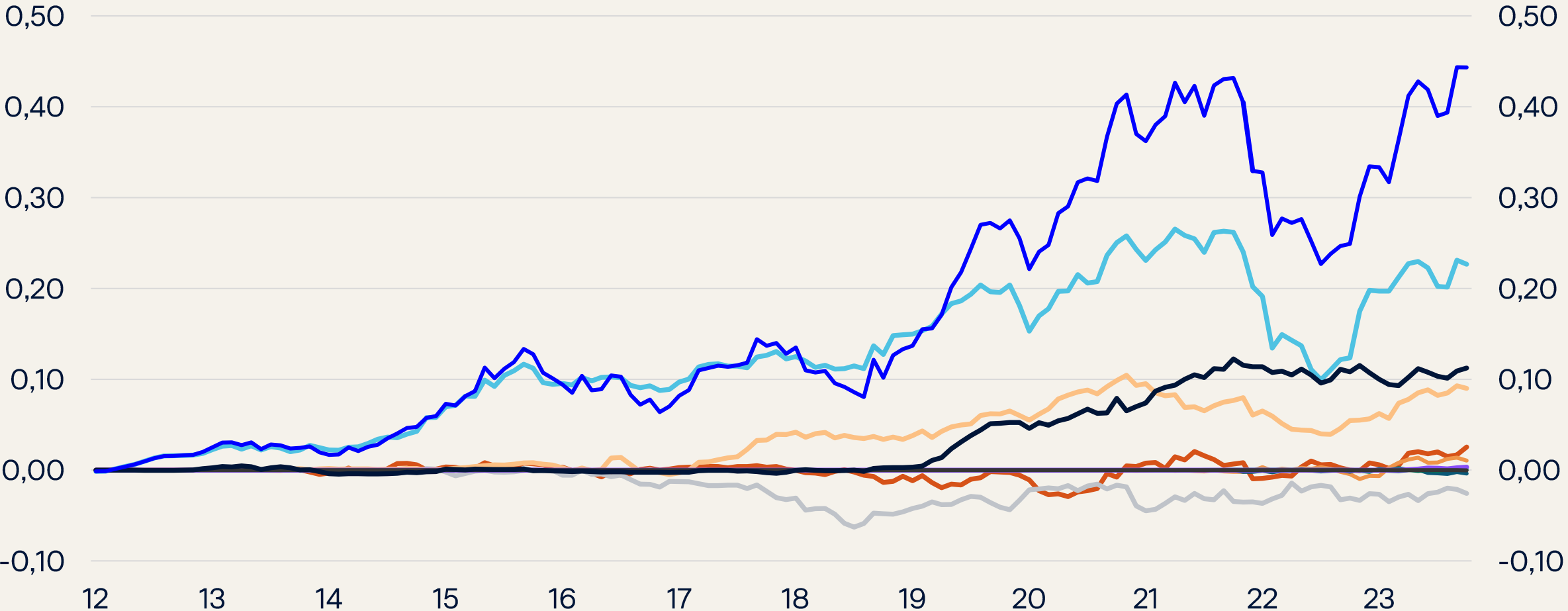
divestments

Divesting companies with high ESG risk



Positive return on risk-based divestments

Return impact of risk-based divestments on the equity reference portfolio. Measured in dollars. Percentage points.



- Climate change
- Tax and transparency
- Biodiversity and ecosystems
- Consumer interests
- Water management
- Human rights
- Human capital management
- Other
- Anti-corruption
- Ocean sustainability
- Children's rights
- Total



Norges Bank
Investment
Management