
# Norwegian Voting Report

*An analysis of the votes and rationales of the largest investors in Norway on climate resolutions at Big Oil*

Kaja Jakubiec
+31 6 27 55 50 42
kajajakubiec@follow-this.org

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## 1. General remarks

**Climate votes largest investors in Norway**

**Votes on climate resolutions requesting Paris-aligned emissions reduction targets 2023**

| | Assets Under Management | | bp | TotalEnergies | ExxonMobil | Chevron |
|---|---|---|---|---|---|---|
| Norges Bank Investment Management | € 1,313 bn. | ✗ | ✗ | ✗ | ✓ | ✓ |
| Nordea | € 251 bn. | ✓ | ✓ | ✓ | ✓ | ✓ |
| storebrand | € 106 bn. | ✓ | ✓ | ✓ | — | — |
| DNB | € 83 bn. | ✓ | ✓ | ✓ | ✓ | ✓ |
| klp | € 67 bn. | ✓ | ✓ | ✓ | ✓ | ✓ |

✓ for ✗ against — no shares

Norwegian institutional investors often find themselves in the forefront of sustainable and responsible investing. The global trend toward factors related to the ESG in investing strategies has had an impact on these financial institutions. These companies continue to own shares in oil companies, rather than choosing a total divestment strategy. Storebrand Group, DNB, the KLP Group, and Nordea voted in favor of environmental resolutions at AGMs of major oil and gas companies, indicating a more nuanced active ownership strategy rather. This could suggest a shift toward long-term sustainability and energy transition, acknowledging the difficulty of entirely exiting the oil business.

Norges Bank's actions, including proxy voting, are influenced by macroeconomic factors as well as the Norwegian government's ethical rules. The fund has previously faced disputes over investments in the fossil fuel sector. Voting records of NBIM show a different voting attitude than other asset owners.

The voting patterns of big asset owners and managers in Norway on environmental resolutions may reflect a larger trend toward sustainable and responsible investing. Notably, the decision to keep shares in oil companies demonstrates a cautious approach, understanding the difficulties of complete divestiture while focusing on long-term sustainability goals. It's essential to refer to the most recent proxy voting records and statements from these institutions for the latest and most accurate information.

## 2. Norges Bank

Norges Bank Investment Management (NBIM) is Norway's central bank and manages the Norwegian Government Pension Fund Global, which is one of the world's largest sovereign wealth funds. Norges Bank, founded in 1816, functions autonomously and is responsible for ensuring price stability and promoting general economic stability in Norway. The Norwegian Government Pension Fund Global was established to manage the country's oil income for future generations.

The link between Norges Bank and the government is formally established by law, and while the bank acts independently, the Ministry of Finance determines the investment mandate and criteria for the Government Pension Fund Global. Norges Bank's approach is influenced by its relationship with the government. The fund seeks to generate strong financial returns while adhering to ethical and responsible investment principles.

NBIM’s 2023 voting record on environmental resolutions at AGMs of corporations such as Shell, BP, TotalEnergies, Chevron, and Exxon have prompted concerns about the consistency and clarity of their stance on sustainability. Remarkably, in 2023, Norges voted against the Follow This climate resolution at Shell, BP, and TotalEnergies, while supporting similar resolutions at Chevron and Exxon.

The rationale[1] provided by NBIM emphasizes the importance of sustainability disclosures in meeting their financial needs as investors. Norges creates ambiguity by noting that they will not support proposals that appear to impose strategies or prescribe precise procedures, unreasonable timetables, or execution targets, making it impossible to determine the bank's threshold for sponsoring environmental efforts. Furthermore, Norges Bank's website declaration, which expresses support for ideas requiring reasonable information about governance, strategy, risk exposures, and performance data, contradicts its voting decisions.

The apparent variance in NBIM's voting practices raises concerns about the clarity of their environmental and sustainability policies. The bank's position as a major player in global financial markets, along with its reliance on government standards, mandates a more transparent and consistent approach to proxy voting on environmental issues. Investors and stakeholders looking for unambiguous indications about the bank's commitment to sustainability may find the current situation confusing and unsatisfactory.

[1] *"The board should account for material sustainability risks facing the company, and the broader environmental and social consequences of its operations and products. Sustainability disclosures should be aligned with applicable global reporting standards and frameworks to support investors in their analysis of risks and opportunities. Where a company's disclosure does not meet our needs as a financial investor, we will consider supporting a well-founded shareholder proposal calling for reasonable disclosure. We will not support a shareholder proposal that appears to impose a strategy or prescribe detailed methods, unrealistic timeframes or targets for implementation." (link)*

## 3. Nordea

Nordea, a notable financial organization Norway, is a major player in the Nordic and international banking and finance industries. Established in 1820, Nordea has grown to become one of the region's largest and most powerful banks, offering a wide range of financial services such as banking, insurance, asset management, and investment banking.

Nordea demonstrated its commitment to environmental responsibility by voting in favor of the Follow This climate resolutions at the AGMs of Shell, BP, Exxon, Chevron and TotalEnergies[2]. However, their positions on management resolutions differed, with votes against Shell and TotalEnergies' management resolutions. This sophisticated approach involves a careful examination of each company's environmental plans and how they correspond with Nordea's objectives.

Nordea's comprehensive approach to environmental challenges is shown in its dedication to sustainability. As a bank, they actively help their customers move to a sustainable future by providing a variety of sustainable financial products and services. Their financing solutions correspond to the Nordea Green Funding Framework requirements[3], which are consistent with the International Capital Markets Association's Green Bond Principles.

Nordea provides a range of investment products that focus on environmental, social, and governance (ESG) factors, in line with the EU SFDR and their internal Sustainable

2 https://vds.issgovernance.com/vds/#/NzI0Nw==/
3 https://www.nordea.com/en/doc/nordea-green-funding-framework-december-2023-0.pdf

Choice framework. Their Responsible Investment Policy[4] demonstrates a commitment to aligning portfolios with the Paris Agreement, highlighting the significance of lowering emissions from fossil fuels.

Notably, Nordea's Paris-Aligned Fossil Fuel policy informs their investment decisions, allowing them to remain engaged in firms that are advancing the transition to clean energy while divesting from those who are obstructing progress. The policy concentrates on fossil fuel corporations and excludes those who use unconventional extraction methods. The Paris-Aligned Fossil Fuel list, prepared by Nordea's Responsible Investments team, is based on assessments from the Transition Pathway Initiative (TPI) and other sources, with an emphasis on emission intensity alignment and climate governance quality.

To summarize, Nordea's voting actions and environmental policies demonstrate a commitment to sustainability and responsible banking practices. Their proactive approach, which includes both funding and investments, is consistent with their objective of actively contributing to a sustainable, low-carbon future.

4 https://www.nordea.com/en/doc/responsible-investment-policy-2023-august.pdf

# 4. Storebrand group

Storebrand Group, known for its environmentally conscious stance, has made a firm commitment to aligning its investment portfolios with sustainability objectives. The group has agreed to attain net-zero greenhouse gas (GHG) emissions by 2050 at the latest, with an emphasis on limiting temperature rise to 1.5°C above pre-industrial levels under the Paris Climate Agreement. Since 2019, Storebrand has been a founder member of the United Nations-convened Net-Zero Asset Owner Alliance, demonstrating its commitment to this goal.

The Storebrands climate strategy[5] describes a proactive approach, prioritizing emissions reduction in the actual economy and setting intermediate targets every five years, in accordance with Paris Agreement Article 4.9. The strategy is consistent with the IPCC's guidelines, which call for a 45 percent decrease in worldwide GHG emissions from 2010 levels by 2030, with the ultimate goal of reaching net-zero emissions in 2050. Any remaining emissions in 2050 are predicted to be offset by extracting $CO_2$ from the atmosphere.

During Shell's 2023 AGM season, Storebrand Group voted in favor of the Follow This climate resolution, citing the alignment of Shell's (then) current 2030 reduction objective with the Paris Climate Agreement's targets. This alignment, which addresses Scope 3 emissions from the usage of energy products, is seen as critical

5 https://www.storebrand.no/en/asset-management/sustainable-investments/our-climate-strategy/_/attachment/inline/4378826b-d7e2-4dc7-a16d-62e1300f2b12:9f73b6f864f81af51ca8045668e4bc5f026a2674/86128%20STB_Clima_policy_investment_rapport.pdf

for shareholders to understand how Shell intends to reduce global warming[6]. Similar reasoning was used to support their affirmative votes on the Follow This resolutions at the AGMs of BP[7] and TotalEnergies[8] in 2023, highlighting the necessity of assisting shareholders in understanding each company's efforts to minimize its carbon footprint.

However, Storebrand Group took a different approach during Shell[9] and TotalEnergies'[10] management environmental resolutions. They voted against Shell's transition progress report, citing concerns about the company's Scope 3 targets, which focus on intensity reduction rather than absolute emissions reduction. They also criticized Shell's lack of specificity regarding Scope 3 emissions and how it intends to satisfy associated targets. Storebrand Group has expressed reservations about Shell's reliance on Carbon Capture and Storage (CCS) and offsets in its proposal. Similarly, Storebrand Group voted against TotalEnergies' management environmental resolution, citing the necessity for specific disclosure of the company's carbon footprint reduction strategy. This demonstrates Storebrand Group's constant approach of requiring clear and granular information from the firms in which they invest, particularly when it comes to environmental targets and emission reduction plans.

[6] "A vote FOR this proposal is warranted as the alignment of the existing 2030 reduction target covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement would aid shareholders in understanding the company's assessment of how it could reduce its carbon footprint to limit global warming well below 2 degrees Celsius above pre-industrial levels and to limit the temperature increase to 1.5 degrees Celsius." (link)

[7] "A vote FOR this resolution is considered warranted as the proposal would further aid shareholders in understanding the company's assessment of how it could reduce its carbon footprint in alignment with GHG reductions necessary to achieve the Paris Climate Agreement goal." (link)

[8] "A vote FOR this proposal is warranted, as its adoption would help to strengthen the company's efforts to reduce its carbon footprint and align its Scope 3 emission targets with Paris Agreement goals and would allow investors to better understand how the company is managing both its transition to a low carbon economy and its climate change-related risks." (link)

[9] "A vote AGAINST the transition progress report is warranted. The Company's Scope 3 targets relate to intensity reduction, rather than absolute emission reduction. Additionally, there is a lack of detail on the Company's Scope 3 emissions and on how it intends to meet its associated targets. More granular and explicit disclosure should be provided to enable stakeholders to make the connection between the Company's goals and the relevant IEA net zero pathways. Furthermore, CCS (Carbon Capture and Storage) and offsets form a sizable part of the plan." (link)

[10] "A vote FOR this resolution is considered warranted as the proposal would further aid shareholders in understanding the company's assessment of how it could reduce its carbon footprint in alignment with GHG reductions necessary to achieve the Paris Climate Agreement goal." (link)

It's worth noting that in 2020, Storebrand opted to divest in Chevron and ExxonMobil[11]. This choice was influenced by their tough standards for avoiding investments that significantly contribute to climate change or participate in ecologically harmful practices such as coal or oil sands-based industries.

The Storebrand Group's voting decisions demonstrate a commitment to environmentally sustainable investments, with an emphasis on transparency and compatibility with global climate goals. Their support for the Follow This climate resolutions reflects a commitment to raising shareholder awareness, whilst their votes against management environmental resolutions indicate a need for more thorough and explicit disclosure of corporations' environmental goals and targets.

[11] Storebrand ASA Annual Report, page 64 (link)

## 5. DNB

DNB, or DNB ASA, based in Oslo Norway, plays an important role in the Norwegian and international banking and finance industries. With a history reaching back to 1822, DNB has grown into a diversified institution that provides a wide range of financial services, including banking, insurance, asset management, and investment banking. As a leading actor in the Norwegian financial scene, DNB plays an important role in supporting enterprises, individuals, and the entire economic infrastructure. The bank's operations go beyond standard banking services and are dedicated to sustainability and good banking practices. DNB's strategic initiatives incorporate a combination of financial acumen, technology innovation, and a commitment to environmental and social responsibility. With a comprehensive portfolio of services, DNB remains a driving force in developing Norway's financial landscape while tackling the changing problems and possibilities of the global financial sector.

In recent AGM seasons, DNB has voted in favor of both management and the Follow This climate resolutions. DNB's consistent rationale for both types of resolutions focuses on aligning existing 2030 reduction objectives for greenhouse gas (GHG) emissions from energy products (Scope 3) with the goals of the Paris Climate Agreement.

DNB's support for climate resolutions, as evidenced by their votes for Shell[12], BP, TotalEnergies[13], Exxon and Chevron, demonstrates their opinion that such proposals help shareholders understand how firms intend to minimize their carbon footprint. The congruence with the Paris Climate Agreement targets of reducing global warming to well below 2 degrees Celsius and aiming for a 1.5-degree Celsius increase is a critical consideration in their decision-making.

The more intriguing component is DNB's yes vote for the management resolutions[14], which indicate agreement with the companies' own opinion that their current strategies are adequate. This apparent contradiction calls into question DNB's judgment of the effectiveness of corporations' environmental measures. While their reasoning underlines the necessity of understanding a company's assessment of its carbon footprint reduction, it is unclear how DNB reconciles this with management resolutions indicating that present efforts are adequate.

DNB's voting pattern may indicate a balanced approach that acknowledges the relevance of both shareholder-led initiatives and management-led measures in meeting climate goals. However, the disparity in the explanation shows that DNB should provide more clarity on their criteria for evaluating the effectiveness of environmental measures, as well as their expectations of companies in combating climate change. It also emphasizes the challenges that financial institutions have in negotiating the world of sustainability and shareholder activism.

[12] "A vote FOR this proposal is warranted as the alignment of the existing 2030 reduction target covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement would aid shareholders in understanding the company's assessment of how it could reduce its carbon footprint to limit global warming well below 2 degrees Celsius above pre-industrial levels and to limit the temperature increase to 1.5 degrees Celsius." (link)

[13] Same as above (link)

[14] Same as above (link)

## 6. KLP Group

KLP Group, a large financial firm based in Norway, is a major player in the country's financial services industry. KLP, founded in 1949, is well-known for its role as a provider of pension and insurance services to the public sector, helping to improve the financial well-being of individuals and organizations throughout Norway.

KLP Group's latest proxy voting decisions demonstrate a more balanced approach to environmental issues. Notably, they voted in support of all the Follow This climate resolutions[15], which reflects their overall commitment to environmental stewardship. This dedication is reflected in KLP's stated stance on climate, environment, and biodiversity, which highlights the expectation that corporations align their actions with the goals of the UN Framework Convention on Climate Change, particularly the Paris Agreement.

Their voting measures include resistance to Shell's management resolution, which contradicts Shell's appraisal of their existing strategies. However, in the case of TotalEnergies, KLP backed the management resolution, indicating agreement with TotalEnergies' strategies.

KLP's environmental requirements for firms are extensive, urging them to organize their economic activities in accordance with the Paris Agreement's objectives. KLP also underlines the necessity of corporations detecting, assessing, and reporting on their exposure to climate risk as part of their financial risk disclosures. This is

[15] https://vds.issgovernance.com/vds/#/MzU3MA==/

consistent with a broader commitment to reducing negative environmental impacts such as resource usage, land use, and pollution, while also working to maintain biodiversity[16].

In summary, KLP Group's voting actions reflect a commitment to environmental responsibility, as seen by their support for shareholder-led initiatives such as the Follow This climate resolution. Their votes against and for individual management resolutions reflect a careful examination of each company's environmental strategy, led by their clear expectations that firms align with global climate goals. This is consistent with KLP's overarching aim of financial services interlaced with sustainable and responsible business practices.

[16] KLP's expectations for companies with respect to climate change and the natural environment (link)