urgewald

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"To Become a Leader, You Need to Lead"

Submission by Urgewald to the Gjedrem Committee on the Coal and Climate Criteria of the Norwegian Government Pension Fund Global (GPFG)

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Background on Urgewald

Urgewald is a data-driven environmental NGO, whose focus is advocating for strong environmental and social standards in the finance sector. Over the past decade, our research and advocacy played a pivotal role in shaping the fossil fuel policies of many banks, insurers and investors. Today, our signature data tools – the Global Coal Exit List (GCEL), the Metallurgical Coal Exit List (MCEL) and the Global Oil & Gas Exit List (GOGEL) – are used by hundreds of financial institutions worldwide to guide the decarbonization of their portfolios. European financial supervisory authorities as well as private standard-setters such as the Science Based Targets Initiative are also users of our data.

Introduction

The Norwegian Government Pension Fund Global (GPFG) is the world's largest sovereign wealth fund. It holds investments in over 7,000 companies across 54 countries, and its assets equal over US$ 2.3 trillion. How and where the GPFG invests this money has profound impacts on our planet's ecosystems and climate.

According to research Urgewald published in June 2026, the GPFG is the world's 9th largest institutional investor in fossil fuels. Although fossil fuel investments account for less than 5% of the GPFG's total value, the impacts of these investments are far-reaching and significant. Our portfolio analysis shows that the GPFG is invested in companies that account for 18% of the world's coal power capacity and 44% of the world's oil and gas production.[1] Investing in companies that are the main drivers of systemic climate risk not only threatens the long-term value of the remaining 95% of the GPFG's portfolio; it puts the stability of the financial system itself at risk.

The Gjedrem Committee is tasked with reviewing the ethical framework of the GPFG and proposing well-considered changes. When evaluating the coal and climate criteria of the GPFG, we believe the Committee should also take note of the standards adopted by other European financial actors. In the following sections, we provide an overview of European financial institutions' fossil fuel restriction policies and a comparison with the GPFG's criteria.

[1] For this calculation, we used the GPFG's holdings list from 31.12.2025.

The GPFG and Coal

On June 5th 2015, visitors of the English webpage of the Norwegian Parliament were greeted with the following announcement: “The Storting has made the unanimous decision to pull the Government Pension Fund Global out of coal.” The Parliament’s resolution specified that companies should be excluded from the GPFG if they “base 30% or more of their activities on coal or derive 30% of their revenues from coal.” Norway’s sovereign wealth fund thus became the first large institutional investor to adopt a 30% exclusion threshold for coal, thereby setting a new benchmark for investors worldwide. While NGOs inside and outside of Norway celebrated the 2015 decision, they also warned that further policy steps would be needed to fulfill the promise of “pulling the GPFG out of coal.”

From Leader to Laggard

Although the Parliament’s 2015 resolution noted that “the implementation of the new product-based criteria could be developed over time based on changes in energy production and technological conditions," the GPFG’s coal restriction policy has remained static over the past 11 years. The only addition has been the introduction of absolute exclusion thresholds of 20 million tons of coal production and 10 GW of coal-fired capacity in 2019. As these absolute thresholds are, however, extremely high, this only affected a handful of companies.

In the meantime, other large European financial institutions have progressively strengthened their coal policies, and committed themselves to a full phase-out of coal-based business models from their portfolios. An illustrative example is France’s AXA, one of the world’s largest insurance companies.

In May 2015 – one month before the Storting’s historic decision – AXA announced that it would exclude all companies with over 50% coal share of revenue from its investment portfolio. In 2017, AXA tightened this threshold to 30%, and adopted a ban for coal developers. It announced that these new exclusions would also be applied to its insurance portfolio. In 2019, AXA committed itself to bring its coal exposure down to zero in OECD countries by 2030 and in the rest of the world by 2040, and asked its portfolio companies to put forward publicly disclosed coal phase-out plans that meet these deadlines. In 2023, AXA then tightened its coal revenue exclusion threshold to 15%. And in 2026, it took a further step by tightening its coal revenue exclusion threshold for companies in OECD countries to 10%.[2]

Even before the GPFG’s coal criteria were paused in 2025, the Fund was already lagging far behind the standards adopted by leading European investors, banks and insurers. Today,

[2] https://core.axa-im.com/document/10172/view

113 European financial institutions have adopted policies that exclude coal developers – companies that are still planning to develop new coal assets such as mines or power plants – from their portfolios. This provision is crucial as many new coal projects are sponsored by diversified companies, or companies whose main business activity lies outside the coal sector. NBIM, however, does not screen out coal developers and the Fund thus still holds investments of around US$ 8 billion in companies that are actively developing new coal power plants, mines or infrastructure.

Although Norway was among the 197 governments that signed the Glasgow Pact to "accelerate the phase-down of coal" in 2021, its sovereign wealth fund has failed to set a date for phasing out its remaining investments in coal. This is in stark contrast to leaders like KLP, which decided to go coal-free in 2019, or Storebrand, which exited coal in 2020, or the Swedish pension fund Alecta, which went coal-free in 2021. Up to now, 153 European financial institutions have either already exited coal or set firm timelines for phasing coal out of their portfolios. Standard Chartered, Lloyds Banking Group, NatWest, KBC, Danske Bank, Caixa Bank, Credit Mutuel, La Banque Postale, SCOR, Ilmarinen, Uniqa and Nationale Nederlanden have, for example, all pledged that their portfolios will be coal-free by 2030. Other large European financial institutions like BNP Paribas, Credit Agricole, BPCE, Societe Generale, AXA, HSBC, Zurich, Swiss Re, BBVA, Mapfre, Generali, Nordea, M&G Investments and DWS have committed themselves to a full exit from coal-based business models by 2030 in OECD countries and by 2040 in the rest of the world.

The GPFG is also trailing far behind the coal revenue thresholds adopted by many of its European peers. Today, 161 European financial institutions apply stricter coal revenue or coal power exclusion thresholds than the GPFG. To name just a few: The French asset manager Amundi, Legal & General IM from the UK, Switzerland's UBS, Italy's Generali and the Spanish insurer Mapfre all use a 20% coal exclusion threshold. Allianz, Munich Re, MEAG, AXA and Skandinaviska Enskilda Banken apply a 15% threshold. BNP Paribas Asset Management, SCOR, Ostrum, Credit Mutuel and Swiss Baloise apply a 10% coal threshold, while Aviva, Lloyds Banking Group, Caixa Bank, Danske Bank, Handelsbanken, Caisse des Depot, Rabobank, Varma, Nordea and PFA Pension have already moved to a 5% threshold.

It is high time for the GPFG to catch up. Its new ethical criteria should include a ban on investments in coal developers, a progressive tightening of the GPFG's coal revenue exclusion thresholds and a commitment to end its coal exposure in OECD countries by 2030 and the rest of the world by 2040.

The GPFG and Oil & Gas

In 2015, the Norwegian Parliament also introduced a "conduct-based criterion for the observation and exclusion of companies whose activities entail unacceptable degrees of climate gas emissions." In theory, this criterion could have been applied to the highest emitters in the oil and gas industry, but its wording was so vague that the Council on Ethics and Norges Bank Investment Management (NBIM) could not readily agree on how it should be operationalized. The first and only time the criterion was applied was in 2020, when NBIM followed the recommendation of the Council on Ethics to exclude 4 tar sands companies from the GPFG. Subsequently in 2022, the primary responsibility for assessing companies against the climate criterion was transferred from the Council on Ethics to NBIM. Since then, the criterion seems to be dormant as NBIM has not used it to make any further exclusions.

While NBIM has time and again stated its ambition to be a world leader in managing climate risk, it seems extremely reluctant to reduce its portfolio investments in the oil and gas sector. This was not always so. Back in 2017, Øystein Olsen, the Governor of Norges Bank, and Yngve Slyngstad, the CEO of NBIM, recommended dropping oil and gas stocks from the GPFG's benchmark index, albeit not for climate reasons. In a letter to the Ministry of Finance, they wrote: "It is the Bank's assessment that the government's wealth can be made less vulnerable to a permanent drop in oil prices if the GPFG is not invested in oil and gas stocks." The letter notes that "this advice is based exclusively on financial arguments".[3] In response, the Solberg government decided to remove over 100 mostly smaller exploration and upstream oil and gas companies from the GPFG's benchmark index and investment universe in 2019.[4][5]

Today, the GPFG is invested in 183 oil and gas companies that collectively account for 44% of the world's total oil and gas production. NBIM has long formulated specific climate expectations for its portfolio companies, calling on them, for example, to commit to net zero by 2050 and align their activities with the Paris goals, to report scope 1, 2 and 3 emissions in accordance with the Greenhouse Gas Protocol and to abstain from anti-climate lobbying.[6]

Companies that completely disregard these expectations, however, still remain investable for the GPFG. The GPFG holds investments of over $6.8 billion in Exxon Mobil although the oil major has consistently lobbied against climate regulations and is currently suing the state of California because its carbon disclosure laws require Exxon to report its emissions in line with the Greenhouse Gas Protocol.[7] Exxon is not only one of the world's top GHG emitters; it is also the 4th largest developer of new oil and gas resources and plans to

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[3] https://www.nbim.no/en/news-and-insights/submissions-to-ministry/2017/investment-strategy-for-the-government-pension-fund-global/
[4] https://www.regjeringen.no/en/historical-archive/solbergs-government/Ministries/fin/press-releases/2019/excludes-exploration-and-production-companies-from-the-government-pension-fund-global/companies-in-the-gpfgs-equity-portfolio-as-of-31-december-2018-which-by-the-index/id2631831/
[5] Seven years later, at least 20 of these companies have found their way back into the GPFG's portfolio or have never left it.
[6] https://www.nbim.no/en/responsible-investment/our-expectations/climate-and-nature/climate-change/
[7] https://www.theguardian.com/business/2025/oct/27/exxon-lawsuit-california-climate-emissions/

increase its production by 26% by 2030.[8] Many other investors including Aviva, the Ireland Strategic Investment Fund, Storebrand, AP-7, Danske Bank and ABP have therefore excluded Exxon from their portfolios.

NBIM claims that its “engage for change” strategy is driving its portfolio companies to achieve net zero by 2050, but the vast majority of oil and gas companies in the GPFG’s holdings are developing new hydrocarbon reserves or building new fossil fuel infrastructure projects that are incompatible with the net zero by 2050 goal. As long as NBIM continues making further investments in these companies, they have little reason to take its climate expectations seriously. Up to now, NBIM’s stewardship has not deterred any of the major oil companies from watering down their emissions targets, slashing their investments in renewable energy, lobbying against climate regulation or reneging on their promised climate goals.[9]

While the GPFG continues investing in companies, whose oil and gas expansion plans are pushing the net zero by 2050 goal out of reach, many other European financial institutions have begun restricting their support to the industry.

The Oil & Gas Policies of European Financial Institutions

ABP is the world’s 5th largest pension fund, managing the pension assets of over 3 million Dutch civil servants and teachers. For years, ABP defended its investments in international oil and gas companies like Shell and TotalEnergies, arguing that shareholder engagement was the best way to push these companies to decarbonize. In October 2021, however, the Dutch pension giant issued the following press statement: “The ABP Board sees the need and urgency for a change of course. We part with our investments in fossil fuel producers because we see insufficient opportunity for us as a shareholder to push for the necessary, significant acceleration of the energy transition at these companies.”[10] ABP decided to divest all upstream coal, oil and gas producers with over 1% fossil fuel share of revenue,[11] and instead redirect its engagement efforts towards heavy downstream users of fossil energy.

ABP isn’t the only pension fund whose patience with the oil and gas industry has worn thin. In 2024, the world’s 14th largest pension fund, PFZW, divested 310 oil and gas

[8] https://reclaimfinance.org/site/wp-content/uploads/2025/02/Breaking-Bonds-report.pdf

[9] To cite a few examples from the GPFG’s portfolio: BP slashed its planned investments in renewable energy, and is instead increasing its annual oil and gas spending to US$ 10 billion. Shell has watered down its 2030 carbon emissions target. TotalEnergies has dropped its ambition to be carbon neutral by 2050. Chevron has scrapped its promise to achieve net zero scope 1 and 2 emissions by 2050.

[10] https://www.abp.nl/content/dam/abp/documenten/persberichten/Press%20Release%20Fossil_EN.pdf

[11] ABP’s fossil fuel divestment totaled around 15 billion euro, representing almost 3% of the pension fund’s total assets in 2021.

companies, including Shell, BP and TotalEnergies. Only 7 upstream oil and gas producers remain in PFZW's portfolio. As Joanne Kellerman, Chair of PFZW's Board, explained, "The intensive shareholder dialogue over the past 2 years with the oil and gas sector on climate has made it clear to us that most fossil fuel companies are not prepared to adapt their business models to Paris."[12]

Since the IEA issued its first Net Zero by 2050 scenario, almost all of Europe's large insurance companies have adopted oil and gas restriction policies. Allianz, Munich Re, Hannover Re, Talanx, Swiss Re, Zurich, AXA, SCOR, Mapfre, Aviva and Generali no longer provide insurance for the development of new oil and gas fields, and several insurers have also begun denying insurance coverage to mid-stream oil or gas infrastructure. Most European insurers have also adopted oil and gas restrictions for their investment portfolios. SCOR, Groupama und Societe Generale Assurances, for example, have announced that they will not make new investments in oil and gas companies with expansion plans,[13] while Allianz has dropped large oil and gas producers that refuse to set net-zero targets for all 3 GHG emissions scopes from its proprietary investment portfolio.[14]

Over 30 European banks have also adopted oil and gas restriction policies. In 2024, BNP Paribas and Credit Agricole, the world's 8th and 9th largest banks, stopped issuing corporate bonds for oil and gas producers. The Dutch bank ING, decided to cease providing general purpose loans to oil and gas companies that continue expanding their upstream activities and also announced that it will no longer provide financing for LNG terminals from 2026 onwards.[15] Danske Bank's policy specifies that it "will not provide long-term financing or re-financing to companies that generate more than 5% of their revenues from unconventional or frontier oil and gas."[16] La Banque Postale has committed to phase out financing for the upstream and midstream oil and gas sector by 2030.[17]

Many institutional investors have begun denying debt to oil and gas companies by ceasing to buy their bonds. This is crucial as bonds are the primary source of external financing for oil and gas companies' expansion plans. In June 2026, the Swiss Association for Responsible Investments (SVVK-ASIR), which unites 12 major Swiss pension funds and insurers with total assets of over $350 billion, recommended that its members stop buying debt securities of ExxonMobil, Chevron, Marathon Petroleum, PB Energy, Philips 66, Valero

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[12] https://www.esgtoday.com/dutch-pension-giant-pfzw-divests-98-of-oil-and-gas-companies-over-lack-of-climate-action/

[13] Page 19, Sustainability Policy, SCOR, July 2023

[14] https://www.allianz.com/en/mediacenter/news/commitment/environment/220429_Allianz-reinforces-its-commitment-to-net-zero-strategy.html

[15] https://ing.com/sustainability/sustainable-business/our-stance/oil-%26-gas-industry

[16] https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/5/danske-bank-position-statement-fossil-fuels.pdf

[17] https://www.labanquepostale.com/content/dam/lbp/documents/institutionnel/rse/2023/engagements-secteurs-petrole-gaz.pdf

Energy Corporation and Saudi Aramco.[18,19] Other institutions have already gone much further. In 2024, Europe's third-largest asset manager, BNP Paribas Asset Management announced that it will no longer purchase new bonds issued by oil and gas producers. France's fourth-largest asset manager OFI Invest denies debt to companies involved in the production of non-conventional fossil fuels, in expansion or exploration projects or in LNG exports.[20] Nordea Asset management announced in 2026 that it will no longer participate in bond issues of companies expanding their oil and gas production.[21]

Three years ago, COP 28 in Dubai closed with an agreement that the world needs to transition away from fossil fuels. Today, 132 European financial institutions are implementing oil and gas policies that restrict their support for the sector. The GPFG, however, stands out as one of the few large European investors that has not yet adopted climate restrictions for its oil and gas investments. Ceasing to participate in the bond and share issues of companies that are developing new oil and gas assets would be an important step towards aligning the GPFG's investment decisions with its net-zero by 2050 ambition.

Most Norwegians refer to the GPFG as the "Oil Fund", because the Fund was originally built on the nation's petroleum revenues. But the GPFG has tripled in value over the past decade, and its growth now primarily stems from its financial investments. According to NBIM's own analysis, the GPFG could lose 20% of its value for every degree of global temperature rise. By continuing to invest in oil and gas companies across the globe, the GPFG is accelerating and not mitigating climate risk. Eleven years ago, when the coal criteria were passed, parliamentarians were not ready to consider the adoption of product-based criteria for oil and gas. Today, it is a necessity if the GPFG is to fulfill its mandate of safeguarding and building wealth for future generations.

To Become a Leader, You Need to Lead

In 2021 at the UN Climate Summit in Glasgow, Prime Minister Jonas Gahr Støre promised that the GPFG would become "the leading fund in responsible investment and the management of climate risk."[22] Although NBIM's climate risk modelling has progressed, the policies that guide the GPFG's investment decisions have not. And while many major European financial actors have taken decisive policy steps since 2021 to transition their

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[18] https://mailchi.mp/f51b28dbb5f4/updated-list-for-recommendations-for-exclusion-14769676?e=2fa2081aa6

[19] The GPFG also holds bonds in 5 of these companies.

[20] https://www.ofi-invest-am.com/pdf/principes-et-politiques/investment-policy_sectorial-and-norms-based-exclusions.pdf

[21] https://www.nordea.com/en/news/nordea-updates-sector-target-and-clarifies-position-on-oil-and-gas-extraction

[22] https://www.nrk.no/norge/store-vil-gjore-oljefondet-verdensledende-for-gronne-investeringer-1.15713618

portfolios away from fossil fuels, the GPFG is not one of them. The Gjedrem Commission is now uniquely placed to suggest new ethical criteria that could allow the GPFG to not only catch up with its peers, but to fulfill Jonas Gahr Støre's promise.

Endnote: We are grateful to be able to participate in this consultation. Please contact us if you have questions or if you would like to receive more information on the topics we raised in our submission.

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