



Norfund



CLIMATE POSITION



CLIMATE CHANGE AFFECTS US

Climate change affects our investments in two ways:

- Physical risks from a changing climate such as droughts and floods
- Transition risks from a changing business environment such as new legislation and technologies

Further, developing countries are vulnerable and underprepared for climate change. Climate change is therefore a threat to development and poverty reduction.

We have a development mandate

Therefore ...

WE INVEST FOR A CLEAN, CLIMATE RESILIENT FUTURE IN DEVELOPING COUNTRIES



WE AFFECT THE CLIMATE

Norfund affects the climate through investing in businesses that emit greenhouse gases.

On the other hand, our significant investments in renewable energy avoid emissions that would otherwise be generated wholly or partly from more carbon-intensive sources.

We build our climate position on three pillars

We invest for a clean,
climate resilient future in developing countries

RESILIENCE

By resilience, we mean the capacity of individuals, economies and societies to cope with the effects – physical and economic – of climate change. Job creation and economic development enables such resilience.



The poor and vulnerable are the most affected by climate change. Norfund's priority to the Least Developed Countries (LDCs) and job creation helps make these groups more resilient to climate change.

REDUCTION

By reduction, we mean reducing or avoiding emissions to enable the transition to an energy system aligned with the Paris Agreement.



By investing in renewable energy, Norfund helps avoid emissions and facilitates the transition to a low-carbon economy. We also enable access to clean energy.

RISK

By risk, we mean the physical risks, such as flooding, drought and cyclones, and transition risks, such as policy, technology and reputational risk, that impact companies. These risks can also be turned into opportunities.



By assessing material climate risks (physical and transition) for sectors, geographies and companies, we help our investees succeed.

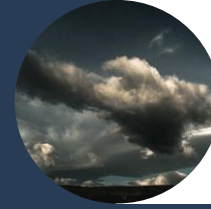
Climate change informs our strategy and investment process

INVEST IN CLIMATE SOLUTIONS



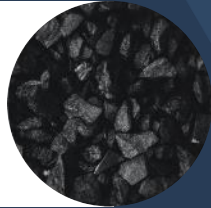
- Continue investing in large-scale renewables
- Increase investments in greenfield, distributed generation and transmission
- Invest in recycling and water solutions

INTEGRATE CLIMATE ACROSS INVESTMENTS



- Map climate risks for all new investments
- Include climate requirements and action plans in investment terms when appropriate
- Use our role as owners to influence and support companies on climate

AVOID FOSSIL RISK



- Exclude investments in oil and coal
- Exclude investments in gas, except gas-fired power where it supports an energy transition aligned with the Paris Agreement

BUILD CLIMATE RESILIENCE



- Enable adaptation for people and communities by investing in Least Developed Countries and in Sub-Saharan Africa

MOBILIZE INVESTORS, ENGAGE WITH EXPERTS AND CIVIL SOCIETY, COMMUNICATE OUR AMBITIONS AND IMPACT