



PRIVATE TRANSPARENCY REPORT

2025

Norfund

Generated 24-11-2025

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The private Transparency Reports, which are produced using signatories' reported information, support signatories to have internal discussions about their practices. Signatories can also choose to make these available to clients, beneficiaries, and other stakeholders.

This private Transparency Report is an export of your responses to the PRI Reporting Framework during the 2025 reporting period. It includes all responses (public and private) to core and plus indicators.

In response to signatory feedback, the PRI has not summarised your responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options that you selected are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Norfund's Mandate and Strategic Focus Areas As the Norwegian Investment Fund for Developing Countries, responsible investment lies at the core of our mandate and mission. Norfund's purpose is to create jobs, improve lives, and support the transition to net zero by investing in businesses that drive sustainable development, thereby contributing to the UN Sustainable Development Goals and the Paris Agreement. Funded and owned by the Norwegian Government, Norfund is the government's most important tool for strengthening the private sector in developing countries and reducing poverty.

Norfund's overall mandate is defined by the Norfund Act of 1997. The Act states that Norfund's role is to assist in building sustainable businesses and industries in developing countries by providing equity capital and other risk capital. The statutes emphasize Norfund's responsibility in fostering sound corporate governance, environmental stewardship, and strong labor standards, in line with local laws and international frameworks. This forms the foundation of our engagement in responsible investment.

Norfund has three investment mandates:

- Development: Create jobs and improve lives by investing in businesses that drive sustainable development
- Climate: Investing in the transition to net zero in developing countries
- Ukraine: Supporting the country's reconstruction and building a resilient economy

To fulfill our mandates effectively, our strategy is built around four investment areas, approximately 30 core investment countries, quantified impact ambitions for each investment area and portfolio KPIs to ensure additionality. Additionality is high where capital is scarce and investors are reluctant to invest because of high levels of real or perceived risk. Norfund has defined four investment areas where the potential for development impact is substantial and aligned with the SDGs: Renewable Energy, Financial Inclusion, Green Infrastructure, and Scalable Enterprises. Similarly, our investment countries are selected based on our ability to create impact and the underlying development needs in each country. Norfund's main investment region is Sub-Saharan Africa. Norfund also invests in selected countries in Asia and Latin America. Norfund provides growth capital in the form of equity, debt, and fund investments. Preference is given to equity investments as this is the scarcest type of capital. Norfund's responsible investment approach centers on the recognition that effective management of Environmental and Social (E&S) risks and impacts is essential for achieving our strategic objectives. Implementing robust E&S measures reduces risk to workers, the environment, and local communities and provides business benefits that increase our impact. Our approach is risk-based, adjusted to the nature, size, and profile of each investee, and guided by the following objectives:

Environmental and Social Risk Management

- Promote resource efficiency and reduce pollution
- Support climate change mitigation and adaptation
- Promote protection of biodiversity and ecosystems

- Respect human rights and promote decent work
 - Encourage diversity and gender equality
 - Seek positive community outcomes
 - Protect clients and consumers
- These sustainability objectives, the frameworks that guide Norfund's work, and the integration of environmental and social considerations into the investment process are outlined in the Policy for Environmental and Social Sustainability. The IFC Performance Standards for Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety Guidelines are the main standards for operationalising Norfund's sustainability commitments. The standards are globally recognised benchmarks for environmental and social risk management in the private sector. Corruption, money laundering, and other economic crimes have wide-ranging negative effects on societies and are detrimental to achieving the United Nations' Sustainable Development Goals (SDGs). Norfund has a zero-tolerance approach to corruption and other forms of economic crime, and we are committed to promoting integrity, transparency and accountability in all our investments.

Business Integrity

The management of Business Integrity risks is an integral part of Norfund's investment process, and our framework and procedures are risk-based. Norfund Business Integrity Policy provides an overview of the cross-cutting principles that guide our work, and our new Business Integrity Management System (BIMS) describes how we identify, assess and manage the Business Integrity risks associated with the operations of our investments.

Norfund's commitment to sustainability and responsible ownership is reinforced through our Business Support facility, which aims to enhance development impacts and create value addition by addressing cross-cutting issues through supporting portfolio companies with grant-based financing.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

Revised Policy for E&S Sustainability Norfund has continued to focus on strengthening our Environmental and Social Management System (ESMS) in 2024. A key milestone was reached with the Board's approval of our revised Policy for E&S Sustainability in June. To ensure a comprehensive and inclusive approach, we conducted a thorough desktop mapping exercise and engaged key internal and external stakeholders in discussions regarding the policy's scope and structure. This revision incorporates Norfund's commitment to new standards and principles, addresses emerging expectations, and defines our E&S objectives.

The policy also outlines the key elements of our E&S work:

- Appraisal of E&S risks is incorporated into the analysis and decision-making processes.
- The companies we invest in are required to work towards recognised E&S standards.
- Norfund monitors E&S performance throughout the investment period.
- We seek to exit responsibly.

Working in accordance with these principles, E&S risk management is an integrated part of our investment process. Specific actions required for each step of the project cycle are described in our E&S procedures, including initial screening, due diligence, investment agreements, and monitoring. In 2024, tools and templates related to client protection, climate and gender were updated, further strengthening our approach to managing these key risks. As a Development Finance Institution and a member of the EDFI network, we follow the standards and exclusions lists harmonised within the EDFI community. The procedures are based on EDFI's Harmonised E&S standards.

The ESMS describes roles and responsibilities relating to E&S risk management, including governance, oversight, and E&S day-to-day working practices. The organisation's twelve dedicated E&S specialists work with investment teams and investees to identify, assess, and manage relevant issues throughout all investment phases, from screening to exit. Our training program for investment staff includes comprehensive modules on the ESMS, the IFC Performance Standards (PS), and identifying environmental, health, and safety issues during site visits. In 2024, new modules were introduced to address Gender-Based Violence and Harassment risks and Client Protection Standards, in line with the priorities outlined in our revised policy. We also organised E&S training for board members of companies in which Norfund is invested.

Norfund takes part in stakeholder discussions and participates in relevant working groups and networks, such as EDFI and 2X Global. In 2024, Norfund continued its dialogue with civil society organisations on issues as human rights and gender. These engagements contribute to the ongoing development of our approach to sustainability.

Advancing climate efforts Norfund's work on climate continues to be an important priority, and the process of refining how we combat climate change reached key milestones within the reporting period. This included the adoption and implementation of the Norfund Net Zero strategy, which outlines ambitions and actions Norfund will apply in the short- and medium-term to contribute to the just transition to net zero in developing countries. The work is underpinned by four principles: (i) real-economy decarbonization, (ii) just transition, (iii) materiality, and (iv) investee focus, and calls on Norfund to:

- Invest heavily in climate finance.
- Support transition to a low-carbon economy.
- Ensure all new investments are Paris-aligned over time.
- Limit portfolio exposure to fossil fuels.

Following board approval of the strategy in February 2024, Norfund worked to strengthen and improve tools and procedures for the assessment of Paris alignment, as well as climate risks and opportunities.

Formalising Business Integrity practices Norfund has adopted a Business Integrity (BI) governance framework consisting of overarching policies adopted by our Board of Directors, relevant underlying guidelines and requirements approved by the management, and detailed procedures and templates to help ensure compliance and consistency throughout the organization. The governance framework underwent a major overhaul in 2020, and implementation efforts continued throughout 2024. The governance framework is regularly reviewed to make sure it is up to date and relevant. In 2024, Norfund focused on formalizing existing BI practices through the revision of tools and procedures to harmonize work across Norfund's departments and geographies. In addition, the BI/Compliance team was further strengthened with new internal capacity.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Norfund will first and foremost continue our focus on delivering on our mandates through driving sustainable results in a responsible manner. We aim to strengthen the catalysation of private capital to developing countries and have a systematic approach to circulating capital. We will continue to invest in the transition to Net Zero in emerging markets through renewable energy and enabling technologies. We will also draw on our experience in high-risk markets to address Ukraine's substantial recovery needs through supporting projects with significant development impact, rebuilding vital infrastructure, and mobilizing private capital.

To succeed, the way we engage with responsible investment issues requires sound implementation, regular review, and continuous improvement. In the following year, we will work to increase our internal capacity on key thematic areas through engaging with our networks and internal task forces. Key thematic priorities for 2025 include nature and biodiversity and human rights. This work will contribute to the revision and improvement of relevant procedures, tools, and overall reinforce our ESMS on these topics.

In relation to our work on human rights, Norfund will in 2025 report on the Norwegian Transparency Act. This allows us to engage with our stakeholders and increase transparency around how we work to promote fundamental human rights and decent working conditions throughout our investment process.

Lastly, Business Integrity is a priority for the coming period. Norfund will continue to ensure implementation of our BI procedures throughout the organisation, as well as monitor and follow-up business integrity incidents related to our investments. This work has culminated the updated Business Integrity Management System (BIMS) addressing the Screening and Due Diligence phase, and updated Legal Agreements, as well as routines for Monitoring, Exit and Performance management, and is a key deliverable for end of 2025.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Tellef Thorleifsson

Position

Chief Executive Officer

Organisation's Name

Norfund

● A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

○ B

Section 5. Additional Organisation Statements (Voluntary)

If you wish to do so, provide a document or link including information about any relevant legal or regulatory restrictions that apply to your responsible investment activities and how you comply with them.

<https://www.norfund.no/wp-content/uploads/2024/06/Policy-for-Environmental-and-Social-Sustainability.pdf>

<https://www.norfund.no/wp-content/uploads/2023/10/Norfund-Business-Integrity-Policy-ID-359166.pdf>

<https://www.norfund.no/wp-content/uploads/2025/06/Norfund-Transparency-Act-Statement-2024-FINAL-.pdf>

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- ☐ (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- ☐ (B) Directive on AIFM (2011/61/EU) [European Union]
- ☐ (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- ☐ (D) EU Taxonomy Regulation [European Union]
- ☐ (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- ☐ (F) IORP II (Directive 2016/2341) [European Union]
- ☐ (G) Law on Energy and Climate (Article 29) [France]
- ☐ (H) MiFID II (2017/565) [European Union]
- ☐ (I) Modern Slavery Act [United Kingdom]
- ☐ (J) PEPP Regulation (2019/1238) [European Union]
- ☐ (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- ☐ (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- ☐ (M) SFDR Regulation (2019/2088) [European Union]
- ☐ (N) SRD II (Directive 2017/828) [European Union]
- ☐ (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- ☐ (P) Climate Risk Management (Guideline B-15) [Canada]
- ☐ (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- ☐ (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- ☐ (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- ☐ (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- ☐ (U) SEC Expansion of the Names Rule [United States of America]
- ☐ (V) SEC Pay Ratio Disclosure Rule [United States of America]
- ☐ (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- ☐ (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- ☐ (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- ☐ (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- ☐ (AA) Financial Markets Conduct Act [New Zealand]
- ☐ (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- ☐ (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- ☐ (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- ☐ (AE) Modern Slavery Act (2018) [Australia]

- ☐ (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- ☐ (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- ☐ (AH) JSE Limited Listings Requirements [South Africa]

☒ (AI) Other

Specify:

Annual statement under the Norwegian Transparency Act on Norfund's work to ensure fundamental human rights and decent working conditions

- ☐ (AJ) Other
- ☐ (AK) Other
- ☐ (AL) Other
- ☐ (AM) Other
- ☐ (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?

- ☐ (A) Asset Owners Stewardship Code [Australia]
- ☐ (B) Código Brasileiro de Stewardship [Brazil]
- ☐ (C) New Zealand Stewardship Code
- ☐ (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- ☐ (E) Stewardship Code [United Kingdom]
- ☐ (F) Stewardship Framework for Institutional Investors [United States of America]
- ☐ (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- ☐ (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- ☐ (I) Luxflag ESG Label [Luxembourg]
- ☐ (J) RIAA Responsible Investment Certification Program [Australia]
- ☐ (K) SRI Label [France]
- ☐ (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- ☐ (M) Code for Institutional Investors 2022 [Malaysia]
- ☐ (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- ☐ (O) Corporate Governance Guidelines [Canada]
- ☐ (P) Defined Contribution Code of Practice [United Kingdom]
- ☐ (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- ☐ (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- ☐ (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- ☐ (T) OECD Guidelines for MNEs - Responsible Business Conduct for Institutional Investors [Global]
- ☐ (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- ☐ (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- ☐ (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- ☒ (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- ☐ (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- ☐ (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- ☐ (AA) Global Reporting Initiative (GRI) Standards [Global]
- ☐ (AB) IFC Performance Standard [Global]
- ☐ (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- ☐ (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]

☒ (AE) Other

Specify:

As a DFI, Norfund has various reporting obligations to national and international stakeholders, including to EDFI / MDB, Norad, OECD, and OPIM.

- ☐ (AF) Other

- ☐ (AG) Other
- ☐ (AH) Other
- ☐ (AI) Other
 - (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.