

Folketrygdfondet

Ownership Report 2025



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Responsible investment

Our owner has provided us with a clear mission: to deliver the highest possible returns over time. We achieve this through active management and by being a responsible owner and creditor.

We emphasise long-term value creation, responsible ownership and creditor management, and well-functioning markets. The future value of the funds depends on the values created within the companies. As the largest institutional investor on the Oslo Stock Exchange, we have the ability to influence the companies we invest in. This means that opportunities and challenges related to environment, society, and corporate governance (ESG) are assessed based on financial criteria.

The principles we apply

Folketrygdfondet follows both national and international standards for responsible investment. The board has adopted principles for Folketrygdfondet's responsible investment and ownership practices, which are based on the UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGP), OECD guidelines for corporate governance, OECD guidelines for multinational companies, Norwegian corporate governance code (NUES), as well as internationally recognized principles and standards for managing climate risk. The board is responsible for implementing these principles across the entire portfolio.

We follow the same principles for our ownership and creditor practices in all countries where we invest. We tailor our ownership and creditor practices according to the size of our ownership stake, and we prioritize dialogue with companies where we have significant ownership interests and invested value.

We aim to be open, predictable, and clear in our ownership and creditor practices. The goals of the management, as specified in our mandates, form the basis for our ownership and creditor practices.

We are a minority owner in all our investments and have a long-term perspective in our management. It is therefore in our interest to contribute to well-functioning markets where minority interests are heard and rules are followed.

Integrated approach

The mandates state that Folketrygdfondet shall integrate responsible investment into the management of GPFN and GFT. Good long-term returns are considered to depend on sustainable development in economic, environmental, and social terms, as well as on well-functioning, legitimate, and effective markets.

We believe it is good management when the companies we invest in adopt a long-term perspective for their operations and consider factors like nature's resilience, behavioral risks, and that, as a large institutional investor, we play an active role in developing the marketplace. By fostering positive development of companies and the marketplace, we lay the groundwork for increased value creation in the future, benefiting other investors as well.

We always prioritize companies' best interests. In line with the goal of achieving the highest possible long-term returns, long-term value creation is prioritized over short-term considerations.

How we organise our work

An integrated approach to responsible investment means that each portfolio manager must take responsibility for assessing all types of risk. Operational follow-up of responsible investment is delegated to Chief Investment Officer Equities and the Chief Investment Officer Fixed Income, respectively. The Equities Department also has a dedicated ESG resource.

Portfolio managers are responsible for following up on significant issues, including climate risk, environment, society, and corporate governance in their investment analyses and in dialogue with the companies they monitor. This happens in practice through close internal cooperation within the department, in line with Folketrygdfondet's team-based management model.

New provision on climate risk in the mandate

In March 2025, the Ministry of Finance adopted an amendment to the GPFN mandate regarding the management of climate risk in line with internationally recognized principles and standards. In Folketrygdfondet's principles for risk management, the board has specified that different methods for measuring climate risk in the portfolios shall be established. The portfolios shall be stress-tested in relation to relevant climate scenarios, one of which is a scenario that is compatible with a global temperature increase of 1.5 degrees relative to pre-industrial levels.

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a framework for reporting on climate and climate-related financial risks. Our follow-up of the TCFD recommendations is explained in the appendix.

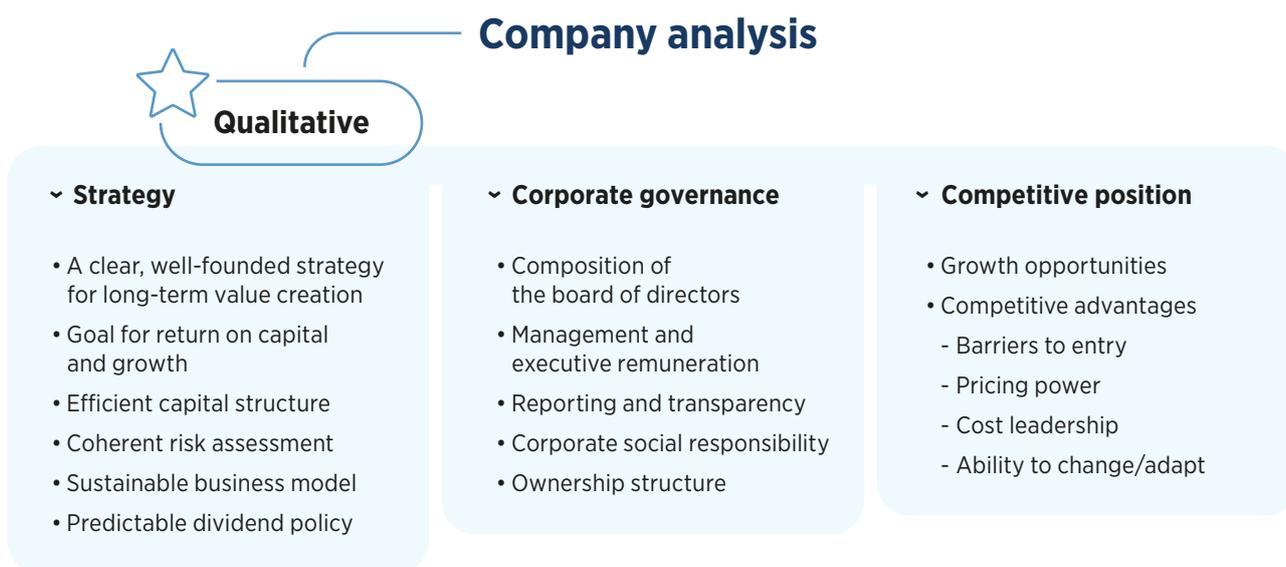
How we exercise our ownership

Our management mandate and our distinct characteristics are the starting points for the tools we can use in our responsible investment. Folketrygdfondet's management is active. We have no passive investment strategies and do not use external managers.

We adapt our work and our use of tools to various financial instruments and portfolios. In this assessment, we consider, among other things, the extent to which we can influence environmental, social, and governance issues both before and after investing.

As shareholders, we can exercise influence through voting, while in fixed-income management we typically have the greatest impact before investing, since we do not acquire ownership rights as creditors. Before investing in a company or loan, we conduct thorough analyses of ESG factors. This allows us to identify issues that may affect the investment's return at an early stage.

ILLUSTRATION 1. OUR QUALITATIVE COMPANY ANALYSIS SUMMARY



Active management in the equity portfolio

We interpret the mandate's goal of the highest possible returns over time as needing to outperform the market. Our strategic plan therefore emphasizes that the objective is to generate returns beyond the strategic benchmark index while maintaining low costs. In equity management, we have established three main strategies for achieving higher returns than the benchmark index over time: greater exposure to quality companies, avoiding over-optimism, and exploiting structural trends.

In our management, we conduct thorough analyses of each company, using both qualitative and quantitative methods. Opportunities and risks related to ESG are integrated into the analysis.

We also analyse the portfolio from an overall perspective to optimize deviations from the benchmark index, both qualitatively and quantitatively.

Questions related to environment, society, and corporate governance are complex. Our experience is that good solutions arise through dialogue over time. We are concerned that companies initiate and take responsibility for change processes. Our goal is also to be a clear player who can help engage more investors to drive change in line with our expectations.

Active management in the fixed-income portfolio

We aim to be an active, counter-cyclical, and responsible fixed-income manager with a portfolio characterized by good risk diversification and a long-term perspective. We use our expertise to adjust the portfolio's overall risk according to market conditions over time. Investment decisions on the fixed-income side often happen under time pressure, so we rely on thorough analyses in advance. We conduct comprehensive company analyses to avoid losses on bonds and make sound assessments of risk factors, including risks and opportunities related to ESG. This ensures that risk factors are reflected in loan terms and pricing.

Operationally, responsible investment and assessments related to environment, society, and corporate governance are integrated into management, as such considerations are evaluated in credit analyses and investment decisions, and continuously through dialogue with companies.

We continuously follow up with the companies we invest in and take action when changes to loan agreements or credit events occur. Our analyses are based on rating agencies' methodologies.

Folketrygdfondet's Ownership

Equities

Folketrygdfondet is the largest institutional investor on Oslo Stock Exchange and is among the three largest shareholders in 52 companies.

FIGURE 1. OWNERSHIP ON OSLO STOCK EXCHANGE

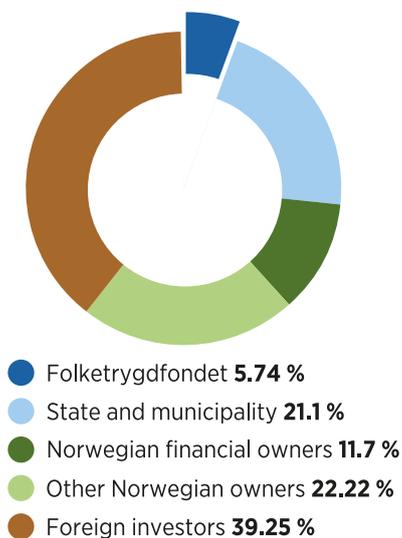
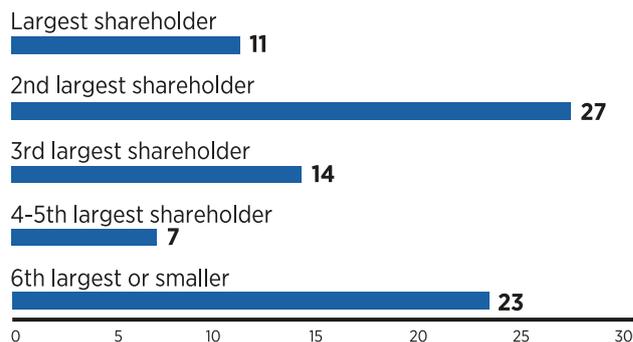


FIGURE 2. FOLKETRYGDFONDET'S OWNERSHIP ON OSLO STOCK EXCHANGE

The number of companies in which Folketrygdfondet is among the largest owners



In cases where nominee accounts are listed as one of the largest shareholders, Folketrygdfondet has estimated its position. Owners in the same interest group are grouped together if Folketrygdfondet has information indicating such.

Source: VPS and Folketrygdfondet as of December 31, 2025.

Source: Company websites, VPS, and Stock Exchange announcements

FIGURE 3. SIZE OF GPFN'S EQUITY HOLDINGS IN INDIVIDUAL COMPANIES

The size of the boxes represents GPFN's equity holdings in individual companies.

● Norway ● Denmark ● Sweden ● Finland

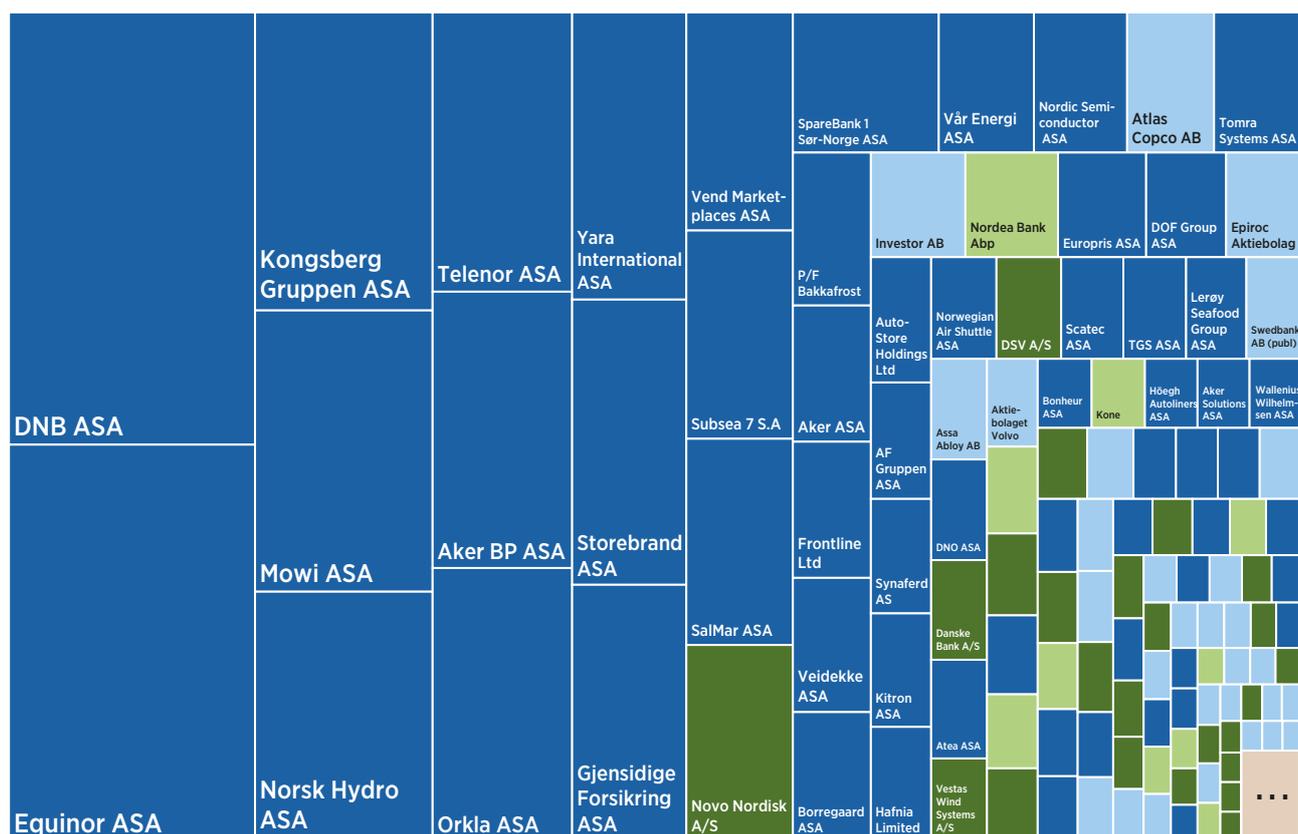


TABLE 1. FOLKETRYGDFONDET'S OWNERSHIP ON OSLO STOCK EXCHANGE

Companies where Folketrygdfondet owns more than 5 percent of the capital or is among the three largest shareholders as of December 31, 2025.

Company name	GPFN's holding	GFT holding	FTF's holding	FTF's owner ranking
Europris	14.59 %		14.59 %	1
Borregaard	12.67 %		12.67 %	1
Nordic Semiconductor	12.41 %		12.41 %	1
Kid	12.07 %		12.07 %	1
Kitron	11.13 %		11.13 %	1
Storebrand	10.96 %		10.96 %	1
Veidekke	10.95 %		10.95 %	2
Mowi	9.88 %		9.88 %	2
Bakkafrost	9.81 %		9.81 %	1
Vend Marketplaces	9.66 %		9.66 %	2
Scatec	9.60 %		9.60 %	2
Subsea 7	9.24 %		9.24 %	2
Norwegian Air Shuttle	9.16 %		9.16 %	2
DNO	9.13 %		9.13 %	2
DOF Group	9.01 %		9.01 %	3
TGS	8.96 %		8.96 %	1
Elmera Group	8.90 %		8.90 %	1
Bonheur	8.74 %		8.74 %	3
AF Gruppen	8.57 %		8.57 %	4
Orkla	8.56 %		8.56 %	2
Yara International	7.91 %		7.91 %	2
Atea	7.85 %		7.85 %	2
TOMRA Systems	7.64 %		7.64 %	3
LINK Mobility Group Holding	7.51 %		7.51 %	3
Bouvet	7.47 %		7.47 %	2
Norsk Hydro	7.24 %		7.24 %	2
SATS	7.04 %		7.04 %	1
SpareBank 1 Sør-Norge	6.94 %		6.94 %	3
SalMar	6.67 %		6.67 %	2
DNB Bank	6.48 %		6.48 %	3
Hafnia	6.24 %		6.24 %	2
Aker BP	6.01 %		6.01 %	4
Aker Solutions	5.98 %		5.98 %	2
Kongsberg Gruppen	5.90 %		5.90 %	2
Cadeler	5.59 %		5.59 %	3
Frontline	5.41 %		5.41 %	2
Lerøy Seafood Group	5.17 %		5.17 %	2
Høegh Autoliners	4.94 %		4.94 %	2
Telenor	4.93 %		4.93 %	2
Gjensidige Forsikring	4.92 %		4.92 %	2
BW LPG	4.85 %		4.85 %	3
AutoStore Holdings	4.77 %		4.77 %	3
Aker	4.72 %		4.72 %	2
Elkem	3.91 %	0.34 %	4.25 %	2
Vaar Energi	4.11 %		4.11 %	2
Equinor	4.08 %		4.08 %	2
MPC Container Ships	3.52 %		3.52 %	3
Norconsult	3.39 %		3.39 %	1
Stolt-Nielsen	2.97 %		2.97 %	2
Olav Thon Eiendomsselskap	2.22 %		2.22 %	3
Wallenius Wilhelmsen	2.09 %		2.09 %	3
Austevoll Seafood	1.45 %	0.35 %	1.80 %	2
Grieg Seafood	1.22 %	0.48 %	1.70 %	3
CMB.Tech	0.90 %		0.90 %	3

In cases where nominee accounts are listed as one of the largest shareholders, Folketrygdfondet has estimated its position. Owners in the same interest group are grouped together if Folketrygdfondet has information indicating such. Folketrygdfondet's ownership stake also includes loaned shares (as of December 31, 2025, 5.74 percent of the market value of Norwegian shares was loaned out) *Source: Company websites, VPS, and stock exchange announcements.*

FIGURE 4. SIZE OF GFT'S EQUITY HOLDINGS IN INDIVIDUAL COMPANIES

The size of the boxes represents GFT's equity holdings in individual companies.

● Norway ● Denmark ● Sweden ● Finland ● Iceland

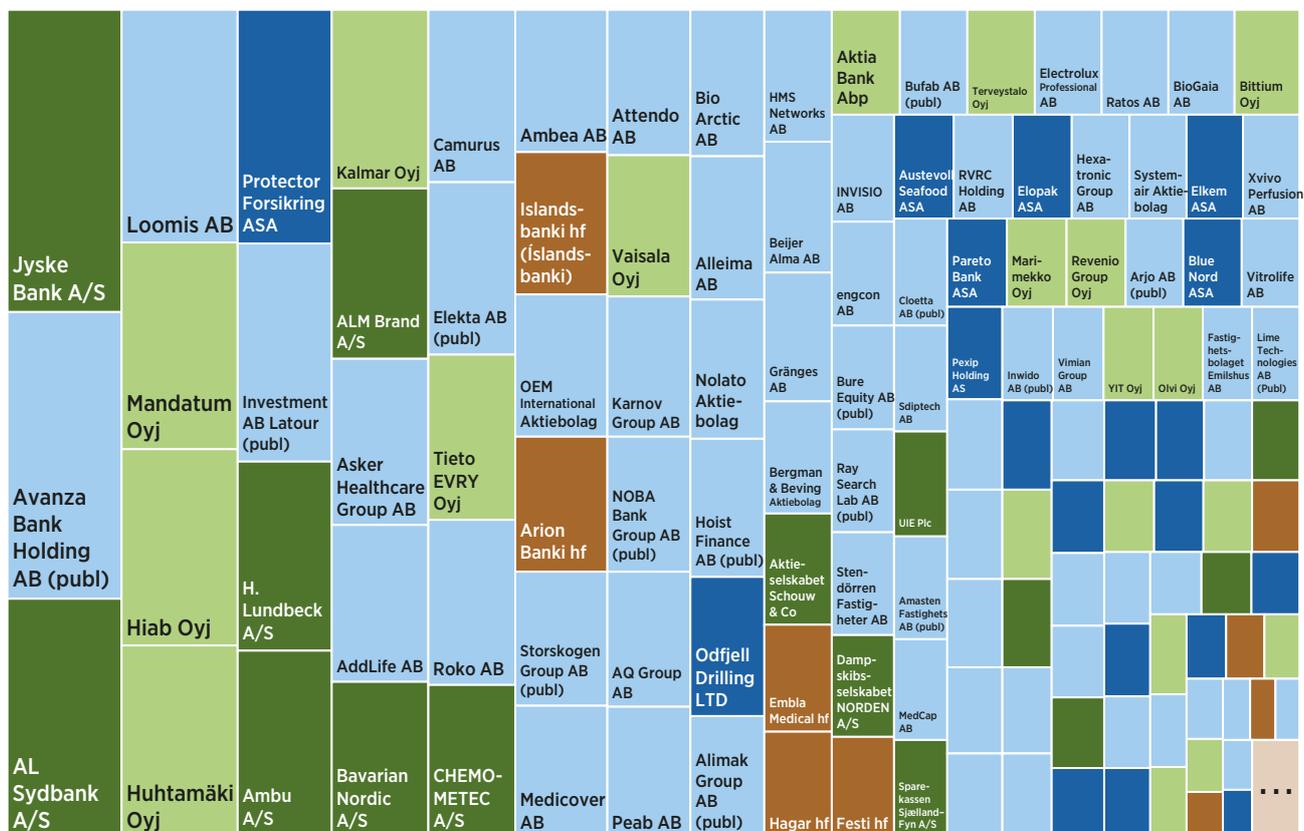


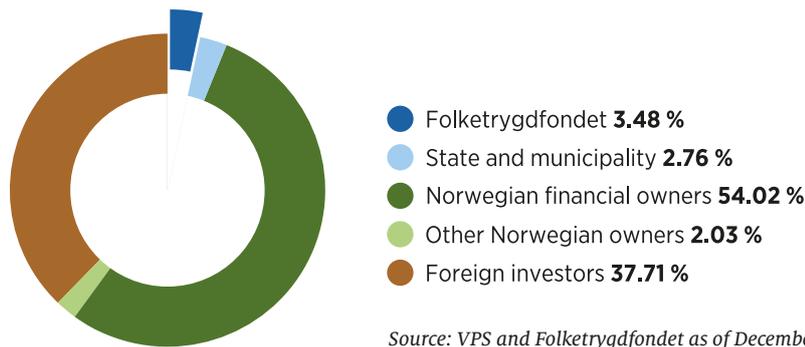
TABLE 2. NORDIC COMPANIES WHERE FOLKETRYGDFONDET HOLDS THE HIGHEST OWNERSHIP STAKE

Company name	GPFN's holding	GFT holding	FTF's holding	Stock Exchange
Karnell Group Ab	2.84 %		2.84 %	Nasdaq Stockholm
Amasten Fastighets AB		2.07 %	2.07 %	Nasdaq Stockholm
KB Components AB	1.96 %		1.96 %	Nasdaq Stockholm
FL Smidth & CO.	1.75 %		1.75 %	Nasdaq København
GN Store Nord A/S	1.71 %		1.71 %	Nasdaq København
Sveafastigheter AB	1.70 %		1.70 %	Nasdaq Stockholm
Hexatronic Group AB		1.28 %	1.28 %	Nasdaq Stockholm
Elekta AB	0.57 %	0.69 %	1.27 %	Nasdaq Stockholm
Hiab Oyj	0.57 %	0.66 %	1.23 %	Nasdaq Helsinki
Nivika Fastigheter AB		1.22 %	1.22 %	Nasdaq Stockholm
Rejlers AB	1.19 %		1.19 %	Nasdaq Stockholm
Bravida Holding AB		1.18 %	1.18 %	Nasdaq Stockholm
Lime Technologies AB		1.12 %	1.12 %	Nasdaq Stockholm
Ambea AB		1.11 %	1.11 %	Nasdaq Stockholm
Karnov Group AB		1.09 %	1.09 %	Nasdaq Stockholm
Hoist Finance AB		1.05 %	1.05 %	Nasdaq Stockholm
H. Lundbeck A/S	0.74 %	0.29 %	1.03 %	Nasdaq København
Xvivo Perfusion AB		1.01 %	1.01 %	Nasdaq Stockholm
Attendo AB		0.99 %	0.99 %	Nasdaq Stockholm
Stendörren Fastigheter AB		0.98 %	0.98 %	Nasdaq Stockholm

Fixed income

Folketrygdfondet is a major institutional creditor in the Norwegian capital market, and an active investor with a very long-time horizon. At year-end, Folketrygdfondet owned 3.5 percent of the outstanding volume of bonds with Norwegian issuers, registered in VPS. In the Norwegian market, our size is shown in the figure below:

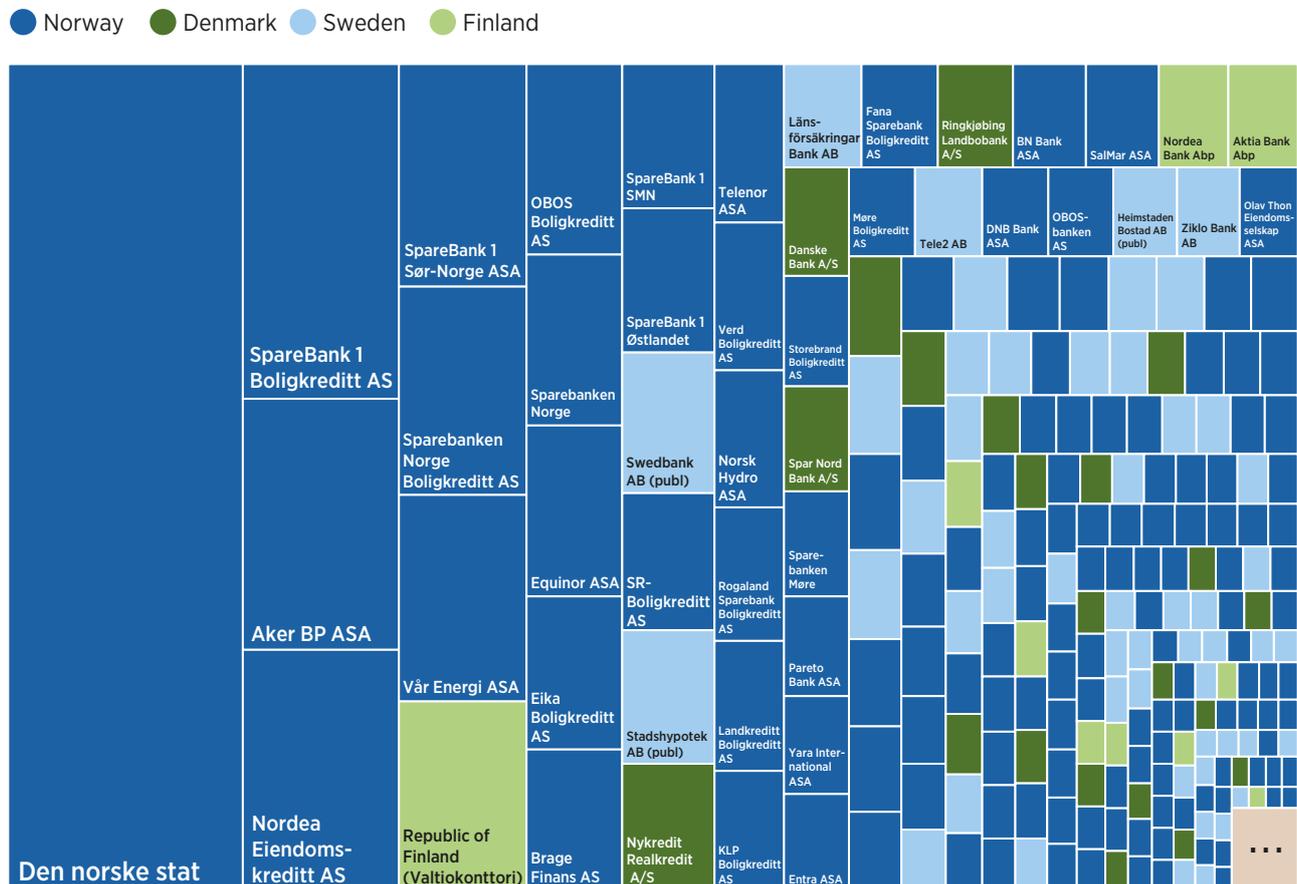
FIGURE 5. OWNERSHIP OF BONDS REGISTERED IN VPS



Source: VPS and Folketrygdfondet as of December 31, 2025

FIGURE 6. SIZE OF FOLKETRYGDFONDET’S BOND HOLDINGS IN INDIVIDUAL ISSUERS

The size of the boxes represents the Government Pension Fund Norway’s bond holdings in individual issuers as of December 31, 2025.



Our tools

The fund's future value depends on the value created within the companies. As the largest institutional investor on Oslo Stock Exchange, we have a special responsibility. We use several channels to highlight our interests, and we seek close dialogue with the companies' governing bodies and management.

ILLUSTRATION 2. TOOLS IN OUR RESPONSIBLE INVESTMENT

Active ownership contributes to long-term value creation.



1
Expectations



2
Company dialogue



3
Voting



4
Nomination committees



5
Ethical exclusions



6
Contribute to well-functioning markets

Norwegian equities	✓	✓	✓	✓	—	✓
Nordic equities	✓	✓	✓	—	✓	✓
Norwegian bonds (industry and finance)	✓	✓	✓	N/A	—	✓
Nordic bonds (industry and finance)	✓	✓	✓	N/A	✓	✓
Government bonds	✓	N/A	N/A	N/A	—	—
Other instruments	✓	N/A	N/A	N/A	✓	✓

* Folketrygdfondet does not invest in companies excluded under guidelines for observation and exclusion from the Government Pension Fund Global.

Clear expectations to companies

Folketrygdfondet is the largest institutional investor on Oslo Stock Exchange. As a financial investor, we therefore have clear expectations for the companies we invest in. The expectation document is divided into different themes directed at the boards of companies and one aimed at the bond issuance.

In 2025, we updated our expectations. In this process, we engaged with companies, academics, and trade organisations, and considered recognized standards such as the UN Global Compact and Norwegian corporate governance code.

We use our expectation document actively in our dialogue with companies. In 2025, our expectation document have been the basis for discussions with companies on the following topics:

Strategy, capital structure, and financial goals

In 2025, many companies have continued to adapt to a challenging economic climate with higher capital costs, margin pressure, and increased geopolitical uncertainty. Questions about capital allocation, dividend policy, and leverage have been central in our meetings, especially in sectors with significant investment needs or volatile income streams. Several companies have considered structural changes, sales of operations, and adjustments to investment levels to strengthen their balance sheets. We have had dialogues about clearer links between companies' strategy, financial goals, and capital structure, and see a growing emphasis on risk management and long-term value creation rather than short-term growth.

Through our dialogues, we have helped increase focus on profitability and return on capital. We have emphasized the importance of stated return goals and see that more companies now prioritize profitability and capital discipline in their investment decisions.

We have also helped reduce the use of so-called pre-close calls and highlighted that information should be shared in accordance with the principle of equal treatment in the market.



Next steps

We work continuously to ensure that companies' strategies are robust and long term, and that capital structures support the companies' risk profile and long-term value creation. Moving forward, our dialogues will ensure that the revised expectation document are well known.

Anti-corruption

Corruption has not been a frequent topic in Folketrygdfondet's dialogues with companies in 2025. In companies we have engaged with, the approach has mainly been precautionary and updating guidelines. This includes companies operating in high-risk areas and export-related activities.

Next steps

Dialogue about our expectations for anti-corruption efforts is primarily relevant for companies where corruption is a significant risk. The board has a clear responsibility to ensure adequate routines and control mechanisms are in place, and that companies have training, whistleblowing, and follow-up that is effective in practice. Our anti-corruption work will mainly target these companies.

Human and labour rights

During the year, several companies have faced increased expectations for responsible operations in conflict and high-risk areas, especially the Israel/Palestine situation. Shipping and industrial companies have been particularly exposed. Our dialogue has focused on deliveries or activities linked to Israel and the West Bank or other high-risk areas, and how companies assess and manage the risk of involvement in human rights violations related to exports, supply chains, and customer vetting. Companies have been asked to document how this is assessed and followed up, and responded with detailed accounts of guidelines, systems, and decision-making processes. At the same time, several cases show that handling geopolitical risk and communication in challenging situations is demanding.

For one company, we sent a letter to the board with expectations for improved practice.

Dialogues showed that many companies have strengthened systems for due diligence, screening, and internal controls. Developments are driven by growing geopolitical uncertainty and unrest, regulatory requirements, and investor pressure. Folketrygdfondet's dialogue helps keep the topic high on the agenda and promotes expectations for good processes and risk management.

Next steps

Geopolitics and political upheavals mean that we will continue to focus on companies' work with human rights and decent labor conditions. We expect the board to have an overview of material risks and ensure ongoing and systematic due diligence. In conflict and high-risk areas, we expect increased caution and transparency about how risks of violations are managed in practice and how measures are followed up. In certain cases, we will coordinate our expectations and dialogue with other investors for a unified and effective approach toward companies. We are also implementing new processes and technology internally to strengthen risk assessments and screening of the investment portfolio.

Climate

During the year, Folketrygdfondet coordinated a joint dialogue with other investors on opportunities and challenges within climate and nature. This helps use company time more efficiently. The prioritized topics have been transition plans, developments in reporting, and data challenges.

Many conversations have revolved around how companies are adapting strategies and investments to net zero targets and how they balance energy transition with profitability and supply security. The Carbon Border Adjustment Mechanism (CBAM) has been a topic in discussions with industrial companies. In nature-dependent sectors, such as industry and seafood, we have raised issues like resource management, The legal proposals related to aquaculture, and developments in fish welfare. Specific incidents related to escapes and biological stability have been discussed.

Together with other investors, we have promoted expectations for certain companies to set science-based goals for climate and nature, as well as broader and more quantitative reporting on nature-related risk. Companies have been encouraged to consider nature-related targets according to TNFD (Taskforce on Nature-Related Financial Disclosures).

Next steps

Follow-up on companies' efforts to strategically adapt to a low-emission economy will also be important going forward. Boards must assess and highlight how climate risk impacts strategic decisions, risk management, and financial planning.

Nature risk and ecosystems

In our revised expectation documents, we have expressed expectations for companies' handling of nature risk. Loss of nature is not only an environmental problem, but also a financial risk. Folketrygdfondet expects companies with significant nature risk to adapt their operations to a nature-positive transition, where considerations of long-term nature loss and the opportunities for strengthening ecosystems are included in strategic choices.

The connection between climate and nature means that climate measures must also contribute to the preservation and restoration of ecosystems.

Nature and ecosystems

Nature risk is significant for several of the companies we invest in. Which climate risks are most prominent varies between companies and depends on several factors, including core business. We are clear that business must operate within the planet's boundaries, and companies must adapt their operations to a nature-positive transition. In our revised expectation documents, we have therefore given clear expectations for companies' handling of nature risk.

Loss or degradation of nature and ecosystems can pose significant challenges for companies dependent on natural resources or with high environmental impact. Additionally, there is a close connection between nature and climate risk.

Next steps

In the area of nature, we will continue the work from 2025, emphasizing the need for more quantitative indicators and assessments in line with TNFD. Many companies are in the early stages of this work, so we will prioritize dialogues that help develop more precise measurement methods and financial assessments of nature risk.

Remuneration for the board and executives

Dialogues with companies have focused on the design and adjustment of executive compensation arrangements, especially in connection with new or revised long-term incentive programmes (LTI) and bonus schemes. The sectors covered range from construction and engineering to industry.

Several companies have revised or plan to revise option and equity-based schemes as a result of our dialogue, and Folketrygdfondet has emphasized the importance that such schemes:

- support long-term value creation,
- are simple and transparent,
- have a vesting period beyond the employment relationship,
- have a maximum cap

We have voted against the board's proposals on executive compensation and incentive schemes in several cases in 2025 (see our voting record at www.ftf.no).

Next steps

We will continue our dialogues and voting on executive compensation and remuneration schemes as in previous years. At the same time, we will increasingly use artificial intelligence and technology to evaluate remuneration schemes and more systematically follow up deviations from our analyses.

Bond issuance

Our expectations for the bond issuance are directed at issuers' management and boards, as well as the lead managers. Expectations are operationalized through ongoing dialogue with issuers and lead managers, reviewing loan terms and documentation related to issues, and through our role as creditor throughout the loan's term. We especially emphasize that decisions on debt financing are well anchored in companies' strategy, capital structure, and risk profile, and that relevant financial, operational, and risk factors related to ESG are clearly reflected in loan agreements and reporting.

By exercising these expectations, we aim to contribute to predictability, equal treatment of creditors, and efficient information flow in the market. The goal is to support well-functioning and trust-based markets for debt capital, with correct risk pricing and robust framework conditions that promote long-term value creation and good liquidity, both for individual companies and the capital market as a whole.

We have conducted a survey of how lead managers work with green bonds and the requirements set in this process. The survey shows that ICMA principles are widely used, and that requirements for structure, documentation, and third-party verification have become clearer and more comprehensive over time. Lead managers devote significant resources to guiding issuers, particularly in developing frameworks, selecting relevant KPIs, and establishing reporting routines. At the same time, it appears that the processes are more demanding for issuers with limited history, weaker data, or higher credit risk, and that several proposals for sustainable bonds do not proceed without significant improvements. Overall, the survey indicates increased professionalism in the market, but also a need for clear and consistent expectations for both issuers and lead managers.

Next steps

The ongoing work will focus on further developing dialogue with issuers and lead managers, and ensuring consistent and predictable exercise of the creditor role throughout the loan's term. We will continue to emphasize that loan agreements and credit analyses reflect the issuer's actual risk profile, and that changes in risk are handled transparently in new issuances and renegotiations.

Going forward, we will ensure that the follow-up of green bonds, including assessment of frameworks, targets, and reporting, aligns with our updated expectations. Our dialogue with issuers and lead managers will focus on how sustainability goals are integrated into companies' strategy and financing, and that the use of principles and reporting is in line with market standards. Overall, this will contribute to clearer expectations, better decision-making, and more robust practices in the debt capital market.

Issuance of green bonds should include:

- Frameworks that specify relevant sustainability information
- Ambitious sustainability targets
- ICMA principles as standard
- Third-party verification (SPO)

You can read more in our updated Expectation Document published on our website.

Active dialogue

Meetings with company management are crucial for our ownership and creditor practices. Our ambition is that companies experience Folketrygdfondet as a constructive, predictable, demanding, and transparent owner.

Our goal is for companies to get to know us well, and for us to get to know them.

This makes us a better manager and a better owner and creditor because it allows us to better understand companies' capital needs and strategic priorities.

Dialogue with companies in the equity portfolio

Folketrygdfondet held 389 (299) dialogue meetings with 136 (86) companies during the year. We held dialogue meetings with 93 (91) percent of companies in the equities portfolio, measured by the market value of those companies.

TABLE 3. HOW OUR MEETINGS WERE DISTRIBUTED

	Number of meetings		Number of companies we have met	
	2025	2024	2025	2024
Total	389	299	175	136
Companies listed in Norway	213	202	68	72
Companies listed in the other Nordic countries	176	97	107	64

We have seen a significant increase in both the number of companies we have met and the number of meetings. Investment activity in GFT began in the summer, leading to high meeting activity, especially with companies listed in the Nordic region and included in GFT's portfolio.

In the Norwegian part of the equities portfolio, we met 99 (98) percent of companies, while we met 68 (58) percent of companies in the Nordic portfolio, measured by the market value of those companies.

FIGURE 7. OVERVIEW OF WHO WE HAVE HAD DIALOGUE WITH

Figures for 2024 in parentheses

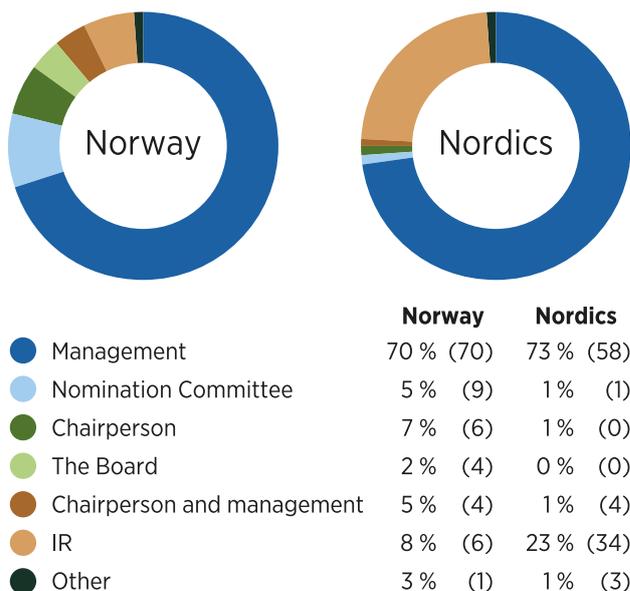


FIGURE 8. NUMBER OF DIALOGUE MEETINGS PER COUNTRY

Figures for 2024 in parentheses



How we do it

Folketrygdfondet usually conducts company dialogue alone but collaborates with other investors when it is more appropriate.

To make company dialogue as effective as possible, we actively use expectation documents in our dialogue.

Before meetings, we typically conduct an internal review of the agenda to ensure that relevant questions about environment, society, and corporate governance are included. A meeting may cover several topics. If a more in-depth dialogue on a topic is needed, we schedule a meeting with relevant specialists from the company.

Our goal with active ownership

Our goal is that our ownership help companies manage material risk to provide the best possible foundation for long-term value creation. However, it is challenging to measure the effect of our ownership practices precisely over time, as change within companies are often complex and lengthy.

Our experience is that there are clear positive interactions between high returns and good ownership practices. Active management makes us a better owner, and practicing ownership makes us a better active manager. This is discussed further under the individual dialogue topics below.

FIGURE 9. PERCENTAGE OF NORWEGIAN COMPANIES IN THE EQUITY PORTFOLIO THAT FOLKETRYGDFONDET HAS BEEN IN DIALOGUE WITH

Percentage of GPFN's and GFT's market value as of December 31, 2025.

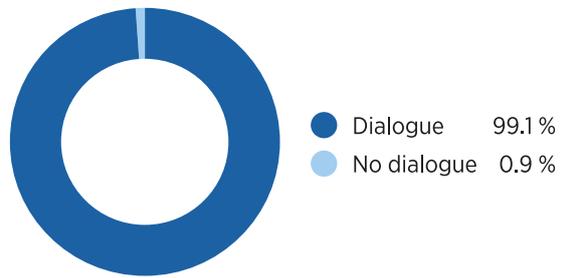


FIGURE 10. PERCENTAGE OF NORDIC COMPANIES IN THE EQUITY PORTFOLIO THAT FOLKETRYGDFONDET HAS BEEN IN DIALOGUE WITH

Percentage of GPFN's and GFT's market value as of December 31, 2025.



FIGURE 11. PERCENTAGE OF THE EQUITY PORTFOLIO THAT FOLKETRYGDFONDET HAS BEEN IN DIALOGUE WITH

Percentage of GPFN's and GFT's market value as of December 31, 2025.

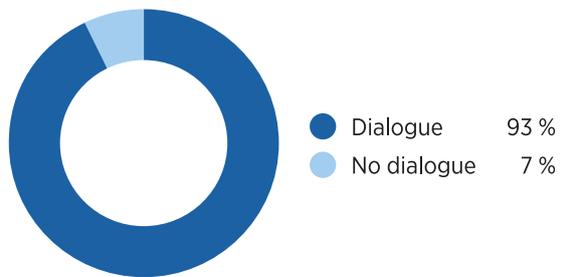
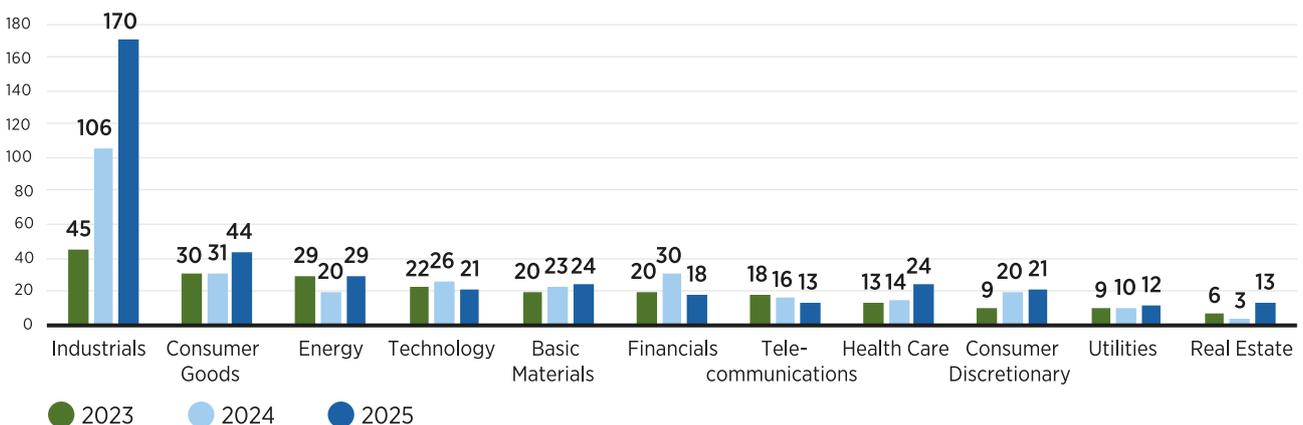


FIGURE 12. DISTRIBUTION OF DIALOGUE MEETINGS PER SECTOR OVER THE LAST THREE YEARS



BACKGROUND

From the strategic plan on climate and nature risk

The work on climate risk is based on a long-term goal that the companies we invest in align their operations with global net zero emissions in line with the Paris Agreement.

We follow up on this through analysis and dialogue with companies, where we evaluate emission targets, strategy and business model, plans, and measures. Progress is measured over time, both on companies' achievement of our expectations and on the portfolio's overall exposure to climate risk. Assessments cover transition risk and physical risk related to climate change. Where companies deviate or are not sufficiently robust, we use ownership practices to influence.

FIGURE 13. TOPICS IN NORWEGIAN DIALOGUE MEETINGS OVER THE LAST THREE YEARS

213 dialogues with Norwegian companies in 2025.

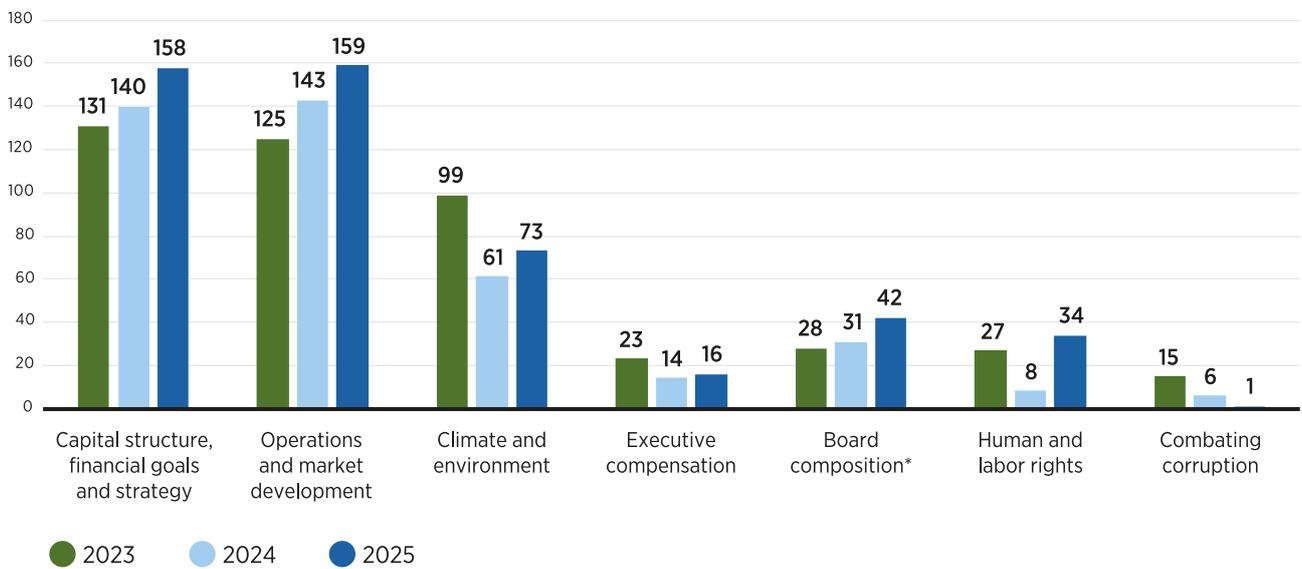
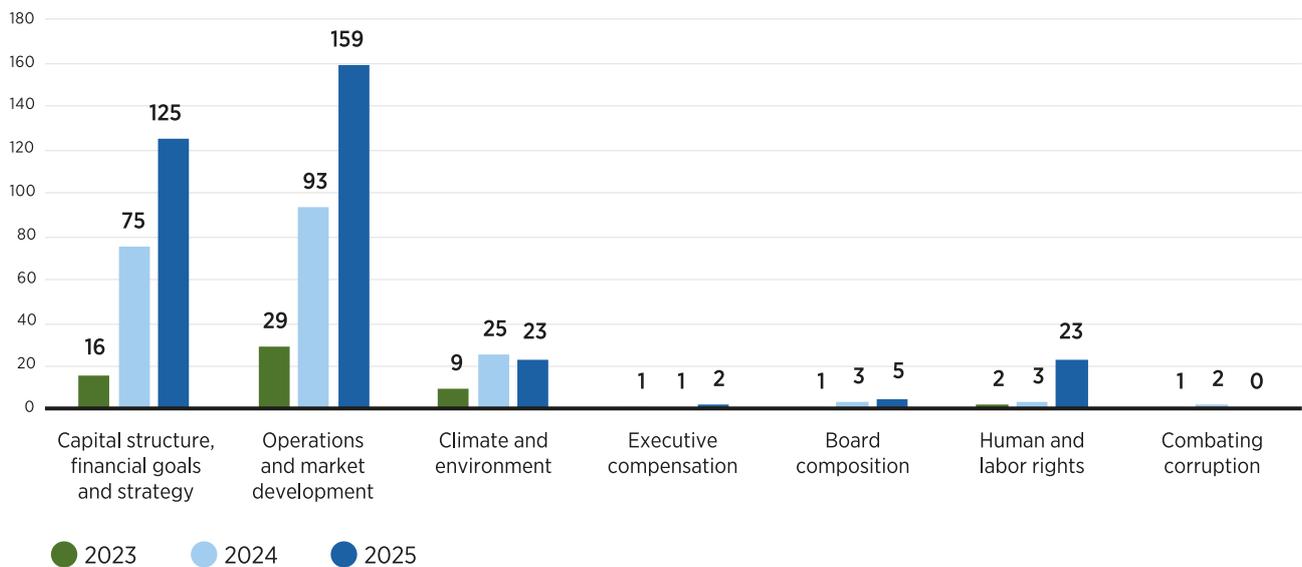


FIGURE 14. TOPICS IN NORDIC DIALOGUE MEETINGS OVER THE LAST THREE YEARS

176 dialogues with Nordic companies in 2025.



* Meetings organized by Folketrygdfondet's representation in company nomination committees are not included in the statistics. This mainly concerns dialogue about board composition with nomination committees where we are not represented.

Dialogue with companies in the fixed-income portfolio

We regularly engage with bond issuers through company presentations and “roadshows,” one-to-one meetings, investor meetings, and ongoing follow-up in connection with issues and credit events. This dialogue gives us a better information and decision-making basis as creditors. In 2025, we had 288 meetings with a total of 157 issuers. We have seen an increase in both the number of companies we meet and the number of meetings. Geographically, we see a larger share of meetings in Norway.

Our dialogue is aimed at different levels in the company, depending on the topic and issues. Follow-up on operational and financial matters, as well as issues related to loan agreements, is mainly directed at company management, which constitutes a large portion of our dialogue.

How we do it

The exercise of the creditor role is integrated into our investment process and is based on the same fundamental principles as the rest of our management: long-term perspective, thorough analyses, and predictable conduct. Our approach starts with a comprehensive assessment of the issuer, where financial position, business model, governance, and relevant risks are considered together. We further integrate material and relevant ESG factors into the analyses so that investment decisions are as well-founded as possible. ESG assessments are integrated into management in several ways:

- An integrated part of credit analyses
- An integrated part of investment decisions
- ESG-related issues are raised in meetings with companies
- The dialogue with companies is logged and followed up
- Internal training and awareness

FIGURE 15. NUMBER OF ISSUER MEETINGS

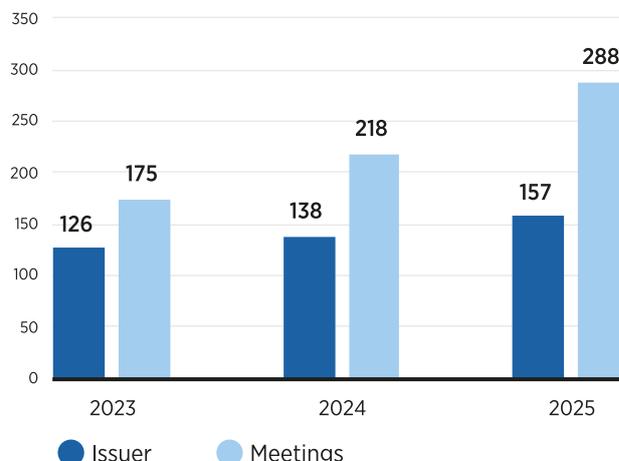


FIGURE 16. NUMBER OF ISSUER MEETINGS PER COUNTRY IN 2025

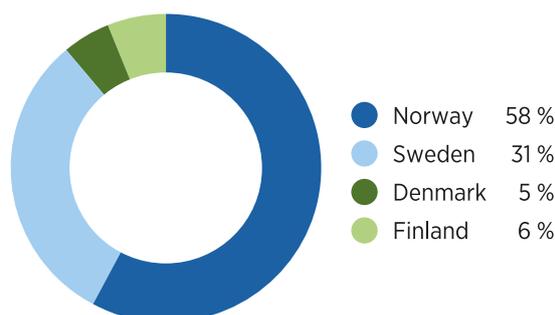
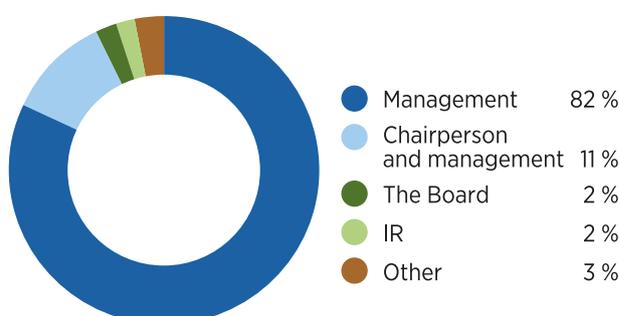


FIGURE 17. WHO WE HAVE MET WITH IN 2025



Through active and consistent exercise of creditor rights, Folketrygdfondet seeks to contribute to well-functioning and trust-based markets for debt capital. Clearer expectations and good dialogue with issuers ensure better risk understanding, which are important prerequisites for correct pricing and stable access to capital over time. This aligns with our strategic objective to contribute to well-functioning markets that attract capital and good companies, and that over time provide better returns.

Our counter-cyclical investment strategy is closely integrated into this approach. In periods of market turmoil and reduced liquidity, dialogue with issuers and arrangers provides a better basis for decision-making to increase exposure and buy bonds when other actors reduce their exposure. By acting predictably and long-term, even when other actors reduce their risk appetite, we help supply liquidity and dampen market fluctuations. Overall, this supports well-functioning and trust-based markets, in line with our goal of stable capital access and strong long-term returns.

In extraordinary situations, Folketrygdfondet has also had a special contingency role through the management of the Government Bond Fund (GBF). The fund was established in 2009 and re-established in 2020 to support the bond market during times of severe market turmoil. Through investments in bonds, GBF helped improve liquidity, reduce risk premiums, and restore confidence in the market. Experiences from GBF highlight the importance of Folketrygdfondet's counter-cyclical role and contribution to liquidity during periods of market turmoil.

Our contributions to more well-functioning debt capital markets:

- Solid credit analyses contribute to more efficient capital allocation
- Contributes as a major creditor to liquidity and capital
- Countercyclical investment strategy contributes to dampening market fluctuations
- Contingency function through GBF contributes to liquidity in demanding markets
- Open, predictable and demanding creditor with the ability to stand by financial processes over time

We exercise our voting rights

In 2025, Folketrygdfondet voted at a total of 172 general meetings in companies listed on the stock exchanges in Norway, Sweden, Denmark, and Finland.

Our goal is to vote at the general meeting in all the companies we are invested in. For 2025, we achieved this with one exception. Due to an error by our subcontractor, our votes in Zealand Pharma AS were not registered. Since 2019, we have also published our voting intentions well before the general meeting in cases where we vote against the board's proposal in Norwegian companies.

For companies outside Norway, we publish explanations for our votes on our website after the meetings.

FIGURE 18. GEOGRAPHICAL DISTRIBUTION OF GENERAL MEETINGS

Number of ordinary and extraordinary meetings. Figures for 2024 in parentheses.



TABLE 4. HOW WE USE VOTING RIGHTS IN THE EQUITIES AND BONDS WE INVEST IN

	Norwegian companies	Nordic companies	Norwegian issuers (corporate)	Nordic issuers (corporate)
Voting in accordance with our principles	✓	✓	✓	✓
Pre-publishing of votes against the board's proposal	✓	—	—	—
Letters to the board with explanation when we vote against	✓	✓	—	—
Participation	Either by attending or by proxy with voting instructions	We always send proxy with voting instructions	Where feasible. Alternatively, we send proxy with voting instructions	We always send proxy with voting instructions
Securities lending	Recalling loaned shares when necessary	Recalling loaned shares when necessary	Not relevant	Not relevant

How we voted at general meetings in 2025

We always make our own assessment of the items presented at general meetings but emphasize the board's recommendation because we believe it is important that all proposals receive proper consideration and can be evaluated against the company's adopted strategy. Similarly, we normally vote in line with the board's recommendation regarding shareholder proposals.

In cases where the board's recommendation challenges our expectations, we may vote against. Folketrygdfondet's principles for voting are available at www.ftf.no. The pattern of the types of proposals Folketrygdfondet most often votes against is essentially the same across all the Nordic countries.

The largest proportion of cases where Folketrygdfondet votes against the board's recommendation concern remuneration for executives and board fees. We make thorough and specific assessments based on company circumstances, responsibilities, and complexity, as well as the market, which varies between the Nordic countries. We find that the level of salary and remuneration differs between countries, but we rarely vote against solely because of the level. At the 2025 general meetings, most votes against were due to insufficient information and the use of discretionary bonuses.

If we vote against a remuneration scheme, we also vote against authorizations for share issues and buybacks linked to the company's incentive programmes. Generally, we also vote against authorizations for share issues exceeding 10% that are not justified for specific purposes. These authorizations therefore also constitute a large portion of the cases we have voted against in the past year.

Folketrygdfondet normally votes for the board's recommendation for election of board members. In some cases, however, we have voted against candidates due to lack of independence, for example where board members have had paid assignments or other roles in the company beyond the board position. Such circumstances can weaken the board member's ability to provide effective oversight. To ensure the board's independence from management and special interests, Folketrygdfondet also votes against all proposals for the CEO to serve as a board member. The largest proportion of these cases where Folketrygdfondet votes against individual board members concerns Swedish companies.

The table below shows Folketrygdfondet's voting on proposals submitted by the board.

TABLE 5. PROPOSALS SUBMITTED BY THE BOARD

	For	Against	Abstain	Total	For (%)	Against (%)	Abstain (%)
Norway	1,067	29	0	1,096	97.4	2.6	0
Sweden	1,375	36	0	1,411	97.4	2.6	0
Denmark	367	10	0	377	97.4	2.6	0
Finland	193	4	0	197	98	0.5	0
Total	3,002	79	0	3,081	97.4	2.6	0

Letters to company boards

In cases where we vote against the board's recommendation, we send a letter with our voting explanation to the company's board. This applies in all countries where we invest. If we have voted against the same matter previously, we refrain from sending a new letter, but the explanation is published on our website.

Shareholder proposals

The use of shareholder proposals varies in the Nordic countries. A total of 46 shareholder proposals were submitted at general meetings of companies Folketrygdfondet invested in, of which 34 were in Sweden, Denmark, and Finland combined and the remaining 12 in Norway. Ten of the 12 shareholder proposals in Norway were submitted at Equinor's general meeting, the other two at Norsk Hydro's general meeting. We find that many of these proposals concern matters that, according to general principles of role distribution in a listed company, fall outside what the shareholder community should decide. Some proposals are detailed requirements relating to strategy and reporting, which the company is best positioned to address. An exception was an extraordinary general meeting at Novo Nordisk where five shareholder proposals were submitted.

The proposals came from the main shareholder and were also supported by the board.

What have we achieved?

We seek good dialogue with companies ahead of general meetings, especially in situations where there are circumstances we consider voting against. We see that dialogue often leads to change. Sometimes, however, it can take time. The best outcome is when matters we would have voted against are changed before being voted on at the general meeting.

At this year's general meetings, several companies have made changes to board composition so that boards now better reflect requirements for relevant competence, independence, and long-term value creation. Folketrygdfondet has contributed through dialogue and participation in nomination committees. Furthermore, some companies have introduced caps on option schemes, so that the potential gains are balanced and better aligned with shareholders' interests. In two cases, companies have decided to remove authorizations for issuing convertible loans, a topic Folketrygdfondet discussed ahead of the general meeting.

TABLE 6. SHAREHOLDER PROPOSALS

	For	Against	Abstain	Total	For (%)	Against (%)	Abstain (%)
Norway	0	12	0	12	0	100	0
Sweden	0	23	0	23	0	100	0
Denmark	5	4	1	10	50	40	10
Finland	0	1	0	1	0	100	0
Total	5	40	1	46	10.9	87	2.2

TABLE 7. MATTERS FOLKETRYGDFONDET HAS VOTED AGAINST (REFRAINED FROM VOTING FOR)

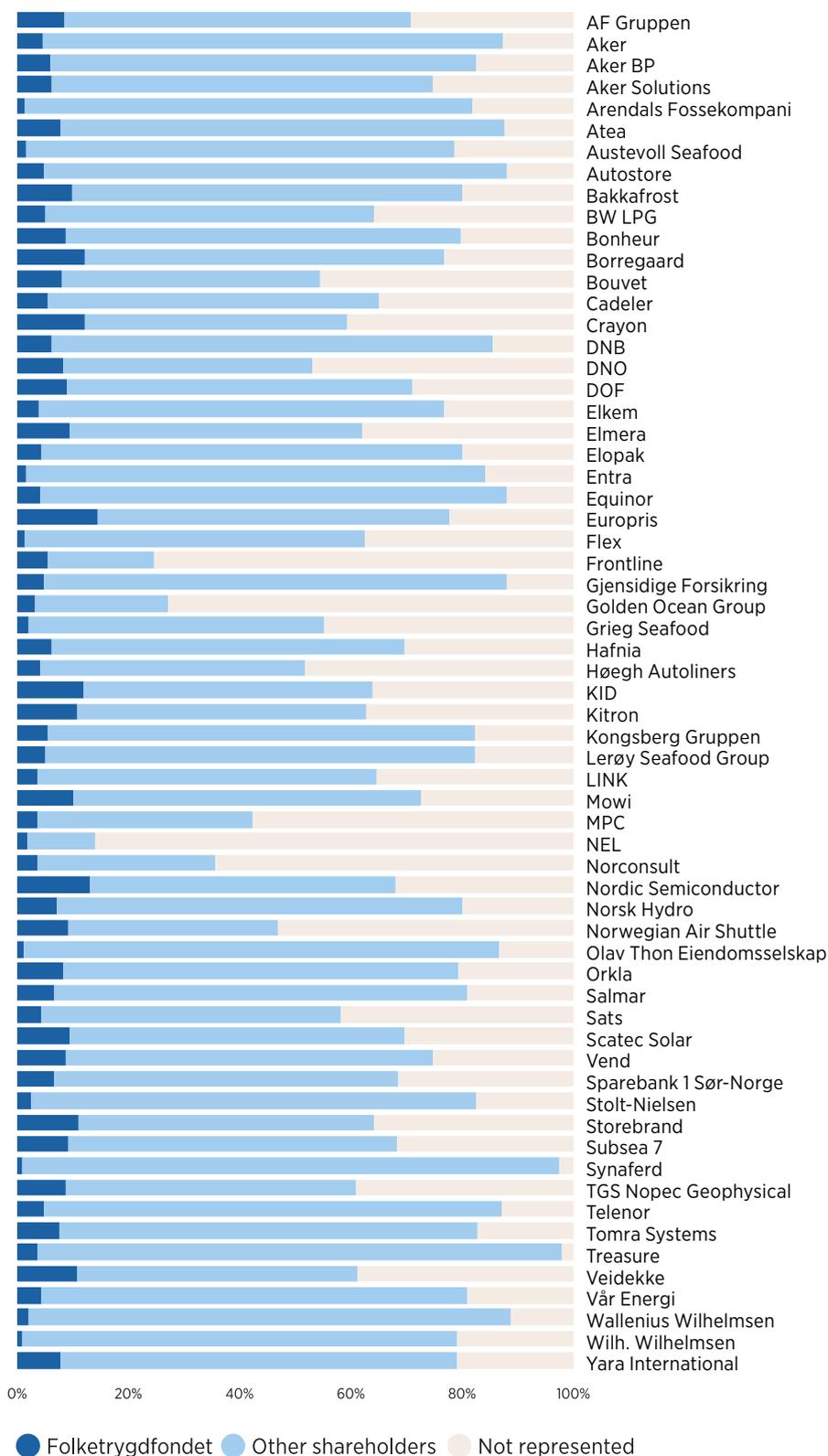
	Norway	Sweden	Denmark	Finland	Total Amount
Remuneration of executive personnel*	9	12	3	3	27
Authorisations to issue or buy back shares**	7	3	5		15
Nomination committee members / Guidelines	1				1
Against board member (incl. management excluding CEO)	2	3		1	6
Against having the CEO on the board		17			17
Articles of association	1				1
Board authorisation to appoint board members	4				4
De-listing	1				1
Directors' remuneration etc.	4		1		5
Other matters		1			1
Total	29	36	9	4	78

* This includes both votes against binding decisions on executive compensation and board fees, as well as the advisory vote on the company's report on remuneration for leading personnel.

** Authorizations for share issues also include authorizations related to the company's incentive programmes, as well as authorizations for acquisition of own shares and issuance of convertible loans.

FIGURE 19. ATTENDANCE 2025 – COMPANIES ON THE OSLO STOCK EXCHANGE AND UNLISTED NORWEGIAN COMPANIES

Ordinary general meetings in companies where Folketrygd fondet has participated.



Folketrygd fondet

was represented at a total of 63 ordinary general meetings in companies listed on the Oslo Stock Exchange or in unlisted Norwegian companies in 2025. In addition, there were 9 extraordinary general meetings, of which 6 were in GPFN and 3 in GFT.

The attendance rate

(measured as the number of votes in the company) for all ordinary general meetings where Folketrygd fondet was represented was 70.7 percent, with variation from 13.9 percent to 98.0 percent.

Bondholder meetings

Participation in bondholder meetings is a central tool in following up investments where changes to loan terms are proposed, or where a company faces increased financial risk or restructuring. In such situations, we follow the processes closely from an early stage, through dialogue with the issuer, trustee, and other creditors, and with thorough consideration of alternative solutions before the meetings are held.

All requests for bondholder meetings are assessed individually, and we actively participate in negotiations before and during the processes. Our approach is to contribute constructively to solutions that safeguard the creditor community and provide the best foundation for securing and preserving value. In some cases, this may involve taking on greater commitments if this is considered to provide a better outcome.

In 2025, we voted in eight bondholder meetings with seven different issuers. Three of the meetings concerned restructuring, two concerned changes to loan agreements, and three concerned waivers (temporary relaxations of loan terms).

We recommend:

- proactively address breaches and requesting a waiver of the loan agreement if negative changes occur
- providing thorough information on how the company will fulfill the loan agreement going forward in connection with bondholder meetings
- ensuring equal treatment of all creditors within the established priority structure
- providing timely, relevant and consistent information to the bond market throughout the loan term, especially in the event of negative developments.
- ensuring orderly and credible communication, where good information from the company's management contributes to trust.

FIGURE 20. NUMBER OF BONDHOLDER MEETINGS WITH ISSUERS

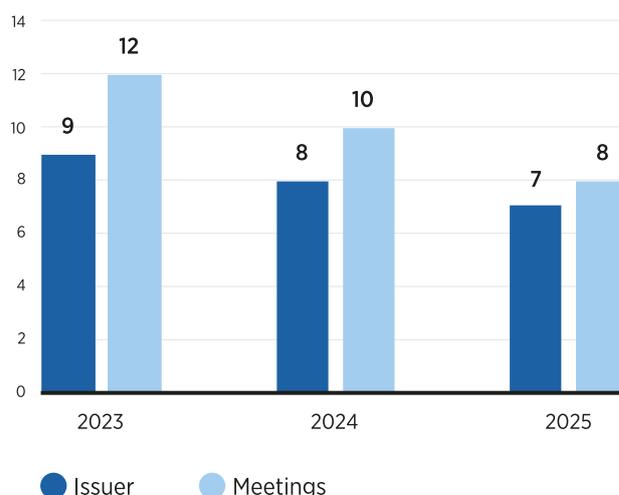
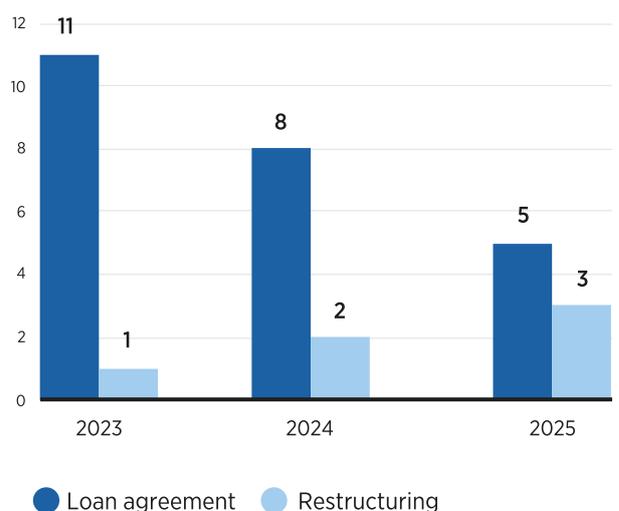


FIGURE 21. TOPICS FOR BONDHOLDER MEETINGS



Nomination committee work

Folketrygdfondet participates in 16 nomination committees in Norwegian companies.

We focus on companies having boards with good competence and the right composition and recommend that companies we invest in have a nomination committee in line with the Norwegian Corporate Governance Code recommendation.

Board work is becoming more professional, and companies depend on having boards whose members collectively have the right competence. Nomination committees have therefore become increasingly central in recent years.

As a major owner in many companies, we have both an obligation and a vested interest in contributing to companies having good and competent boards. We prioritize participating directly in nomination committees in companies where we can make a difference and where we also have significant ownership stakes. Folketrygdfondet employees are not allowed to participate on company boards.

Folketrygdfondet is represented in two new nomination committees in 2025: Equinor ASA and Scatec ASA.

Since 2017, the number of nomination committees we are represented in has risen from 7 to 16, while the number of representatives from Folketrygdfondet has increased from 5 to 9. Our representatives meet regularly to discuss common issues related to nomination committee work. The fact that more portfolio managers take on this role also helps build broader experience with owner governance across the organisation. We believe this strengthens our active management.

TABLE 8. FOLKETRYGDFONDET'S REPRESENTATIVES IN NOMINATION COMMITTEES 2025

Company	Representative	Position
AF Gruppen	Christina Stray, Chief Legal Officer	Member
Equinor	Karl Mathisen, Chief Investment Director, Equities	Member
Europris	Tine Fosslund, Portfolio Manager	Member
Gjensidige Forsikring	Pernille Moen Masdal, Portfolio Manager	Member
Kongsberg Gruppen	Bjarte Espedal, Portfolio Manager	Member
Mowi	Ann Kristin Brautaset, Deputy Director Equities	Member
Nordic Semiconductor	Eivind Lotsberg, Portfolio Manager	Member
Norsk Hydro	Karl Mathisen, Chief Investment Director, Equities	Member
Orkla	Kjetil Houg, Chief Executive Officer	Member
Scatec	Ole Jakob Hunstad, Portfolio Manager	Member
SpareBank 1 SR-Bank	Kjetil Houg, Chief Executive Officer	Member
TGS	Ole Jakob Hunstad, Portfolio Manager	Member
TOMRA Systems	Tine Fosslund, Portfolio Manager	Member
Veidekke	Karl Mathisen, Chief Investment Director, Equities	Member
Vend Marketplaces	Ann Kristin Brautaset, Deputy Director Equities	Member
Yara	Ann Kristin Brautaset, Deputy Director Equities	Member

Ethical Exclusions

Folketrygdfondet may not invest in securities that are excluded in accordance with guidelines for observation and exclusion from the Government Pension Fund Global. This follows from the mandates established by the Ministry of Finance for the Government Pension Fund Norway and the Government Fund Tromsø.

Exclusion may occur if a company violates fundamental ethical norms due to its behaviour or products. The Ethics Council makes recommendations to Norges Bank on exclusion and re-inclusion of individual companies. The Executive Board of Norges Bank makes the final decision, and Folketrygdfondet is then notified by the Ministry of Finance of the decision.

As of December 31, 2025, only one company is excluded from the Government Pension Fund Norway's investment universe. No companies were excluded or re-included in our investment universe in 2025.

Excluded companies as of December 31, 2025: Scandinavian Tobacco Group A/S (September 7, 2022).

Folketrygdfondet conducts due diligence assessments in line with OECD guidelines for responsible business conduct and accompanying guidance for due diligence. The work is based on a risk-based approach, where we identify, assess, and prioritize actual and potential risks of violations of fundamental human and labour rights. Assessments are based on how serious and likely possible negative consequences may be, as well as our connection to the risks through ownership.

Folketrygdfondet's investments are mainly in Nordic companies, but many of these companies have operations, supply chains, and business relationships in numerous countries. In due diligence assessments, we emphasize risk related to geographic exposure and industry factors.

Due diligence assessments form the basis for further follow-up with companies. Depending on the nature and severity of the risk, this may involve dialogue with companies, requests for more detailed explanations, or expectations that companies implement measures to prevent, limit, or manage identified risks in accordance with OECD guidelines. In extreme cases, risk of violations of fundamental human and labour rights may lead us to choose not to invest in a company due to excessive risk.

Due Diligence assessment of companies with activities in Israel

Folketrygdfondet has assessed this to be an increased risk of violations of international law and fundamental human rights. We have carried out a thorough survey of our portfolio companies' activities, products or services are directly linked to negative impacts, through supply chains or business partners, related to the conflict between Israel and Palestine.

We found a total of 11 companies that have activities in this geographical area through supply chains or business partners. For most companies, there was little direct connection between the activities, products and services and the increased risk of violations of international law and fundamental human rights.

In some companies, we have carried out a more thorough survey by having the companies provide a more detailed account of their activities, products and services and the connection these have to the increased risk.

As of today, there is no basis for further action against these companies.

External initiatives

With large ownership stakes comes responsibility for active owner governance. We aim to follow best practice in corporate governance, aligned with our financial approach. We contribute to the development of good market standards in all markets where we operate. We therefore participate in a number of external initiatives, collaborate with other investors, and provide input where appropriate.

Through the Institutional Investment Forum, Folketrygdfondet has good contact and dialogue on both general and company-specific topics involving the largest investors on the Oslo Stock Exchange. Collaboration in Norwegian Corporate Governance Board, where Folketrygdfondet is indirectly represented, ensures that we maintain updated and appropriate standards for corporate governance. Through Finance Society Norway, where Folketrygdfondet is represented on the board and several committees, we collaborate on focusing on topics important to the Norwegian financial market.

Folketrygdfondet supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We expect the companies we invest in to report according to TCFD, as such information is important for Folketrygdfondet and other institutional owners in Norway and the Nordic countries to make sound investment decisions. Information about climate risk is also necessary to assess systematic risk in the markets we invest in.

In 2025, 24 Folketrygdfondet employees gave a total of 75 presentations, guest lectures, and panel discussions in the largest Norwegian and Nordic cities. We have increased activity from 2024, driven by the establishment of the Government Fund Tromsø, where part of the assignment is to help build capital management environments in Northern Norway. We also notice increased interest from our Nordic neighbors and have presented at the Nordic Small Cap Seminar and Nordic IPO Stock Market Day in Copenhagen. We have also increased dialogue with Nasdaq in both Stockholm and Reykjavik.

Investment Conference 2025

In May 2025, we hosted an investment conference in collaboration with BI Norwegian Business School on pricing of nature and climate risk. World-renowned Nassim Taleb, the author of *The Black Swan*, was part of the program along with Caroline Flammer, professor at Columbia University, and Christopher Marquis, professor at Cambridge University. Two hundred business leaders and leading academics traveled to Nydalen to discuss pricing of nature and climate risk. An extra thank you to the representatives from Salmar, Yara, Sintef, Fremtind, and Tomra for their presentations and contributions to the panel discussions.

TABLE 9. CONSULTATION STATEMENTS SUBMITTED IN 2025

Recipient	Topic	Date submitted
The Norwegian Corporate Governance Code	Consultation – proposed changes to the Corporate Governance Code	18 February 2025
Ministry of Finance	Consultation – new regulatory package in the securities area	26 March 2025
Ministry of Finance	Consultation – postponed introduction of sustainability reporting requirements	21 May 2025

TABLE 10. PARTICIPATION IN EXTERNAL INITIATIVES IN 2025

Initiative	Purpose	Representative from Folketrygdfondet
The Norwegian Institute of Directors	The Norwegian Institute of Directors is a network for members of boards, nomination committees and senior management in large listed and privately owned companies, state and publicly owned companies with commercial objectives and larger companies with other forms of ownership or organization.	<ul style="list-style-type: none"> Chief Legal Officer, Christina Stray, board member and member of the expert committee on capital markets
Finance Society Norway (FFN)	Finance Society Norway is a leading and independent expertise community within the financial and capital markets, and a natural link between business and academia. The association offers specialized studies, courses and professional events to ensure the right and relevant expertise for the market.	<ul style="list-style-type: none"> Chief Legal Officer, Christina Stray, chairperson FFN, Portfolio manager Pernille Moen Masdal, member of the equity committee and the committee on women in front-end finance Chief Investment Officer Fixed Income, Jørgen Krog Sæbø, member of the capital management committee Deputy Director Equities, Ann Kristin Brautaset, chair of the committee that awards the Stockman Prize Chief Strategist, Erlend Hellum, member of the macro committee Portfolio manager, Joakim Kvamvold, member of the bond committee Portfolio manager Tine Fosslund, member of the financial information committee
Norwegian Corporate Governance Board (NUES)	The Norwegian Corporate Governance Board (NUES) updates and publishes the Norwegian Code of Practice on Corporate Governance.	<ul style="list-style-type: none"> Chief Legal Officer, Christina Stray, committee chair and representative of the Finance Society Norway
Institutional Investment Forum	The Institutional Investment Forum aims to promote good practice within corporate governance in Norway and to be a driving force for the further development of best practice. The Forum is represented in NUES.	<ul style="list-style-type: none"> Chief Investment Officer Equities, Karl Mathisen, member
Securities Act Committee	The Securities Act Committee will be commissioned to investigate how future EEA regulations in the securities area will be implemented in Norwegian law.	<ul style="list-style-type: none"> Chief Legal Officer, Christina Stray, member
The Norwegian Fund and Asset Management Association	The Norwegian Fund and Asset Management Association is a service organization for companies licensed to operate fund management and/or active (individual) management. The association provides assistance to members, prepares industry recommendations and promotes knowledge and interest in investing in mutual funds.	<ul style="list-style-type: none"> Portfolio Manager, Henning Lund, member of the fixed-income committee

Appendix to Ownership Report

Folketrygdfondet supports the work of the Task Force on Climate-related Financial Disclosures (TCFD), which has developed a framework for reporting climate and climate-related financial risks. The table below shows Folketrygdfondet’s follow-up of TCFD’s recommendations.

TABLE 11. TCFD-INDEX

Folketrygdfondet’s follow-up of TCFD recommendations	References	
Governance		
a) Describe the board’s overview of climate-related threats and opportunities.	<ul style="list-style-type: none"> Folketrygdfondet’s board has established principles for responsible investment that clarify how we exercise our owner and creditor roles and integrate environmental and social considerations into our management. Folketrygdfondet’s activities, beyond investment, are to a limited extent affected by climate-related threats and opportunities. According to the mandate for the management of GPFN and GFT, Folketrygdfondet must integrate responsible investment into its operations. Climate risk is given special mention in the GPFN mandate and in the strategic plan set by the board. Sustainability, including climate risk, is part of the board’s risk discussions. In the annual review of responsible investment with the board, work on sustainability and climate, assessment of climate risk in the portfolio, including trends and priorities going forward, is discussed. The board annually approves an ownership report outlining Folketrygdfondet’s work on sustainability and climate. 	Mandate for the management of the Government Pension Fund Norway and the State Fund in Tromsø, Strategic Plan, p. 13 “Climate and Nature Risk”. Ownership report p. 3 “How We Organize Our Work”
b) Describe management’s role in identifying and managing climate-related threats and opportunities.	<p>Folketrygdfondet’s activities:</p> <ul style="list-style-type: none"> For Folketrygdfondet’s activities, climate and environmental requirements are important for all procurements. In procurements under public procurement law and regulations, environment and climate are considered and included as part of the assessment of which supplier to choose. <p>Folketrygdfondet’s investment portfolio:</p> <ul style="list-style-type: none"> Responsibility for implementing principles for responsible investment of portfolios rests with the CEO. In Folketrygdfondet’s ownership practices, the administration describes how principles are operationalized in management. Operational follow-up is delegated to the Chiefs of equities and fixed-income, respectively. Both the equity and fixed-income departments have a dedicated resource on environment, society, and governance. Portfolio managers are responsible for following up on material topics, including climate risk, in their investment analyses and in dialogue with the companies they monitor. In practice, this is carried out through close cooperation within the department, in line with Folketrygdfondet’s team-based management model. The department for risk management has a special role in voting at general meetings and bondholder meetings. The legal department is also involved in assessing general meeting matters in the Nordic region, and the department has overall control responsibility for Folketrygdfondet’s routines for responsible investment. 	Principles for responsible investment, Folketrygdfondet’s ownership practices, Ownership Report, p. 3 “How We Organize Our Work”
Strategy		
a) Describe the climate-related threats and opportunities Folketrygdfondet has identified in the short, medium, and long term.	<ul style="list-style-type: none"> Climate risk is significant for several companies we invest in. Which climate risks are most prominent varies between companies and depends on several factors, including core business. Climate-related threats could lead to reduced returns in investment portfolios due to climate change, physical risk, and transition to a low-emission society. The financial risk is greatest for Folketrygdfondet’s investments in oil and gas production, which make up a significant part of the investment universe. In Folketrygdfondet’s portfolio, only investments in low-carbon energy are identified as opportunities for value increase, though significantly less than the value loss from oil and gas production Climate risk can also lead to missed opportunities due to late portfolio adjustments following climate changes. Climate change, physical risk, and transition to a low-emission society can also provide opportunities for investment strategies that identify positive return opportunities in investment portfolios. 	Ownership Report, pp. 12-13 “Climate and Environment” Annual report (NOR) pp. 65-68 “Climate-related Stress Tests”

<p>b) Describe the integration of climate-related threats and opportunities in Folketrygdfondet's activities, strategy, and financial planning.</p>	<ul style="list-style-type: none"> • For Folketrygdfondet, the management of GPFN and GFT is most significant for handling climate-related threats and opportunities. Responsible investment at Folketrygdfondet is based on the UN Global Compact, OECD guidelines for corporate governance and leadership, OECD guidelines for multinational companies, and Norwegian recommendations for corporate governance and leadership (NUES). • Dialogue with companies is an important tool for addressing long-term climate risk in the portfolio, followed up through both ownership and creditor practices. Our influence is different for equity and fixed-income portfolios. In equity management, we typically have the greatest influence when invested in the company, while in fixed-income management, we typically have the greatest influence before investing, when loan agreements and terms are set. • We work with active management to achieve the goal of the highest possible returns over time. The objective of value creation in companies is achieved by being an active and responsible owner and creditor, as well as through the development of good practices and well-functioning markets. Through ownership and creditor practices, we contribute to companies' strategies, making them solid, and ensuring capital flows to profitable investments in the transition to a low-emission society. We focus on companies understanding how their operations impact the climate through greenhouse gas emissions, and to what extent business models and strategies are vulnerable to climate risk. Companies must assess which analyses and measures are necessary to identify and manage climate risk. • We have an integrated approach to responsible investment. It is necessary to assess all types of risks associated with investments. Threats and opportunities related to climate are analysed and considered as an integrated part of portfolio management. Material opportunities and threats related to physical risk, transition, and liability risk are analysed and assessed at the company level, like other risks. Climate considerations are an integrated part of credit assessments of issuers in the fixed-income portfolio. The goal is to ensure that climate-related considerations are reflected in our credit assessment, so we can make sound investment decisions. • We support initiatives that contribute to good and standardized reporting of climate risk. • As an active manager, Folketrygdfondet can adjust the portfolio as the financial risk landscape changes. To assess the portfolio's market risk, including climate risk, climate-related stress tests are systematically conducted. • A common investment philosophy and team-based organisation of management at Folketrygdfondet are strengths in work on climate risk. 	<p>Strategic plan, p. 13 "Climate and Nature Risk," Ownership Report, pp. 12-13 "Climate and Environment" Annual report (NOR) pp. 65-68 "Climate-related Stress Tests"</p>
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<p>c) Describe the robustness of Folketrygdfondet's strategy, taking into account different climate-related scenarios, including a scenario of 2°C or lower.</p>	<ul style="list-style-type: none"> • Folketrygdfondet uses MSCI's analysis tools, ESG-manager, to measure climate risk in the portfolio. Stress tests conducted with MSCI's analysis tool for the GPFN and GFT equities portfolios estimate a value loss of: <ul style="list-style-type: none"> - Between 8 and 10 percent under scenarios where temperatures increased by 2-3 degrees for GPFN's equities portfolio and about 3 percent for GFT. - 30 percent under the scenario where temperatures did not increase more than 1.5 degrees for GPFN's equities portfolio and a value loss of 12 percent for GFT. In the latter scenario, it is mainly transition risk that caused the value decline for both portfolios. • Subject to errors and deficiencies in the data used, our assessment is that the portfolios can withstand a scenario of up to 2 degrees based on stress tests. If a maximum increase of 1.5 degrees is assumed, the portfolios are more vulnerable due to value loss from transition risk. • MSCI's analysis shows that 63.9 percent of companies in the portfolio have goals and strategies to reduce carbon emissions in line with a 2-degree target, and 31.1 percent of companies have strategies aligned with the new Paris Agreement target of 1.5 degrees. The same figures for GFT are 54.8 percent and 16.1 percent, respectively. Limited value loss in the 2-degree scenario together with a high proportion of companies with clear goals and strategies for reducing greenhouse gases indicates that Folketrygdfondet's strategy for handling climate risk in portfolios through ownership and creditor practices and portfolio adjustments is robust. 	<p>Annual report (NOR) pp. 65-68 "Climate-related Stress Tests"</p>
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Risk management

<p>a) Describe Folketrygdfondet's process for identifying and assessing climate risk.</p>	<ul style="list-style-type: none"> • Climate risk is an integrated part of Folketrygdfondet and investment management's risk control. We analyse, identify, and assess climate risk in all companies in the investment portfolio. All risks related to sustainability are considered in this process, including climate risk. • We measure the carbon footprint for all companies where data is available and for the entire equities portfolio, both GPFN and GFT, and stress test the portfolios for various climate-related scenarios. • Analyses include an assessment of how companies' strategy and business model impact the climate through emissions and greenhouse gases, as well as an assessment of how vulnerable the company is to climate risk. 	<p>Strategic plan, p. 13 "Climate and Nature Risk," Ownership Report, pp. 12-13 "Climate and Environment" Annual report (NOR) pp. 65-68 "Climate-related Stress Tests"</p>
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b) Describe Folketrygdfondet's process for managing climate risk.	<ul style="list-style-type: none"> • We follow up material climate risk in various ways, including direct meetings with companies, joint initiatives with other investors, and voting at companies' general meetings. • Portfolio managers are responsible for following up on material topics, including climate risk, in their investment analyses and in dialogue with the companies they monitor. In practice, this is carried out through close cooperation within the department, in line with Folketrygdfondet's team-based management model. • The dialogue Folketrygdfondet has with companies as owner and investor is an important arena for managing climate risk. To make the dialogue as effective as possible for both parties, we have created expectation documents for key topics, including climate risk. We devote considerable time and resources to ownership practices and work continuously to ensure companies are aware of our expectations. All meetings where climate risk is on the agenda are registered. • We focus on companies understanding how their operations impact the climate through greenhouse gas emissions, and to what extent business models and strategies are vulnerable to climate risk. Companies must assess which analyses and measures are necessary to identify and manage climate risk. 	Strategic plan, p. 13 "Climate and Nature Risk," Ownership Report, pp. 12-13 "Climate and Environment"
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c) Describe how processes for identifying, assessing, and managing climate risk are integrated into Folketrygdfondet's risk management systems.	<ul style="list-style-type: none"> • Processes for identifying, assessing, and managing climate risk are integrated into our team-based management model. Portfolio managers conduct analyses and risk assessments of companies, including risks related to climate. Portfolio systems measure and show the portfolio's and companies' risk. Handling climate risk and identifying necessary measures for owner follow-up are registered and followed up in a shared system for owner follow-up. • Based on analyses of companies and the portfolio, we assess whether it is necessary to adjust portfolio composition and/or owner follow-up of companies. 	Ownership Report, pp. 12-13 "Climate and Environment," Annual report (NOR) pp. 65-68 "Climate-related Stress Tests"
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Metrics and targets

a) Describe the goals Folketrygdfondet uses for assessing climate-related threats and opportunities, in line with the organisation's strategy and risk management process.	<ul style="list-style-type: none"> • Since 2013, Folketrygdfondet has conducted emission analyses of the Norwegian equities portfolio. Due to weaknesses in the emission analysis, this is only used as an indicator of climate risk, not as a goal for portfolio management. In addition to emission analyses, scenario analyses are also used to assess climate risk in the portfolio. • In our assessment of climate-related threats and opportunities as part of strategy and risk management, we analyse all companies in the portfolio to uncover their strategic opportunities regarding climate change and their vulnerability to climate risk. The goal of this process is that, through owner follow-up and portfolio adjustments, we can contribute to the highest possible returns and global net zero emissions. • MSCI's analysis tool indicates whether the investment portfolio, both in equities and fixed-income, aligns with various emission reduction plans, especially the Paris Agreement. Folketrygdfondet also stress tests the portfolio. In the annual report, we also show various measures of CO2 emissions for the portfolio and benchmark index, and development over the past year. • Folketrygdfondet is continuously developing work to identify and manage climate risk in the portfolio. 	Folketrygdfondet's expectations for companies' work with strategy, capital structure, and financial goals, and their climate risk assessments, Annual report (NOR) pp. 65-68 "Climate-related Stress Tests"
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b) Report the portfolio's "Scope 1," "Scope 2," and, if appropriate, "Scope 3" greenhouse gas emissions, as well as related risks.	<ul style="list-style-type: none"> • In an analysis of greenhouse gas emissions in the GPFN equities portfolio as of December 31, 2025, it appears that 96 percent (96 as of December 31, 2024) of companies in the portfolio report carbon emissions. For GFT, the figure as of December 31, 2025 is 81.3 percent. Relevant data on carbon emissions for the portfolio are (figures for 2024 in parentheses): <ul style="list-style-type: none"> - Scope 1+2: 3,263,548 tons (1,970,285 tons) for GPFN and 60,426 tons for GFT. - Carbon intensity per million NOK invested is 12.0 tons (8.3 tons) for GPFN and 5.1 for GFT - Weighted average per million NOK invested is 13.1 tons (11.5 tons) for GPFN and 4.7 for GFT. - Carbon intensity relative to sales for companies in the portfolio is 22.0 tons/million NOK (16.4 tons/million NOK) for GPFN and 9.6 for GFT. • The analysis of greenhouse gas emissions in the portfolio shows an increase in the past year both in total portfolio emissions and in all parameters showing carbon intensity in the portfolio. 	Annual report (NOR) pp. 65-68 "Climate-related Stress Tests"
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c) Describe the goals Folketrygdfondet uses to measure climate-related threats and opportunities, and how Folketrygdfondet has performed in relation to the goals.	<ul style="list-style-type: none"> • We work for companies in the portfolio to contribute to global net zero emissions • We will follow up in ownership and creditor practices to ensure companies help achieve global net zero emissions. Our follow-up will focus on companies understanding their own role and need to contribute to global net zero emissions. 	Folketrygdfondet's expectations for companies' work with strategy, capital structure, and financial goals, and their climate risk assessments, Annual report (NOR) pp. 65-68 "Climate-related Stress Tests"
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