

## DETAILED GUIDANCE FOR PHASE 1

The organization under focus in this case competition is The Norway Government Pension Fund Global (GPF), the largest sovereign fund in the world, managed by Norges Bank Investment Management. NBIM's approach to responsible investing is detailed in its [2014 Responsible Investment Report](#) and [climate change strategy](#). In the past 12 months, the Norwegian Ministry of Finance has received a [report](#) from an expert group on investments in coal and petroleum companies, and Norway's Standing Committee on Finance and Economic Affairs has recommended that GPF exclude "Coal power companies and mining companies which themselves, or through entities they control, base 30 percent or more of their activities on coal and/or derive 30 percent or more of their income from coal." NBIM letters to the Ministry of Finance in response to the expert group report, the committee's recommendation on coal, and environment related investment mandates can be found [here](#), [here](#) and [here](#).

Teams are required to submit a methodology outlining how they expect to achieve the key objectives:

- Minimize the carbon footprint of the fund;
- Reduce risks that might strand assets;
- Maximize returns and engagement impact with companies;
- Position the fund to thrive in and drive a world that does not exceed an average 2-degrees temperature increase.

As part of this methodology, teams must define and defend key terms including carbon footprint, stranded assets, engagement impact, and 2-degrees aligned investing, including climate solutions investments.

### **Format:**

Any submissions that do not follow the below formats will be penalized but still considered.

First Round Submissions must arrive as a Microsoft PowerPoint presentation of no more than 10 slides. The presentation can include a combination of supporting text, charts and images, but this must be included as part of 10-slide limit.

### **Requirements:**

The Phase 1 submission should contain at least the following:

- A description of the GPFG's current situation, the challenges and opportunities it is facing, and how they may impact the fund's ability to serve its mission to safeguard and build financial wealth for future generations.
- Identification of the key objectives, how they relate and why they matter.
- The team's methodology for delivering on the key objectives with a focus on the equities asset class. For the purposes of this contest, the top 100 equities owned by GPFG as of December 31, 2014, will serve as the starting point.
- A discussion of the other potential positive and negative impacts – internal and external, if any resulting from the proposal.

This case competition is about a real-life scenario. Teams are therefore encouraged to consider the feasibility of their proposal by thinking through the potential implications on and impact of the legal and political environment, social and environmental considerations, the level of technology, and financial resources and outcomes.

Teams are also encouraged to provide quantitative data to support their approach.

**Use of appendices:**

Teams may provide additional information in the form of appendices only to the extent that they support the main material presented in the body of the submission.

**Corporate Knights CleanCapitalist Portfolio Tool**

The beta version<sup>1</sup> of Corporate Knights CleanCapitalist Portfolio Tool is an online tool that can be used to determine an equity portfolio's carbon footprint, as well as exposure to "green" and fossil fuel intensive companies.

Teams can access the beta version of CleanCapitalist.com at

[https://cleancapitalist.com/shiny/CarbonFootprintAnalyzer\\_Testing/](https://cleancapitalist.com/shiny/CarbonFootprintAnalyzer_Testing/)

**user name:** ck\_sp

**password:** caringabouttomorrow

**Deadline:** November 6 (5 p.m. EST). Submission to be sent by email attachment to [mbacontest@corporateknights.com](mailto:mbacontest@corporateknights.com)

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<sup>1</sup> Please note that the clean portfolio optimisation function has some kinks which are being addressed as part of a Q.A. that will be complete by October 16. If you have any questions or suggestions regarding the Clean Capitalist tool, please e-mail [mbacontest@corporateknights.com](mailto:mbacontest@corporateknights.com) for prompt response.