



2025

Storebrand Asset Management

Climate and Nature Report

Financial year 2025

A message from the CEO



As long-term investors, we spend a great deal of time thinking about the future. One thing is becoming increasingly clear: a resilient economy also depends on both a stable climate and healthy natural systems. The challenges of climate change and nature loss are no longer separate sustainability concerns. They are investment issues that can influence economic growth, business performance, and long-term returns.

At Storebrand Asset Management, our responsibility is to help our clients navigate this changing landscape. That implies understanding how climate- and nature-related risks may affect the companies and markets we invest in, while also identifying opportunities arising from the transition to a more sustainable economy. It also means using our voice as an active owner to encourage companies to strengthen their resilience, improve transparency, and align their business models with a rapidly changing world.

Since our last assessment, we have expanded our access to nature-related data and improved data quality and coverage across portfolios. These enhancements have enabled a more sophisticated analysis of nature-related risks and opportunities, allowing us to deepen our assessment and generate more robust, decision-useful insights.

This report brings together our climate and nature-related disclosures into a single framework, reflecting our view that these issues are deeply interconnected. It also reflects our commitment to transparency. While the data, methodologies, and reporting standards continue to evolve, our direction is clear: to integrate climate and nature considerations into investment decision-making in a way that supports long-term value creation for our clients.

We do not have all the answers, and the journey ahead will require continued learning and collaboration. But we are committed to playing our part, both as an investor and as a steward of our clients' capital.

Jan Erik Saugestad
Chief Executive Officer
Storebrand Asset Management

About Storebrand Asset Management

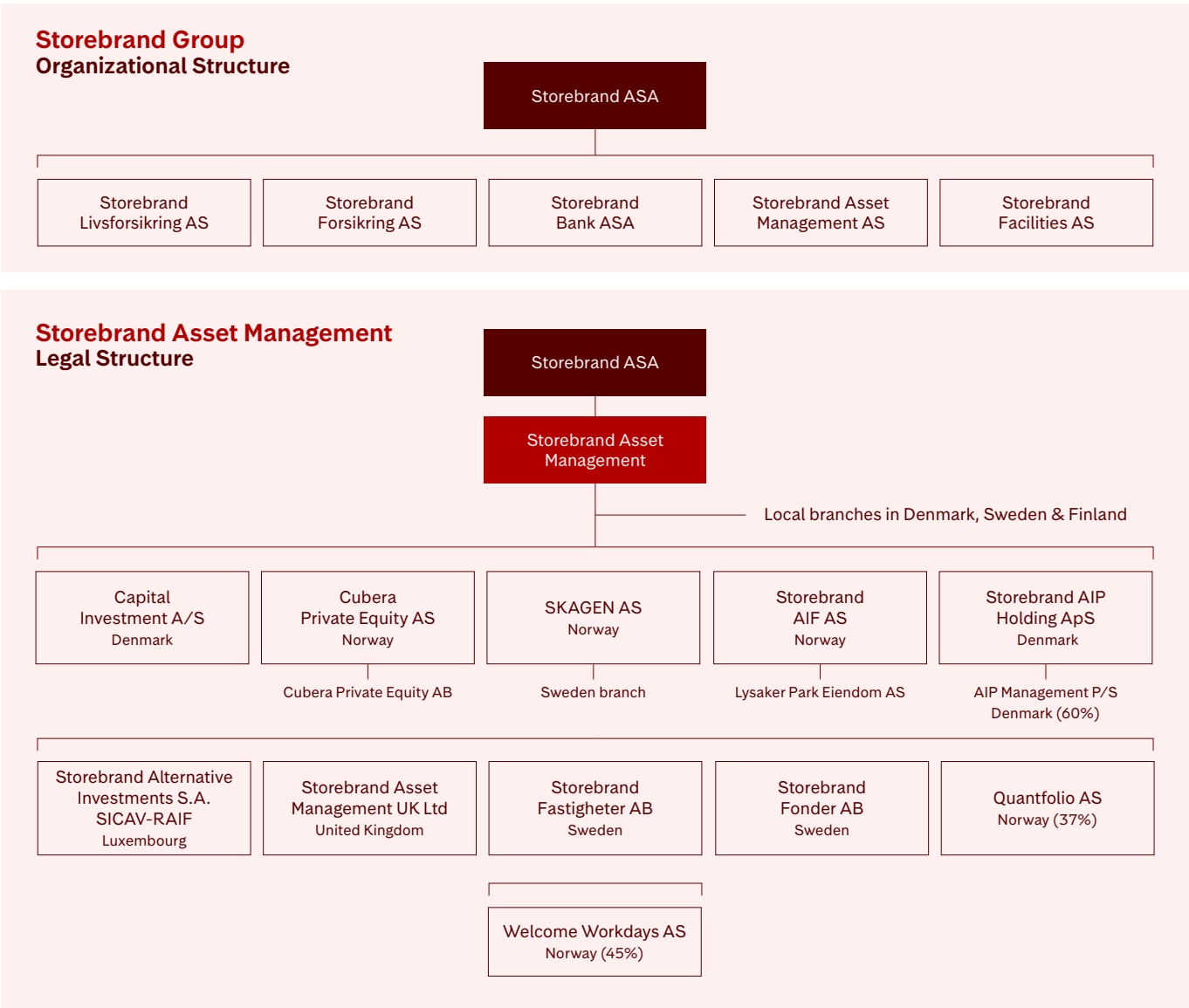
Since its inception, Storebrand Asset Management (Storebrand AM) has grown steadily, through acquiring external mandates and incorporating specialist investment managers, to form a multi-boutique asset management group. External mandates make up more than half of Storebrand AM's assets under management, and we are one of the largest private asset managers in the Nordic region with NOK 1609 billion invested in companies around the world. Storebrand AM is licensed under the Norwegian Securities Funds Act and the Alternative Investment Funds Act to

manage securities funds and alternative investment funds, and to deliver active portfolio management to clients.

A part of Storebrand Group

Storebrand AM is an operating subsidiary of Storebrand ASA (The Storebrand Group). The operations of the Storebrand Group are divided into several areas, each with a clear division of commercial responsibility. Within this structure, Storebrand AM is focused on providing asset management services, for the group itself as well as for external customers.

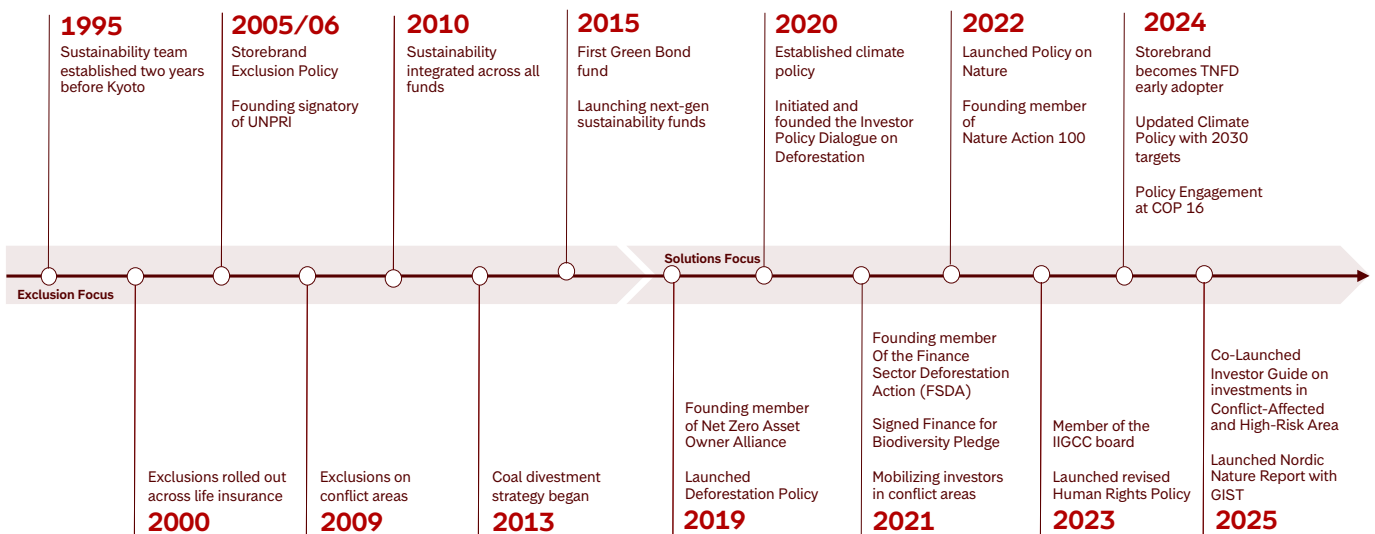
Figure 1: Legal Structure of Storebrand Group



Our journey in sustainable investment

Storebrand was an early integrator of sustainability, creating its separate sustainability team in 1995 to ensure the incorporation of long-term environmental and social sustainability principles into our practices at every step of our investment process. While our sustainability focus began with excluding companies and products harmful to society and the environment, it has evolved over time, to become more sophisticated and incorporate the consideration of ESG risks into our analyses and portfolio construction processes.

Figure 2: Storebrand AM's Sustainable Investing Journey



In addition to pioneering sustainability with some important exclusion strategies, Storebrand has demonstrated leadership in being a founding member of the UNPRI and Net Zero Asset Owner Alliance, being early to integrate sustainability across all funds under management in the Storebrand Group, launching our first green bond fund and being early to launch specific and dedicated policies on deforestation, climate change & lobbying, and nature. We are a member of the United Nations Global Compact, we follow the United Nations Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We also support the UN Human Rights Conventions and ILO Core Conventions, the UN Environment Conventions, and the UN Convention Against Corruption. As seen in Figure 2, our sustainability practice has evolved over time to fuse our solutions focus, investing to address environmental and social problems that we are facing, with an exclusion focus where necessary.

Figure 3:



Multi-boutique management offering

Leveraging our experience and expertise in managing assets from the Storebrand Group's life insurance companies, and our distinct sustainability profile, we operate a specialisation-driven, yet full-range, multi-boutique asset management concept, with a clear sustainable profile. A central pillar in how we deliver this multi-boutique offering, is our highly experienced and specialised teams, operating autonomously, focused on specific investment domains. As of the end of 2025, Storebrand AM operated under several brand names: "Storebrand Asset Management", "Delphi Fondene", "SKAGEN", "Storebrand Fonder", "Capital Investment", "Cubera" and "AIP Management".

Each of our brands operates with its own autonomous and complementary strategies, sharing common operational and technical platforms, policies and principles. This approach allows us to adapt to shifting investment markets and to our clients' investment demands and objectives.

Diverse client base

At Storebrand Asset Management, we aim to give our target client base, a highly personalised experience, with strong advisory resources, and agility at scale across a full range of investment offerings.

We serve institutional clients including pension funds and insurance companies, distributors, municipalities; private customers such as family offices, organisations and foundations; and high-net-worth investors. Of our total NOK 1609 billion of AUM, 95% is managed on behalf of institutional clients, with the remaining 5% attributable to retail clients.

Unified approach to sustainable investment

Our assets under management are managed directly by our own investment teams, with our in-house portfolio managers responsible for investment decisions across equities, fixed income, multi-asset and alternative strategies, operating within the frameworks set by our Sustainable Investment Policy and related thematic policies. We do not appoint external investment managers to manage our own funds.

All Storebrand AM entities are bound by an overall Sustainable Investment Policy, which includes a comprehensive set of sustainability principles and exclusion criteria (norm-based and product-based) that the respective entities with both conventional and alternative investments must adhere to in their investment processes and respective asset classes. All funds directly managed by Storebrand AM are covered in this report.

The scope of this report

This is our second combined Climate and Nature Report and covers the reporting year 2025. It aims to align with the structure and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD).



Contents

1. Governance	7
2. Strategy	9
2.1 Climate risks and opportunities	10
2.2 The resilience of our strategies under different climate scenarios	10
2.3 Nature impacts and dependencies	12
2.4 The LEAP approach	12
2.4.1 Key findings	12
2.4.2 Exposure to high-priority sectors (C0.0)	13
2.4.3 Sensitive locations (C0.1): Areas of biodiversity importance	14
2.4.4 Sensitive locations (C0.1): Highest-significance sites.	16
2.4.5 Sensitive locations (C0.1): Indigenous Peoples' territories.	17
2.4.6 Sensitive locations (C0.1): Ocean sensitive areas	18
2.4.7 Nature-material layer (C0.1)	19
2.4.8 Ecosystem service dependency (A6.1)	20
2.4.9 Biodiversity footprint (C5.0)	23
2.4.10 Biodiversity footprint by driver (C5.0)	23
2.4.11 Impact vs. Dependency – Top Contributors	26
2.4.12 Physical Risk Exposure: Water (A8.1)	27
2.5 Effect of climate- and nature-related risks and opportunities on Storebrand AM's policies and strategies	28
3. Risk and Impact Management	30
3.1 Solutions-driven investment	31
3.2 Screening and Exclusions.	32
3.3 Engagement and Voting.	34
3.4 Portfolio Integration	38
4. Metrics and Targets	39
4.1 Metrics used by Storebrand AM	40
4.2 Storebrand AM's targets and progress	43

01

Governance



1. Governance

Storebrand AM owns several subsidiaries, collectively forming an asset management group with total assets under management of NOK 1609 billion. Leveraging our experience and expertise in managing assets from the Storebrand Group's life insurance companies, Storebrand AM operates a multi-boutique asset management concept with a distinct sustainability profile, serving institutional clients including pension funds and insurance companies, distributors, municipalities and private customers such as family offices, organisations and foundations.

The Board of Directors of Storebrand ASA sets the overall ambitions and principles for the Group's work within sustainable finance and investments, including climate- and nature-related risks. The Board of Directors of Storebrand AM is responsible for approving the Sustainable Investment Policy and its underlying thematic policies, including for Climate (2020), Nature (2022) and Deforestation (2019). The Board is responsible for overseeing that our climate- and nature-related risks commitments are implemented, in accordance with national laws and directives and our own policies. Storebrand AM's CEO is responsible for ensuring that sufficient organisational resources, processes and controls are in place to implement the policies, and reports on progress to the Board. Storebrand AM has established an Investment Office, comprising of the CEO, CIOs, the Chief Risk Officer and the Head of Risk and Ownership. The overall purpose of the Investment Office is to ensure the best investment offering to our clients in a sustainable, regulatory compliant, and cost-efficient way, and to ensure investment activities support the group strategy. An important part of the responsibilities of the Investment Office is to coordinate and drive the implementation of Storebrand AM's transition plan.

The transition plan consists of two major components. The first is the transition of our investment portfolios to net-zero GHG emissions consistent with a 1.5C pathway by 2050. The second is the alignment of financial flows with the goals and targets of the Global Biodiversity Framework. Our transition plan already incorporates some aspects of action on nature such as deforestation. Further elements of nature, including quantitative targets, will need to be incorporated into our transition plan over time.

The Investment Office is led by the Chief Investment Officers, who are responsible for regularly reporting to the Storebrand AM management and The Board of Directors of Storebrand ASA on the progress made. They report on specific indicators and explain how the company is managing the investment-related risks and opportunities associated with these indicators. The following indicators are reported to the board twice a year:

- Progress on reduced emissions, based on the short-term targets that the company has set.
- Progress on investments in capital flows towards low-carbon, climate-resilient and solution companies and/or companies that contribute to nature-positive outcomes.
- Progress on nature-related commitments including deforestation.
- Progress on engagement with sectors that contribute heavily to climate change and/or nature loss.

Through our Human Rights policy, we are committed to respecting all internationally recognised human rights, including those set out in the International Bill of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. We are dedicated to consistently follow the United Nations Guiding Principles on Business and Human Rights and the ten principles of the United Nations Global Compact. Storebrand AM is also committed to following the OECD guidelines for Multinational Enterprises and the United Nations Principles for Responsible Investments (PRI). We engage with a broad range of stakeholders in our assessment and response to climate and nature-related risks and disclosures, including those working for, or affected by, our portfolio companies' operations, including local communities and Indigenous Peoples. We seek the input of civil society organisations, Indigenous Peoples' representatives and other stakeholders on several fronts, including due diligence, development of policies, data and expectations to companies. Our work on human rights is supervised by the Board and management in the same way as the work on climate and nature. The rights of Indigenous Peoples and local communities are also addressed in our policies on climate, nature and deforestation, including in our expectations to companies that we use as a basis for stewardship dialogue.

02

Strategy



2. Strategy

2.1 Climate risks and opportunities

Climate risk is now acknowledged as one of the greatest risks facing humanity. As an asset manager we are not only vulnerable to the systemic disruptions that climate change will unleash on ecosystems, societies, and our own portfolio companies, but also recognise that we have a key role to play in accelerating decarbonisation of the global economy and investing in climate resilience.

Storebrand AM identifies a range of climate-change related risks, including:

- **Physical Risks:** Physical risks are subdivided into acute and chronic risks. These are direct risks to company assets from climate change impacts like extreme weather events (acute) or sea-level rise (chronic), affecting portfolio company valuations.
- **Transition Risks:** Risks associated with the transition to a low-carbon economy, including changes in policy and regulation, technology, market preferences and social expectations. These can affect investee companies through carbon pricing, higher compliance costs, stranded assets, changing demand or loss of competitiveness.
- **Reputational Risks:** Risks related to public perception and customer preferences, particularly for companies not aligning with evolving climate-related norms and expectations.
- **Legal Risks:** Risks from potential litigation and legal repercussions for failing to mitigate or disclose climate change impacts and strategies.

Storebrand AM also identifies a range of climate change-related opportunities, including:

- **Investment in Low-carbon Technologies:** Opportunities in investing in renewable energy, energy efficiency technologies, and other low-carbon innovations.
- **Green Bonds and Sustainable Investments:** Opportunities in investing in green bonds and other financial instruments focused on sustainability.
- **Energy Transition Opportunities:** Investment opportunities arising from the global shift from fossil fuels to renewable energy sources.
- **Resource Efficiency and Circular Economy:** Opportunities in companies and sectors focusing on improving resource efficiency and adopting circular economy principles.
- **Sustainable Agriculture and Forestry:** Opportunities in sustainable land use, agriculture, and forestry practices that contribute to climate mitigation and adaptation.
- **Climate Change Adaptation Solutions:** Opportunities in businesses that provide solutions for adapting to climate change impacts, such as infrastructure resilience.
- **Green Building and Sustainable Real Estate:** Investment opportunities in green building initiatives and sustainable real estate developments.
- **Innovation in Climate Adaptation and Mitigation:** Opportunities to invest in innovative technologies and practices that address climate change challenges.
- **Sustainable Transportation Solutions:** Opportunities in sustainable transportation technologies and infrastructure, such as electric vehicles and public transit systems.

2.2 The resilience of our strategies under different climate scenarios

Climate change creates significant uncertainty for companies and financial markets, both related to the transition to net zero and to the physical effects of a changing climate. Storebrand AM uses scenario analysis to stress test our investment strategies against various policy and technology pathways for the transition to a low-carbon economy. This allows us to identify potential risks within our strategies, and to create a basis for discussing drivers and dynamics of climate change and how those will influence the companies we invest in.

Our scenario analysis uses the transition pathways developed by the Network for Greening the Financial System (NGFS) as a narrative foundation. These pathways provide plausible technology and policy pathways with implied changes to energy systems and land-use leading to different usage of the remaining carbon budget and hence different temperature changes over the long term. Our approach is based on selecting one baseline scenario and evaluating the relative impact of other scenarios against this baseline.

As our baseline scenario we have selected

- **Current Policies:** This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080 leading to about 3 °C of warming and severe physical risks.

This baseline is compared to the following four scenarios, which allows us to examine the impact on our investment strategies against a wide set of potential futures,

- **Net Zero 2050:** This scenario limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO₂ emissions around 2050.
- **Nationally Determined Contributions (NDCs):** This scenario includes all pledged policies even if not yet backed up by implemented effective policies.
- **Delayed Transition:** This scenario assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2 °C.
- **Below 2°C:** This scenario gradually increases the stringency of climate policies, giving a 67 % chance of limiting global warming to below 2 °C.

The scenarios are sourced from the Downscaled REMIND-MAGPIE 3.3-4.8 model.

To assess the impact of the NGFS scenarios on our investment strategies we have developed an in-house climate scenario analysis model. We chose to develop the stress test in-house instead of procuring a third-party product

because we believe that a significant part of the value from performing a scenario analysis comes from building and testing the model ourselves.

Our model quantifies the impact of each of the above NGFS scenarios on the future cash flow of the companies we invest in. This cash flow is then discounted to calculate the NPV of the scenario impacts. The company results are rolled up to the portfolio level by using the portfolio weights for each company in the portfolio to calculate a weighted average impact. The current model only considers transition risk and does not include potential upside for companies positioned to thrive under a transition to a low carbon economy. We have chosen to focus on the effects up to 2035 and 2050. This is to consider both the short-and long-term impacts of the transition pathways.

The results in the figures below show the impact under the selected NGFS scenarios on our equity portfolio. Up to 2035 the largest change in portfolio value relative to the Current Policies baseline scenario comes in the Net Zero

2050 scenario with -11.4%, while Delayed Transition, Below 2°C and NDCs are down -1.5%, -3.4% and -6.7% respectively. This is due to the bulk of the required emission reduction coming earlier than in the other scenarios for the Net Zero 2050 scenario. Looking to 2050, the impact on portfolio value under Delayed Transition, Below 2°C and NDCs increases to -5.5%, -5.0% and -8.0% respectively. The impact on portfolio value in the Net Zero 2050 scenario decreases to -10.5% but still ends as the scenario having the largest impact in 2050. This is due to the time value of early decarbonisation weighing heavier on the results than the later decarbonisations in the two other scenarios and the baseline.

Going forward, we will look to (1) integrate transition opportunities for companies standing to gain from the decarbonisation, and (2) include financial impacts of the physical risk and nature-related risks materialising in a delayed transition to a low carbon economy. This will allow for a more holistic modelling of a full set of risks and opportunities related to climate change.

Figure 4: Change in Portfolio Value - 2035

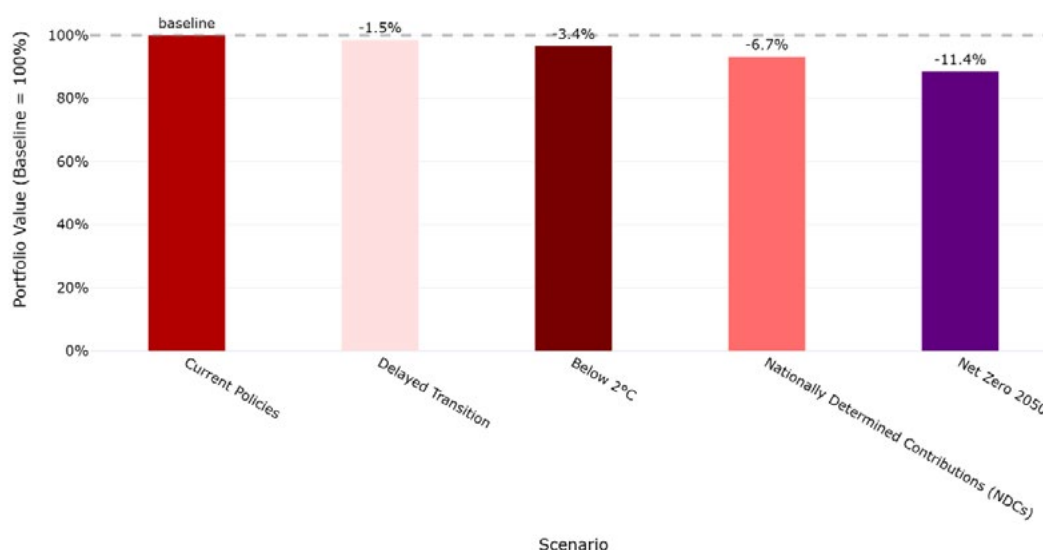
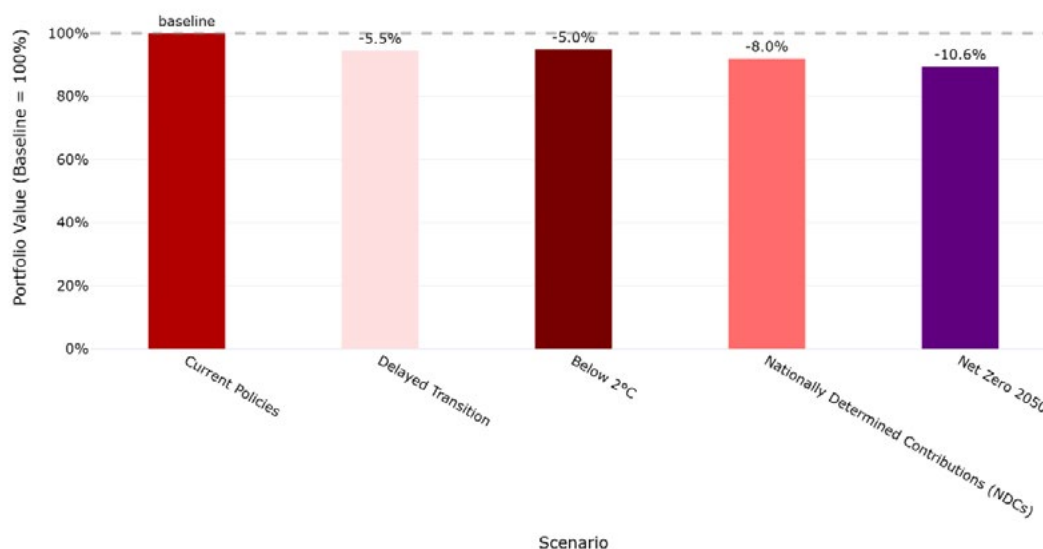


Figure 5: Change in Portfolio Value - 2050



2.3 Nature impacts and dependencies

The landmark IPBES Business and Biodiversity Assessment (2026), formally approved by over 150 member governments, establishes that biodiversity loss is a critical, systemic financial risk that threatens the global economy and market stability. The assessment bridges the gap between environmental science and corporate operations, warning that "business as usual" is completely unviable.

A central takeaway of the IPBES Business and Biodiversity Assessment is that nature dependency is not sector-specific; all businesses, regardless of size, sector, or location, rely on biodiversity. While primary sectors like agriculture, forestry, and fisheries depend directly on natural capital, all other industries – including finance, technology, and manufacturing – are indirectly dependent through their supply chains, infrastructure, operating environments or financial relationships. Consequently, the accelerating destruction of natural assets poses an unavoidable, systemic risk across our entire investment portfolio.

IPBES continues to track five primary direct drivers of this deterioration of nature:

- Land and sea use change (e.g., habitat destruction and agricultural expansion)
- Direct exploitation of species (e.g., overexploitation and unsustainable harvesting)
- Climate change
- Invasive alien species
- Pollution

2.4 The LEAP approach

The Taskforce for Nature-related Financial Disclosures (TNFD) provides a structured approach for organisations to identify, assess, manage and disclose nature-related dependencies, impacts, risks and opportunities – thereby translating broad reporting requirements into actionable processes for the integration of nature into governance, strategy, risk management and metrics. The TNFD's LEAP process provides a staged approach to Locate interactions with nature, Evaluate impacts and dependencies, and Assess risks and opportunities, before Preparing to manage and report on material findings.

How to read the metric codes in section titles.

Codes in brackets follow the TNFD disclosure-metric numbering. **C0.0 / C0.1** are the TNFD core metrics for financial institutions: exposure to priority sectors and to sensitive locations. **C-codes** are TNFD core global metrics: **C5.0** covers the state of nature (species extinction risk, shown here as the biodiversity footprint). **A-codes** are TNFD additional metrics reported beyond the core set: **A6.1** is dependency on ecosystem services and **A8.1** is physical-risk exposure by hazard.

In Storebrand AM's first integrated Climate and Nature Report (2024), we showed how data and analytics were used in the LEAP assessment process, in line with the recommendations from TNFD. The process also identified shortcomings and gaps, including access to relevant and high-quality nature-related data. Perhaps most critically, we did not at the time have access to portfolio-wide data on companies' asset locations, which is fundamental to understand how companies may impact and be impacted by the natural conditions and ecosystem services in the locations where they operate. To improve our ability to assess the impacts and dependencies of our investment portfolio on nature, we have partnered with GIST Impact, whose globally recognised expertise and science-based datasets are setting a new standard for how investors can assess biodiversity and natural capital.

As a result, we are now able to disclose a much more comprehensive overview of the impacts and dependencies on nature, based on GIST Impact's modelling frameworks and data sets, including, crucially, companies' asset locations.

2.4.1 Key findings

An integrated Locate, Evaluate, Assess, Prepare (LEAP) assessment of Storebrand AM's listed equity and corporate bonds portfolio was carried out by GIST Impact, and compared to the MSCI ACWI benchmark. The headline results are summarised below, followed by a detailed presentation of findings.

ASSETS UNDER MANAGEMENT, NOK BILLION:

~19.6 %

of portfolio value sits in TNFD priority sectors vs. ~31% for the benchmark: a Low relative exposure

LOCATE · SENSITIVE LOCATIONS (C0.1)

~16.5 %

of portfolio investment is linked to assets near WDPA protected areas (4.8% near KBAs)

EVALUATE · DEPENDENCIES (A6.1)

50 vs. 58

weighted ecosystem-service dependency score vs. benchmark: a Low relative dependency, led by water services

EVALUATE · IMPACTS (C5.0)

~1,716 m²

biodiversity footprint (LCE per USD m invested) vs. ~2,140 m² for the benchmark: a Low relative impact

ASSESS · WATER RISK (A8.1)

11.30 %

of portfolio value is in companies with High or Very High water risk on nature-material locations; of which Manufacturing accounts for 33%

Key results

- **Manufacturing stands out:** it accounts for 15.5 of the 19.6 percentage points of priority-sector exposure; it has the largest share of portfolio investment linked to assets near WDPA protected areas (6.5%) and KBAs (1.7%); it drives ~63% of the footprint from GHG emissions and ~80% of waste generation.
- **The biodiversity footprint is below the benchmark and concentrated:** at ~1,716 m² LCE per USD m invested it is ~20% lower than the benchmark (~2,140 m²). Holding the 2025 portfolio constant, it has also been below the benchmark in every year since 2021. Manufacturing contributes ~55% (chemicals and basic metals together ~34%), while Agriculture, only 0.36% of covered weight, adds ~13%, mainly through land use.
- **Water is the unifying risk channel:** Water Regulation, Water Purification and Water Supply are the most widely elevated dependencies (all High for Manufacturing). 11.30% of portfolio value is invested in companies with High or Very High water risk on their nature-material locations; Manufacturing (33%), Finance & Insurance (25%) and IT & Telecommunication (21%) account for most of it.
- **Sensitive locations:** 16.46% of portfolio investment is linked to assets near WDPA protected areas and 4.79% to assets near KBAs. 10,260 assets sit near strict IUCN la reserves and 7,269 sit near the highest-significance KBAs (criteria A1a/E). The portfolio has a 5.99% exposure to Marine Protected Areas.

- **Nature materiality sharpens the picture:** 16% of the portfolio's assets carry nature-material assets. On these, the portfolio scores Medium on areas of biodiversity importance (AoBI 0.48), Indigenous Peoples' and local communities' lands (IPLC 0.010) and ocean-sensitive areas (OSA 0.039). Manufacturing holds about half of the nature-material assets and scores High on AoBI (0.60); Transport & Storage is High on all three layers and Mining on IPLC and OSA.

2.4.2 Exposure to high-priority sectors (C0.0)

The TNFD recommends that financial institutions disclose (metric C0.0) their portfolio exposure to a defined set of sectors considered to have high material nature-related dependencies and impacts. GIST Impact evaluates this metric using the NACE Rev. 2.1 classification at Level 4, which provides granular, activity-level data across sectors. The methodology accounts for all relevant business segments in which a company operates. These business segments are identified based on available disclosures and assessed for their material contribution to the company's revenues or operational significance, where applicable. Each identified business segment is classified according to its corresponding NACE Level 4 code. These codes are then mapped to the TNFD's list of high priority sectors, enabling a comprehensive assessment of the portfolio's exposure to sectors with heightened nature-related risks.

Figure 6: Exposure to TNFD priority sectors, portfolio vs. benchmark

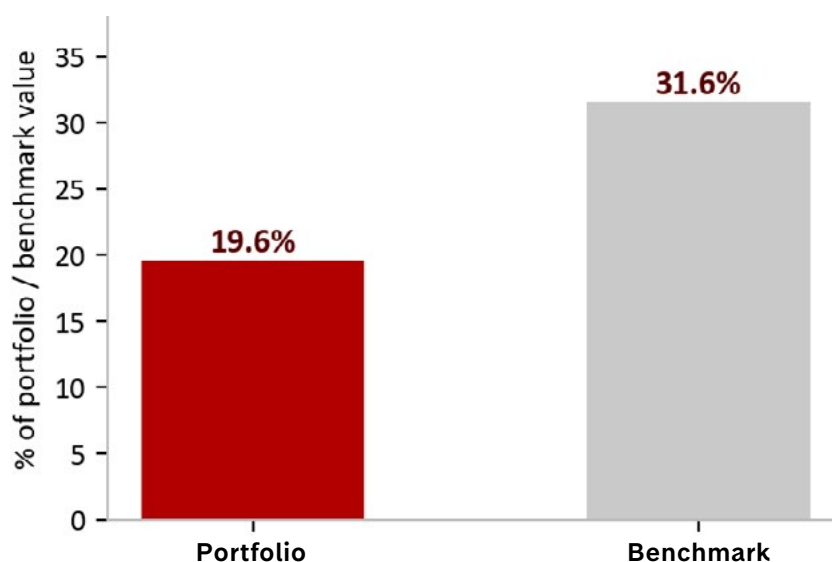
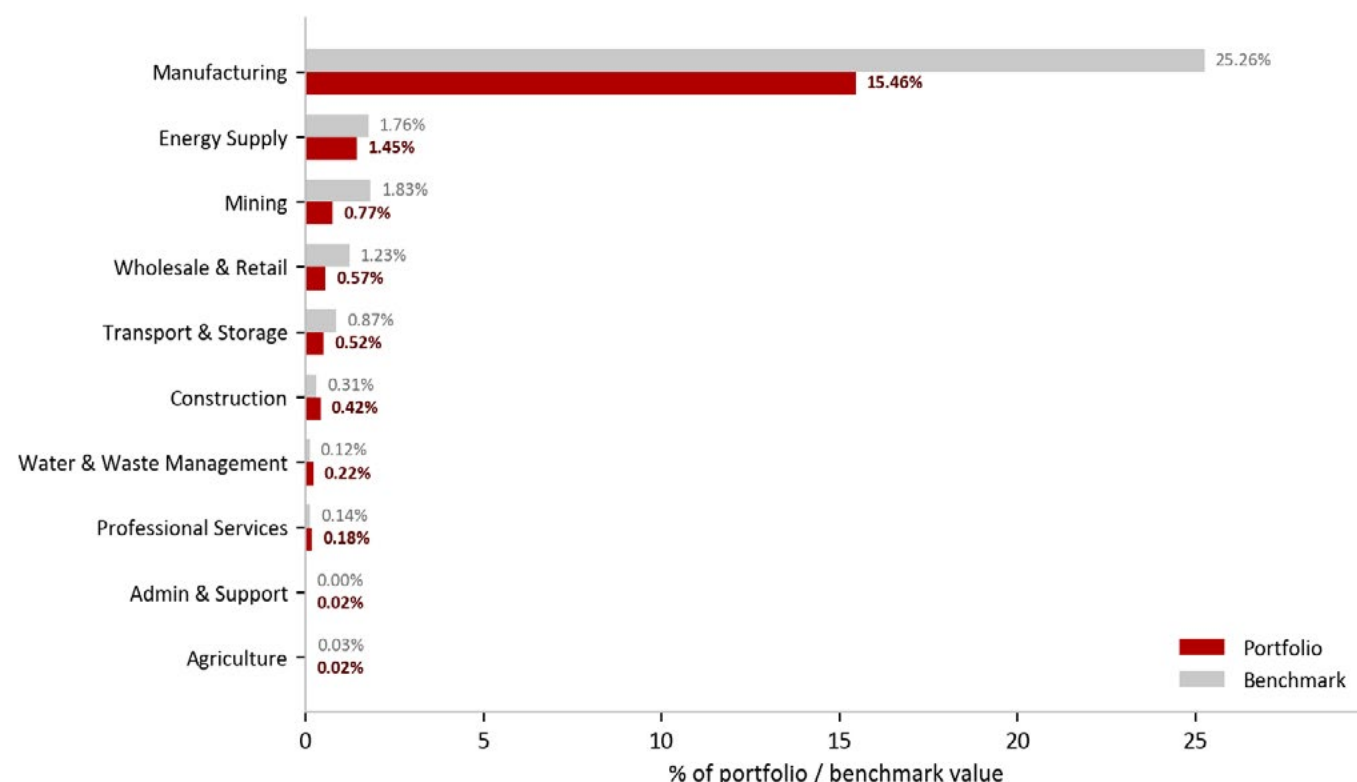


Figure 7: Exposure to TNFD priority sectors by sector (10 priority sectors; bars add up to the 19.63% total)



Key results

19.63% of portfolio value sits in 10 of the 11 TNFD priority sectors shown, vs. 31.56% for the MSCI ACWI benchmark, a Low relative exposure. The other 80.37% of the portfolio is in non-priority sectors, so each bar is a share of the whole portfolio.

Manufacturing contributes 15.46 of the 19.63 percentage points (~79%; benchmark 25.26%). The other nine sectors add 4.17 points together: Energy Supply 1.45%, Mining 0.77%, Wholesale & Retail 0.57%, Transport & Storage 0.52%, Construction 0.42%, Water & Waste Management 0.22%, Professional Services 0.18%, Admin & Support 0.02% and Agriculture 0.02%.

The portfolio is slightly above the benchmark only in Construction (0.42% vs. 0.31%), Professional Services (0.18% vs. 0.14%), Water & Waste Management (0.22% vs. 0.12%) and Admin & Support (0.02% vs. 0%). The largest underweights are Mining (0.77% vs. 1.83%), Wholesale & Retail (0.57% vs. 1.23%) and Transport & Storage (0.52% vs. 0.87%).

2.4.3 Sensitive locations (C0.1): Areas of biodiversity importance

Exposure to sensitive locations is assessed through a multilayered, asset-level geospatial analysis of companies' operational proximity to:

- **Areas of biodiversity importance** — Key Biodiversity Areas (KBAs) and protected areas in the World Database on Protected Areas (WDPA), using 1 km fixed buffers, and IUCN Red List threatened-species ranges, using a 50 km buffer;
- **Indigenous Peoples' and local communities' (IPLC) territories** (1 km buffer); and
- **Marine Protected Areas** (1 km buffer).

Asset data coverage represents 90.53% of the portfolio market value, based on the portfolio weights of covered constituent companies.

Areas of Biodiversity Importance (AoBI)

GIST Impact assesses proximity to areas of biodiversity importance in partnership with the Integrated Biodiversity Assessment Tool (IBAT), combining geospatial layers from the IBAT coalition: BirdLife International, Conservation International, IUCN and UNEP-WCMC, with fixed buffers around individual sites.

Table 1: Exposure to areas of biodiversity importance (KBA, WDPA, IUCN Red List), by sector

NACE sector	Weight (%)	Assets assessed	Assets near KBAs	Assets near WDPAs	Assets in CR species range	Assets in EN species range	Assets in VU species range	Exposure to KBAs (%)	Exposure to WDPAs (%)
Admin & Support	0.60%	41,487	1,992	10,035	40,164	41,488	41,490	0.03%	0.15%
Agriculture	0.42%	3,084	172	434	2,936	3,136	3,137	0.02%	0.06%
Arts & Recreation	0.04%	2,792	185	662	2,711	2,793	2,793	0.00%	0.01%
Construction	1.00%	33,492	2,619	8,225	33,102	33,492	33,495	0.08%	0.25%
Education	0.02%	2,730	128	517	2,700	2,730	2,730	0.00%	0.00%
Energy Supply	1.78%	34,801	2,723	7,631	33,591	34,874	34,933	0.14%	0.39%
Finance & Insurance	32.27%	632,892	30,961	72,278	621,292	632,798	633,173	1.58%	3.69%
Healthcare & Social Work	0.35%	44,634	1,112	8,512	42,522	44,660	44,660	0.01%	0.07%
Hospitality	0.49%	76,930	2,949	12,863	75,307	76,939	76,940	0.02%	0.08%
IT & Telecommunication	9.68%	97,546	4,281	20,874	94,366	97,730	97,738	0.42%	2.07%
Manufacturing	28.66%	409,772	24,022	93,352	402,945	412,021	412,062	1.68%	6.53%
Media & Publishing	0.93%	7,257	271	1,635	7,214	7,263	7,263	0.03%	0.21%
Mining	1.34%	11,197	843	1,886	10,174	11,479	11,495	0.10%	0.23%
Professional Services	0.40%	26,030	1,332	5,327	25,096	26,034	26,035	0.02%	0.08%
Real Estate	4.09%	77,401	3,036	17,220	75,655	77,407	77,407	0.16%	0.91%
Transport & Storage	2.32%	71,852	5,610	19,410	69,906	71,964	71,966	0.18%	0.63%
Unmapped	0.00%	46	2	6	44	46	46	0.00%	0.00%
Water & Waste Management	0.88%	10,215	394	1,543	9,904	10,391	10,391	0.03%	0.13%
Wholesale & Retail	5.26%	266,278	13,692	50,122	254,322	266,364	266,451	0.27%	0.99%
Total	90.53%	1,850,436	96,324	332,532	1,803,951	1,853,609	1,854,205	4.79%	16.46%

Legend: KBA: Key Biodiversity Area. WDPA: World Database on Protected Areas. CR: Critically Endangered species. EN: Endangered species. VU: Vulnerable species.

Key results

Manufacturing (28.66% weight) is the most exposed sector: 6.53% of portfolio investment is linked to its assets near WDPA protected areas and 1.68% to assets near KBAs; Finance & Insurance (32.27% weight) follows at 3.69% and 1.58%.

In total, 4.79% of portfolio investment is linked to KBA-proximate assets and 16.46% to WDPA-proximate assets (coverage 90.53%). The two largest sectors account for ~68% and ~62% of these totals; IT & Telecommunication (2.07%) is the only other sector above 1% for WDPAs.

2.4.4 Sensitive locations (C0.1): Highest-significance sites

Highest-significance sites: WDPa Category Ia & KBA (A1a / E)

This deep dive isolates the most significant sites in each layer: protected areas in IUCN Category Ia (Strict Nature Reserve), the strictest protection class, and Key Biodiversity Areas triggered under criterion A1a (a significant share of the global population of a Critically Endangered or Endangered species) or criterion E (very high irreplaceability, identified by quantitative analysis).

What this shows: sectors ranked by assets near Ia reserves. The columns read left to right: the companies owning exposed assets, the exposed assets, and the distinct sites affected, first for WDPa Ia and then for KBAs (A1a/E). The last column shows Ia-exposed assets that also overlap Indigenous lands.

Table 2: Exposure to IUCN Category Ia reserves and KBAs (criteria A1a / E), by sector

NACE sector	Companies	Unique WDPa Ia sites	WDPa Ia exposed assets	Unique KBAs (A1a/E)	KBA A1a/E exposed assets	Ia assets on Indigenous land
Wholesale & Retail	118	507	1,958	109	1,232	14
Manufacturing	409	472	1,915	168	1,163	23
Finance & Insurance	237	374	1,783	179	2,640	84
Real Estate	65	125	999	30	102	3
Construction	28	198	668	43	259	6
IT & Telecommunication	90	144	532	56	335	0
Admin & Support	25	193	483	31	145	0
Healthcare & Social Work	17	227	400	27	65	2
Hospitality	22	151	358	40	137	3
Transport & Storage	50	85	301	70	314	9
Energy Supply	32	100	246	57	377	2
Mining	20	36	235	14	225	1
Professional Services	22	85	175	44	145	1
Education	2	49	84	6	9	0
Agriculture	5	27	39	5	6	0
Water & Waste Management	8	20	30	35	73	0
Arts & Recreation	2	30	29	11	37	1
Media & Publishing	7	19	25	4	5	0
Total	1,159		10,260		7,269	149

Key results

IUCN Ia: Wholesale & Retail (1,958 exposed assets), Manufacturing (1,915) and Finance & Insurance (1,783) account for ~55% of the 10,260 assets near Ia reserves. Real Estate is the most clustered (999 assets on 125 reserves).

KBA A1a/E: exposure is more concentrated. Finance & Insurance accounts for 2,640 of 7,269 exposed assets (~36%), reflecting its office and branch network; with Wholesale & Retail (1,232) and Manufacturing (1,163), the three make up ~69%. Of the 149 Ia-exposed assets on Indigenous land, 84 are Finance & Insurance.

Priority sectors: Manufacturing exposure is spread across 409 companies, 472 Ia reserves and 168 KBAs. Mining is concentrated, with 225 KBA-exposed assets on only 14 KBAs from 20 companies.

2.4.5 Sensitive locations (C0.1): Indigenous Peoples' territories

TNFD identifies locations that are important for biodiversity and for the benefits nature provides to Indigenous Peoples, Local Communities and other affected stakeholders as sensitive locations. Assets are counted as exposed when they fall within, or within a 1 km buffer of, a mapped Indigenous Peoples' and Local Communities' (IPLC) territory. IPLC territories are lands collectively held or used by Indigenous Peoples and Local Communities, as mapped in LandMark: The Global Platform of Indigenous and Community Lands. The analysis includes both Indigenous Peoples' lands and territories and local community lands, regardless of legal status, covering lands formally acknowledged by government as well as those that are not, such as lands held under customary tenure or subject to a pending land claim.

What this shows: exposed sectors, ranked by the number of assets located within or overlapping IPLC lands ('Exposed Assets'). 'Distinct Indigenous Communities' is the number of unique communities affected, and the last column gives selected examples of communities that may be affected.

Table 3: Indigenous communities in proximity to company assets, by sector

NACE sector	Exposed assets	Distinct Indigenous communities (1 km)	Example communities
Finance & Insurance	7,529	4,619	Cañada que desde el barrio de Tetu; Vereda de los Barros; Colada Real de las Merinas
Manufacturing	6,210	4,221	Community Forest Lands - Maharashtra; Cañada que desde el barrio de Tetu; Cordel del Camino de la Cuerda
Wholesale & Retail	3,144	2,953	Town Moor; Community Forest Lands - Maharashtra; Agua Caliente
Energy Supply	3,022	2,333	Vereda del Quinto; Vereda de los LeSeros; Cordel del Arroyo Abroeigal
Transport & Storage	1,183	1,058	Osage; Cañada que desde el barrio de Tetu; Cordel del Arroyo Abroeigal
IT & Telecommunication	669	500	Cañada que desde el barrio de Tetu; Lot 1 Deposited Plan 19624; Lot 2 Deposited Plan 19624
Hospitality	532	551	Agua Caliente; Boundary Road Recreation Ground; Horsell Common
Real Estate	374	692	Town Moor; Booker Common; Part of Booker Common
Professional Services	361	412	Cañada que desde el barrio de Tetu; Upper Woodcote Green; Woodcote Green
Healthcare & Social Work	281	325	Agua Caliente; Lytton; Reno-Sparks
Construction	266	510	Bienes de Carácter Comunal - Valle de Egüés / Eguesibar; Cañada Real del Bodegon de Las Cañas O De Cordoba a Sevilla; Cañada del Juncal
Admin & Support	238	213	Danggan Balun (Five Rivers) People; Bedminster Down; Highridge Green
Mining	77	81	Colada del Arroyo de Pozuelo; Vereda de Canillejas y de Santiago, también denominado Vereda de Santiago o del Camino de la Cuerda; Vereda del Camino de la Cuerda o de Santiago
Media & Publishing	70	48	Acton Green; Public footpath alongside no. 3 St Mary's Grove, Chiswick, W.4; Turnham Green Common
Water & Waste Management	52	43	Puyallup; Bedminster Down; Highridge Green
Arts & Recreation	50	83	Lot 1 Deposited Plan 19624; Lot 1-2 Deposited Plan 19627; Lot 2 Deposited Plan 19624
Agriculture	37	107	Lot 1 Deposited Plan 19624; Lot 1-2 Deposited Plan 19627; Lot 2 Deposited Plan 19624
Education	11	26	Cordel de Valdeloshielos; Cordel de las Carreteras de Miraflores y Madrid; Cañada Real de Poco Aceite

Key results

Finance & Insurance (7,529 exposed assets; 4,619 distinct communities) and Manufacturing (6,210; 4,221) account for ~57% of the 24,106 assets overlapping Indigenous areas. For Finance & Insurance this again reflects its large office and branch network rather than operations on Indigenous land. Some example entries are registered commons or land parcels; community-level verification is needed for context.

2.4.6 Sensitive locations (C0.1): Ocean sensitive areas

This analysis measures the proximity of companies' physical assets to sensitive marine ecosystems and protected ocean areas. Marine Protected Areas (MPAs) are legally designated ocean zones where activities such as fishing, extraction, anchoring and construction are regulated or prohibited to conserve marine life and habitats. Company-level metrics aggregate the asset-level indicators across each company's full asset base, and are then rolled up to sector level for the portfolio and benchmark.

What this shows: for each sector, the exposure of assets located in or near MPAs with a buffer of 1 km for the portfolio.

Table 4: Exposure to Marine Protected Areas (1 km buffer), by sector

NACE sector	Weight (%)	Total assets assessed	Assets within 1 km of an MPA	Exposure to MPAs (%)
Finance & Insurance	32.27%	632,964	42,350	2.16%
Manufacturing	28.66%	410,377	21,598	1.51%
IT & Telecommunication	9.68%	97,818	7,918	0.78%
Wholesale & Retail	5.26%	266,466	18,349	0.36%
Real Estate	4.09%	76,926	5,479	0.29%
Energy Supply	1.78%	34,391	4,314	0.22%
Transport & Storage	2.34%	72,243	5,853	0.19%
Mining	1.34%	10,993	763	0.09%
Media & Publishing	0.93%	7,267	663	0.09%
Construction	1.00%	33,523	2,523	0.07%
Water & Waste Management	0.88%	10,393	488	0.04%
Professional Services	0.40%	26,029	2,564	0.04%
Admin & Support	0.58%	41,227	2,609	0.04%
Hospitality	0.49%	76,945	5,445	0.04%
Agriculture	0.42%	2,966	212	0.03%
Healthcare & Social Work	0.35%	44,671	3,491	0.03%
Arts & Recreation	0.04%	2,793	413	0.01%
Education	0.02%	2,730	155	0.00%
Total	90.53%	1,850,722	125,187	5.99%

Key results

5.99% of portfolio investment is linked to assets within 1 km of a Marine Protected Area; 125,187 of 1,850,722 assessed assets (6.8%) are MPA-proximate. Finance & Insurance (2.16%) and Manufacturing (1.51%) account for maximum contribution to this exposure, followed by IT & Telecommunication, largely a reflection of their portfolio weight. Relative to weight, Energy Supply stands out: 12.5% of its weight is linked to MPA-proximate assets; Arts & Recreation (14.8%) is higher still but immaterial at 0.04% weight.

2.4.7 Nature-material layer (CO.1)

Nature-material layer: the screens above count every asset near a sensitive location, including offices, branches and other low-impact sites. In line with the TNFD distinction between sensitive and material locations, this layer keeps only nature-material assets: assets whose economic activity, identified from its business (SIC) code and mapped to ENCORE, carries a High or Very High pressure rating on the layer concerned. The threshold is applied layer by layer, so the same site can be nature-material for AoBI and not for ocean areas.

Each nature-material asset is scored from 0 to 1 by combining the sensitivity of the nearby site, the asset's proximity to it (inside the sensitive area or nearby) and the pressure its activity puts on nature; the weaker of sensitivity and pressure sets the band. Assets at one location are treated as one place, the company score is the average over its nature-material places, and it is multiplied by an impact discount (0.25 to 1) reflecting the company's absolute impact on nature. Companies with no qualifying asset score 0.

What this shows: for each sector, the share of assets that are nature-material and the nature-material score and band for AoBI (KBA, WDPa, IUCN Red List), IPLC lands and Ocean Sensitive Areas (OSA). Higher scores mean that more high-pressure operations sit in or near more sensitive locations.

Table 5: Nature-material sensitive-location scores and bands, by sector

NACE sector	Weight (%)	Total assets	Nature-material assets	Material share (%)	AoBI score	IPLC score	OSA score
Finance & Insurance	32.77%	632,892	18,353	2.90%	0.34 (L)	0.005 (L)	0.037 (M)
Manufacturing	28.70%	409,772	153,053	37.35%	0.60 (H)	0.015 (M)	0.033 (M)
IT & Telecommunication	9.73%	97,582	6,457	6.62%	0.49 (M)	0.005 (L)	0.039 (M)
Wholesale & Retail	5.30%	266,278	22,355	8.40%	0.60 (M)	0.016 (M)	0.046 (H)
Real Estate	4.19%	77,401	5,220	6.74%	0.36 (L)	0.001 (L)	0.031 (M)
Transport & Storage	2.41%	71,852	43,630	60.72%	0.66 (H)	0.022 (H)	0.060 (H)
Energy Supply	1.91%	34,801	8,709	25.03%	0.48 (M)	0.009 (L)	0.044 (H)
Mining	1.35%	11,197	7,397	66.06%	0.59 (M)	0.050 (H)	0.107 (H)
Construction	1.00%	33,492	14,500	43.29%	0.65 (H)	0.012 (M)	0.047 (H)
Media & Publishing	0.91%	7,221	1,496	20.72%	0.38 (L)	0.000 (L)	0.111 (H)
Water & Waste Management	0.88%	10,215	7,680	75.18%	0.50 (M)	0.024 (H)	0.020 (M)
Admin & Support	0.64%	41,487	2,587	6.24%	0.47 (M)	0.011 (M)	0.042 (H)
Hospitality	0.50%	76,930	1,666	2.17%	0.51 (M)	0.014 (M)	0.051 (H)
Agriculture	0.42%	3,084	2,165	70.20%	0.62 (H)	0.005 (L)	0.110 (H)
Professional Services	0.40%	26,030	1,615	6.20%	0.41 (M)	0.019 (M)	0.042 (H)
Healthcare & Social Work	0.35%	44,634	1,431	3.21%	0.47 (M)	0.014 (M)	0.023 (M)
Arts & Recreation	0.04%	2,792	821	29.41%	0.62 (H)	0.013 (M)	0.012 (L)
Education	0.02%	2,730	161	5.90%	0.49 (M)	0.004 (L)	0.018 (L)
Portfolio (weighted avg.)	91.52%	1,850,390	299,296	16.2%	0.48 (M)	0.010 (M)	0.039 (M)

Key results

Nature-materiality filter: 299,296 of 1,850,390 assets (16%) are considered high nature-material assets. High-pressure sectors keep most of their assets (Water & Waste Management 75%, Agriculture 70%, Mining 66%, Transport & Storage 61%, Manufacturing 37%), while service sectors keep very few (Finance & Insurance 3%, Hospitality 2%). Manufacturing holds 51% of all nature-material assets.

AoBI scores: the portfolio averages 0.48 (Medium). Transport & Storage (0.66), Construction (0.65), Agriculture (0.62) and Manufacturing (0.60) are High, so 32.6% of portfolio weight sits in High-band sectors, with Wholesale & Retail (0.598) just below the cut; Finance & Insurance (0.34), Real Estate (0.36) and Media & Publishing (0.38) are Low.

IPLC scores: the portfolio averages 0.010 (Medium). Mining (0.050), Water & Waste Management (0.024) and Transport & Storage (0.022) are High (4.6% of weight); Manufacturing and Wholesale & Retail are Medium; Finance & Insurance, IT & Telecommunication and Real Estate are Low.

OSA scores: the portfolio averages 0.039 (Medium, just below the High cut of 0.04). 10 sectors (14.8% of weight) are High, led by Media & Publishing (0.111), Agriculture (0.110) and Mining (0.107). Transport & Storage is High on all three layers and Mining on IPLC and OSA.

2.4.8 Ecosystem service dependency (A6.1)

Dependency on ecosystem services is the reliance of business activities on services provided by nature. Using the ENCORE methodology, GIST Impact rates each company's dependency on 25 ecosystem services (ESS) from Very Low to Very High. Rather than applying a sector-average lookup, each company's business segments are mapped to NACE Rev. 2.1 Level 4 activities and weighted by revenue share.

How the score is calculated and read: each company's ratings across the 25 ESS (0 = no dependency to 5 = Very High) are combined into a company dependency score. The portfolio Aggregate Weighted Dependency Score is the portfolio-weighted average of those company scores. A higher score means greater reliance on nature, and therefore more financial exposure if ecosystem services are disrupted. There is no absolute pass mark: the score is read against the benchmark, and a result below it is rated a Low relative dependency.

What this shows: a materiality heatmap of each sector's dependency on each ecosystem service (provisioning, regulating & maintenance, cultural). One important caveat is that ENCORE assesses financial institutions solely based on direct operations (i.e., office buildings), not on their financed, insured, or invested assets. ENCORE links only 7 of 25 services to financial institutions' direct assets, all rated Very Low or Low. A low score reflects measurement scope limits rather than low exposure. Per TNFD guidance, these dependencies should be captured by looking through to financed and insured portfolios. This is an ambition for future iterations of the analysis, depending on data availability.



Table 6: Dependencies on ecosystem services, by sector (materiality heatmap)

Sector	Weight (%)	Air Filtration	Biological Control	Biomass Provisioning	Education, Scientific & Research	Flood Mitigation	Genetic Material	Global Climate Regulation	Local (Micro & Meso) Climate Regulation	Noise Attenuation	Nursery Population & Habitat Maintenance	Other Provisioning – Animal-based Energy	Other Regulating – Dilution by Atmosphere & Ecosystems
Finance & Insurance	30.37%	VL	VL	-	VL	VL	-	VL	L	VL	-	VL	VL
Manufacturing	28.54%	L	L	L	M	M	M	L	L	VL	VL	L	L
Real Estate	3.19%	VL	VL	VL	L	L	-	L	L	L	VL	VL	L
Wholesale & Retail	5.41%	L	VL	VL	VL	H	VL	L	L	VL	VL	VL	L
IT & Telecommunication	9.47%	L	VL	VL	VL	L	VL	VL	L	VL	VL	VL	VL
Admin & Support	0.60%	L	L	-	H	L	VL	L	L	VL	-	VL	VL
Transport & Storage	2.33%	L	L	-	M	M	-	M	L	VL	-	L	VL
Mining	1.39%	L	VL	L	L	H	VL	H	L	VL	-	L	M
Media & Publishing	0.93%	VL	VL	VL	L	VL	VL	VL	L	VL	-	VL	-
Energy Supply	1.42%	L	VL	VL	VL	M	VL	M	L	VL	-	-	L
Water & Waste Management	0.87%	M	VL	VL	VL	M	-	VL	L	VL	-	-	L
Arts & Recreation	0.04%	L	VL	L	VL	L	-	M	L	VL	VL	M	-
Construction	0.97%	VL	VL	VL	L	H	VL	M	L	VL	VL	VL	L
Healthcare & Social Work	0.36%	VL	VL	VL	M	M	VL	VL	L	VL	-	-	VL
Professional Services	0.48%	VL	L	L	M	L	M	L	L	VL	-	L	VL
Hospitality	0.50%	L	L	VL	H	L	-	M	L	L	-	L	VL
Education	0.02%	VL	VL	-	VH	M	VL	VL	L	VL	-	-	-
Others	0.06%	VL	-	-	-	M	-	M	L	VL	-	-	VL
Agriculture	0.36%	M	H	VH	L	H	M	M	H	VL	L	M	M
Public Admin & Defence	0.01%	-	VL	-	-	VL	-	VL	L	-	-	-	-

Legend: - = No dependency VL = Very Low L = Low M = Medium H = High VH = Very High

Table 6: Dependencies on ecosystem services, by sector (materiality heatmap) - Continues

Sector	Other Regulating - Mediation of Sensory Impacts	Pollution	Rainfall Pattern Regulation (Sub-continental)	Recreation-related Services	Soil & Sediment Retention	Soil Quality Regulation	Solid Waste Remediation	Spiritual, Artistic & Symbolic	Storm Mitigation	Visual Amenity	Water Flow Regulation	Water Purification	Water Supply
Finance & Insurance	VL	-	VL	-	VL	-	VL	VL	VL	VL	VL	VL	VL
Manufacturing	VL	L	L	VL	M	L	M	L	M	L	H	H	H
Real Estate	L	-	L	L	H	VL	VL	L	M	VH	L	L	L
Wholesale & Retail	VL	VL	L	H	M	VL	L	VL	H	H	H	L	M
IT & Telecommunication	VL	VL	L	VL	L	VL	VL	L	L	VL	L	L	L
Admin & Support	VL	-	L	H	L	-	VL	H	L	H	L	M	L
Transport & Storage	VL	-	M	M	M	-	VL	M	M	VH	M	L	L
Mining	L	VL	M	L	M	-	L	VL	M	L	H	M	H
Media & Publishing	VL	VL	VL	L	L	-	VL	L	L	L	L	VL	L
Energy Supply	VL	-	L	-	M	-	M	-	L	VL	H	M	H
Water & Waste Management	VL	-	H	VL	L	-	M	VL	M	VL	H	L	M
Arts & Recreation	VL	-	L	H	VL	VL	L	VH	L	VH	L	VL	L
Construction	VL	VL	VH	L	H	VL	L	VL	H	L	M	M	M
Healthcare & Social Work	VL	VL	VL	-	L	-	M	H	M	H	M	H	M
Professional Services	VL	L	L	L	L	VL	L	L	M	L	L	L	L
Hospitality	L	-	M	VH	L	-	M	VH	L	VH	L	VH	M
Education	VL	-	VL	VH	L	-	VL	VH	M	VH	L	-	VL
Others	-	-	VL	-	M	-	M	-	L	-	H	M	H
Agriculture	VL	L	VH	VL	VH	M	VH	L	H	-	H	VH	H
Public Admin & Defence	-	-	VL	-	VL	-	-	-	VL	-	L	-	L

Legend: - = No dependency VL = Very Low L = Low M = Medium H = High VH = Very High

Key results

The portfolio's weighted dependency score is 50 vs. 58 for the benchmark (~15% lower), a Low relative dependency, driven largely by Finance & Insurance, the largest-weighted sector (30.37%), which is rated Very Low on almost every ecosystem service. As noted above, the analysis of financial institutions' dependencies captures only physical assets and not financed or insured portfolios.

Water Regulation, Water Purification and Water Supply are the most widely elevated dependencies: Water Regulation is High for 7 of the 20 sectors, and all three are High for Manufacturing (28.54% weight), the main source of the portfolio's material dependency.

Agriculture has the widest spread of High/Very High ratings (biomass provisioning, rainfall pattern regulation, soil retention, solid waste remediation and water purification), followed by Construction and Mining. Energy Supply (1.42%) and Mining (1.39%) depend mainly on water.

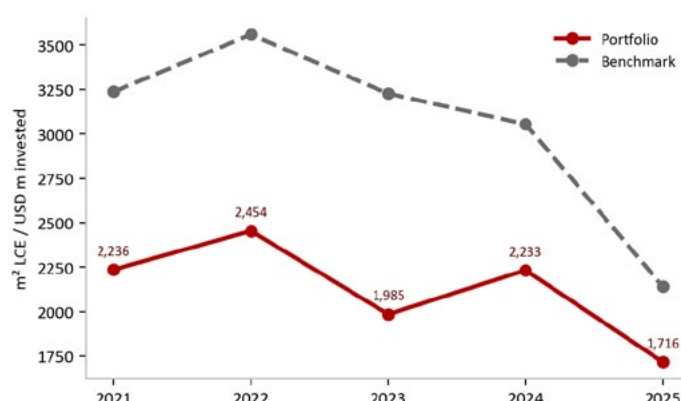
2.4.9 Biodiversity footprint (C5.0)

Biodiversity loss represents an emerging systemic risk gaining attention from institutional investors and regulators worldwide. This analysis examines the biodiversity exposure profile of Storebrand AM's portfolio relative to the MSCI ACWI as a benchmark.

GIST Impact measures the cumulative effect of the portfolio's holdings on global biodiversity stocks by quantifying potential species loss attributable to the investor's proportional share of company operations. This loss can be expressed in terms of a Potentially Disappeared Fraction of species (PDF), an academically-preferred metric derived using a robust, science-backed methodology, and can also be depicted as an equivalent area of land that would need to be converted from pristine to urban conditions to generate comparable species extinction risk. This second metric reframes the initial PDF outputs into a more intuitive expression of biodiversity pressure, and is called Land Conversion Equivalence (LCE). It is measured in square metres.

What this shows: The Biodiversity Footprint represents the total biodiversity impacts a portfolio is financing in a proportional manner to one's ownership stake. Trend in biodiversity footprint (m² LCE per USD million invested) for the portfolio and benchmark, 2021–2025 (2025 portfolio held constant).

Figure 8: Aggregate biodiversity footprint and trend, portfolio vs. benchmark (2021–2025)



Key results

The portfolio's aggregate footprint is ~1,716 m² LCE per USD million invested, vs. ~2,140 m² for the benchmark, about 20% lower, indicating a Low relative impact. What drives the level: the footprint is concentrated in a few high-intensity sectors. Manufacturing contributes ~941 m² (~55%), led by chemicals & chemical products (~294 m²) and basic metals (~286 m²). Agriculture, at 0.36% of portfolio weight, contributes ~219 m² (~13%), driven particularly by land use. Transport & Storage (~159 m²) and Mining (~136 m²) follow.

Trend: because the 2025 holdings are held constant, the trend shows how the footprint of today's holdings has evolved; the portfolio footprint has been below the benchmark in every year from 2021 to 2025, ~23% below 2021 and ~30% below the 2022 peak. The benchmark followed a similar path, down ~34% from 2021 to 2025.

2.4.10 Biodiversity footprint by driver (C5.0)

The sectoral impact heatmap provides a visual representation of biodiversity impacts across terrestrial, freshwater, and marine ecosystems, disaggregated by key environmental drivers (e.g., land use, GHG emissions, water consumption, pollutants, etc.) at the sector level. It uses the same footprint model as Figure 3, broken down by driver and realm. This analysis highlights the Manufacturing sector as a major contributor to biodiversity impacts across all three ecosystem types.

What this shows: Aggregate biodiversity impact by sector, broken down by affected realm (terrestrial, freshwater, marine) and by impact driver.

Table 7: Biodiversity footprint, breakdown by impact driver and realm, by sector

Sector	Weight (%)	Agg. impact*	Terrestrial	Fresh-water	Marine	GHG Emissions	Sulphur Oxides	Nitrogen Oxides	Water Consumption	Phosphorus Pollutants	Nitrogen Pollutants	Waste Generation	Land Use
Finance & Insurance	31.02%	9.69	0.54	0.78	0.07	0.94	0.60	0.05	0.83	1.09	0.00	0.36	0.04
Manufacturing	28.24%	941	51.03	57.74	82.81	63.11	34.21	10.24	45.31	37.61	83.65	79.57	37.06
Other manufacturing	1.07%	2.54	0.14	0.19	0.06	0.15	0.02	0.01	0.23	0.11	0.03	0.18	0.11
Chemicals & chemical products	1.79%	294	17.65	14.03	21.87	27.40	14.92	5.77	8.35	9.25	26.61	3.40	17.19
Electrical equipment	1.33%	8.54	0.47	0.66	0.23	0.68	0.06	0.09	0.54	0.37	0.04	0.96	0.10
Computer, electronic & optical products	10.20%	71.1	5.06	2.30	1.11	4.39	0.04	0.03	1.09	2.79	1.08	1.24	10.44
Basic pharmaceutical products	3.21%	5.67	0.28	0.53	0.17	0.30	0.06	0.02	0.80	0.18	0.13	0.36	0.02
Basic metals	0.87%	286	14.65	23.40	14.27	15.89	12.69	1.31	16.11	3.29	3.37	56.69	0.19
Rubber & plastic products	0.17%	3.77	0.22	0.25	0.07	0.36	0.10	0.04	0.17	0.62	0.04	0.21	0.13
Motor vehicles, trailers & semi-trailers	2.22%	21.5	1.22	1.50	0.70	2.26	0.34	0.25	0.76	0.32	0.36	2.00	0.12
Food products	1.63%	101	2.73	5.56	38.22	2.08	1.02	0.15	9.31	8.11	47.33	2.78	0.85
Machinery & equipment	2.83%	11.3	0.62	0.61	1.20	0.42	0.18	0.04	0.55	0.45	1.23	1.08	0.87
Other non-metallic mineral products	0.32%	24.7	1.51	1.61	0.22	3.09	1.59	0.78	0.89	0.09	0.08	0.74	0.21
Beverages	0.45%	9.82	0.47	0.99	0.23	0.25	0.41	0.07	1.65	0.34	0.06	0.85	0.10
Wearing apparel	0.18%	0.673	0.04	0.04	0.03	0.07	0.07	0.01	0.01	0.34	0.03	0.02	0.03
Leather & related products	0.24%	14.5	1.17	0.10	0.02	0.23	0.00	0.00	0.02	0.29	0.02	0.05	3.61
Fabricated metal products	0.48%	3.41	0.18	0.28	0.10	0.20	0.01	0.02	0.29	0.10	0.02	0.44	0.05
Other transport equipment	0.22%	0.892	0.05	0.06	0.03	0.08	0.00	0.00	0.03	0.03	0.01	0.09	0.02
Paper & paper products	0.62%	39.8	2.27	2.28	2.94	2.18	1.48	0.87	1.91	8.15	2.99	2.71	2.72
Coke & refined petroleum products	0.23%	27.7	1.59	2.14	0.16	2.88	1.21	0.78	2.34	2.71	0.14	0.23	0.23
Printing & reproduction of recorded media	0.02%	0.461	0.03	0.03	0.01	0.04	0.00	0.00	0.03	0.00	0.00	0.03	0.01
Repair, maintenance & installation	0.07%	0.0820	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.01
Wood & wood products	0.09%	14.0	0.66	1.17	1.17	0.12	0.00	0.01	0.23	0.07	0.06	5.49	0.04

Legend (share of driver/realm total contributed by sector):

<10%

10-25%

25-50%

>50%

*Agg. impact = Aggregate biodiversity impact (m² LCE / USD m invested).

Table 7: Biodiversity footprint, breakdown by impact driver and realm, by sector - Continues

Sector	Weight (%)	Agg. impact*	Terrestrial	Fresh-water	Marine	GHG Emissions	Sulphur Oxides	Nitrogen Oxides	Water Consumption	Phosphorus Pollutants	Nitrogen Pollutants	Waste Generation	Land Use
Education	0.01%	0.0410	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Professional Services	0.49%	4.52	0.25	0.29	0.27	0.51	0.66	0.10	0.20	0.89	0.33	0.04	0.02
Construction	0.85%	32.2	1.61	2.54	2.31	1.02	0.35	0.76	0.55	0.58	0.27	10.29	0.10
Hospitality	0.50%	8.35	0.38	0.74	0.74	0.35	0.09	0.02	1.02	1.29	0.74	0.73	0.05
IT & Telecommunication	9.41%	18.7	1.09	1.32	0.32	2.20	0.06	0.08	0.73	0.19	0.10	1.20	0.09
Admin & Support	0.52%	7.37	0.52	0.27	0.05	0.61	2.93	3.77	0.11	0.06	0.05	0.06	0.03
Transport & Storage	1.98%	159	11.45	5.55	0.16	15.23	55.21	82.81	0.35	0.36	0.04	0.59	0.33
Energy Supply	1.66%	69.1	3.18	7.73	0.23	2.03	0.52	0.19	15.43	0.75	0.12	0.66	0.16
Mining	1.36%	136	6.72	13.89	0.42	7.81	3.56	1.56	23.79	19.84	0.28	0.95	0.02
Wholesale & Retail	5.32%	70.4	3.56	5.30	5.57	2.67	0.80	0.32	7.67	22.19	6.29	2.76	3.69
Real Estate	3.34%	14.2	0.63	1.25	1.46	0.71	0.02	0.01	1.94	1.02	1.67	0.61	0.02
Healthcare & Social Work	0.36%	2.75	0.13	0.26	0.15	0.11	0.01	0.00	0.45	0.33	0.16	0.10	0.03
Water & Waste Management	0.47%	21.2	1.26	1.34	0.68	2.11	0.29	0.07	0.60	0.02	0.38	1.85	0.60
Agriculture	0.36%	219	17.52	0.83	4.69	0.38	0.66	0.03	0.91	13.75	5.86	0.14	57.63
Media & Publishing	0.69%	1.71	0.11	0.11	0.02	0.12	0.01	0.00	0.11	0.03	0.01	0.07	0.12
Arts & Recreation	0.04%	0.590	0.04	0.03	0.03	0.09	0.01	0.00	0.00	0.01	0.04	0.01	0.01
Others	0.06%	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Admin & Defence	0.01%	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Legend (share of driver/realm total contributed by sector):

<10%

10-25%

25-50%

>50%

*Agg. impact = Aggregate biodiversity impact (m² LCE / USD m invested).

Key results

Manufacturing is the dominant pressure hotspot. At 28.24% of covered weight it contributes ~55% of the aggregate footprint and leads almost every driver: 82.81% of marine, 57.74% of freshwater and 51.03% of terrestrial impact, 83.65% of nitrogen pollutants, 79.57% of waste generation, 63.11% of GHG emissions, 45.31% of water consumption, 37.61% of phosphorus pollutants, 37.06% of land use and 34.21% of sulphur oxides.

Agriculture shows the strongest weight–impact decoupling. At only 0.36% of covered weight it has an aggregate impact of ~219 m² LCE per USD m invested (~13% of the total) and accounts for 57.63% of land use and 17.52% of terrestrial impact, with smaller shares of phosphorus (13.75%) and nitrogen (5.86%) pollutants.

Nutrient pollution is concentrated in Manufacturing, Wholesale & Retail, Mining and Agriculture. Manufacturing drives 83.65% of nitrogen pollutants (food products 47.33%, chemicals 26.61%), while phosphorus pollutants are spread across Manufacturing (37.61%), Wholesale & Retail (22.19%), Mining (19.84%) and Agriculture (13.75%). These pressures are most relevant to eutrophication of freshwater and marine ecosystems.

Transport & Storage is the main hotspot for air-pollution drivers. With 1.98% of covered weight it accounts for 82.81% of nitrogen oxides and 55.21% of sulphur oxides, plus 15.23% of GHG emissions, consistent with fuel combustion in air and sea freight.

Water consumption hot spots outside Manufacturing: Mining (1.36% weight) contributes 23.79% of water consumption and 13.89% of freshwater impact, and Energy Supply (1.66% weight) contributes 15.43% of water consumption against only 2.03% of GHG emissions, so water use is more material than climate emissions for this sector.

Finance & Insurance (31.02%, the largest weight) contributes no more than 1.09% to any driver, so weight and impact are decoupled for this sector.

Manufacturing deep dive

Chemicals & chemical products (1.79% of covered weight) are the broadest cross-driver hotspot: 27.40% of GHG emissions, 26.61% of nitrogen pollutants, 21.87% of marine, 17.65% of terrestrial and 14.03% of freshwater impact, 17.19% of land use, 14.92% of SO_x and 9.25% of phosphorus pollutants.

Basic metals (0.87%) are the key pathway for waste, water and freshwater pressure: 56.69% of waste generation, 23.40% of freshwater impact, 16.11% of water consumption, 15.89% of GHG emissions, 14.65% of terrestrial and 14.27% of marine impact, and 12.69% of SO_x.

Food products (1.63%) drive marine and nutrient pressures: 47.33% of nitrogen pollutants and 38.22% of marine impact, alongside 9.31% of water consumption and 8.11% of phosphorus pollutants, consistent with nutrient loading from food supply chains.

2.4.11 Impact vs. Dependency – Top Contributors

It is possible to combine diverse nature and biodiversity perspectives to determine companies with the greatest opportunity for risk mitigation and engagement. One such example is a matrix mapping companies' biodiversity impact intensities with an assessment of their dependencies on ecosystem services.

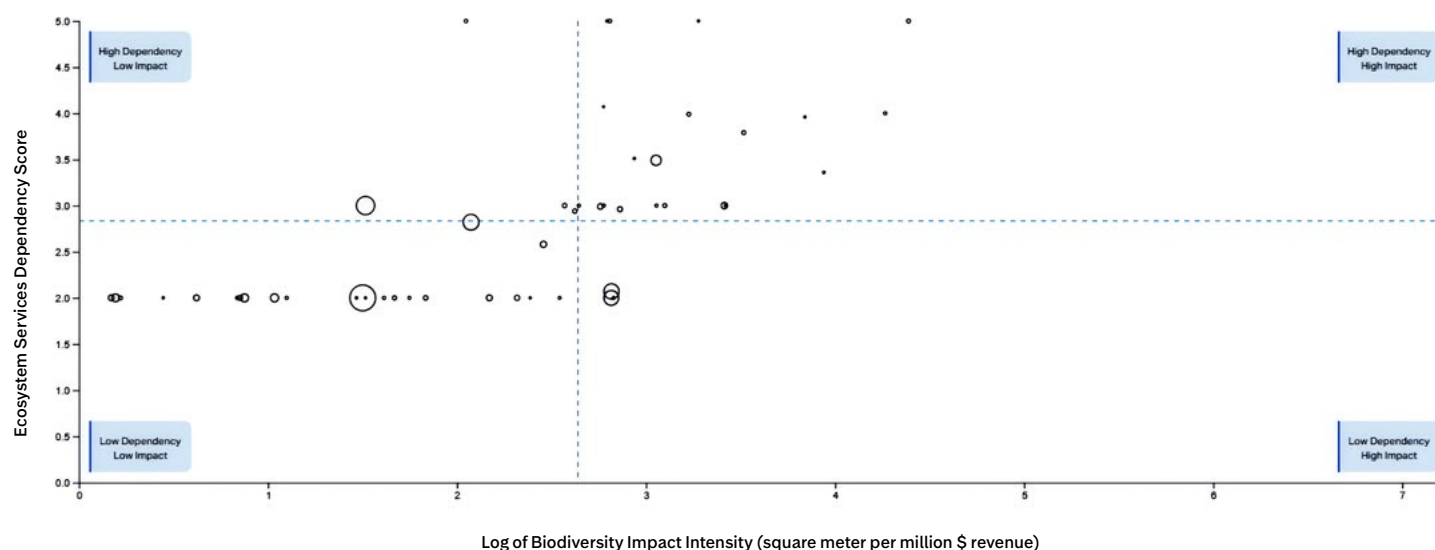
Such a matrix plots biodiversity impact intensity (LCE impacts per USD million revenue) on the X-axis against dependency scores on the Y-axis. Bubble sizes represent the weight of the companies in the portfolio. The visualisation creates four quadrants:

- Quadrant 1: companies with high impact intensities and high dependencies on ecosystem services.
- Quadrant 2: companies with low impact intensities but high dependencies on ecosystem services.
- Quadrant 3: companies with low impact intensities and low dependencies on ecosystem services.
- Quadrant 4: companies with high impact intensities but low dependencies on ecosystem services.

As such, companies in Quadrant 1 demonstrate the highest risk through both operational dependency on ecosystem services and possibly regulatory and reputational (and therefore, financial) risks owing to their high impacts on biodiversity. In the below matrix, it is notable that companies considered higher risk owing to their impact intensities and dependencies also tend to exhibit higher sensitive locations scores.

What this shows: Each bubble is one of the portfolio's top 50 holdings by weight, positioned by ecosystem-services dependency score (y-axis) and biodiversity impact intensity (x-axis, log scale), sized by portfolio weight. The holdings have been anonymized here.

Figure 9: Impact intensity vs. ecosystem services dependency (top 50 holdings by portfolio weight)



Key results

Most constituents, including the largest portfolio weights, sit in Quadrant 3 (low impact, low dependency), led by Finance & Insurance and IT & Telecommunication holdings and lower-impact manufacturers.

Quadrant 1 (high impact, high dependency) holds around a dozen smaller-weight constituents from manufacturing, mining and energy supply, with dependency scores of 3.5–5.0.

Impact intensity varies by more than six orders of magnitude while most dependency scores cluster around 2.0, so impact intensity differentiates holdings more than dependency does; Quadrant 4 names carry mainly regulatory and reputational rather than operational risk.

2.4.12 Physical Risk Exposure: Water (A8.1)

Why this metric

TNFD lists areas of high physical water risk among sensitive locations, and water is a key dependency across sectors. This analysis is a high-level overview of Storebrand AM's portfolio exposure (listed equity and corporate bonds) to water risk, using GIST Impact's Water Risk Score.

How the Water Risk score is built

Each precisely geolocated asset is assigned to its HydroBASINS level-6 river basin. Basin water sensitivity starts from structural water shortage in a 1-in-20 dry year (WRI Aqueduct), is raised where historical drought (SPEI-12) is more severe, and is adjusted for groundwater decline, upstream storage, basin ecosystem condition (Biodiversity Intactness Index) and national adaptive capacity (ND-GAIN). Activity water intensity blends the ENCORE water-use pressure and water-supply dependency ratings (0.2 to 1.0). The weaker of the two sets the asset's band, so a high score needs both a stressed basin and a water-intensive activity.

What this shows: share of portfolio value invested in companies whose Nature Material Water Risk score is High or Very High (0.45 and above). This view keeps only each company's water-intensive locations, where activity water intensity (ENCORE water-use pressure and water-supply dependency) reaches 0.6, so it reflects both pressure on and dependency on water.

Table 8: Portfolio and sector value exposed to water risk (Nature Material Water Risk score High or Very High)

NACE sector	Sector weight (%)	Exposed to water risk (% of sector)	Share of portfolio water-risk exposure (%)
Manufacturing	28.70%	3.70%	32.70%
Finance & Insurance	32.77%	2.80%	24.80%
IT & Telecommunication	9.73%	2.41%	21.30%
Wholesale & Retail	5.30%	0.64%	5.70%
Real Estate	4.19%	0.41%	3.60%
Energy Supply	1.91%	0.38%	3.40%
Mining	1.35%	0.35%	3.10%
Transport & Storage	2.41%	0.30%	2.70%
Construction	1.00%	0.11%	1.00%
Hospitality	0.50%	0.08%	0.70%
Media & Publishing	0.91%	0.04%	0.40%
Admin & Support	0.64%	0.03%	0.30%
Agriculture	0.42%	0.02%	0.20%
Healthcare & Social Work	0.35%	0.01%	0.10%
Water & Waste Management	0.88%	0.01%	0.10%
Education	0.02%	0.01%	0.10%
Total portfolio	91.52%	11.30%	100.00%

Key results

11.30% of portfolio value is invested in companies with High or Very High water risk on their nature-material locations. Manufacturing accounts for 3.70 percentage points (33%), Finance & Insurance 2.80 (25%) and IT & Telecommunication 2.41 (21%); together 79%. Wholesale & Retail (0.64), Real Estate (0.41), Energy Supply (0.38) and Mining (0.35) follow.

Relative to sector size, Mining (26% of sector weight), IT & Telecommunication (25%) and Energy Supply (20%) are the most exposed, followed by Manufacturing (13%), Transport & Storage (12%) and Wholesale & Retail (12%).

Why service sectors appear: only water-intensive locations enter the score, so a company whose few such sites sit in stressed basins can rate High even if most of its assets are offices; Finance & Insurance (8.5% of sector weight) and IT & Telecommunication should be read with the number of qualifying locations.

2.5 Effect of climate- and nature-related risks and opportunities on Storebrand AM's policies and strategies

Consideration of sustainability risks and opportunities has been embedded into our investment approach across all strategies since we first established our sustainability team in 1995. Since then, the attention to the financial materiality of climate change and nature has grown steadily. We believe that the transition to a net-zero and nature-positive economy is accelerating, and that resource efficiency solutions will drive productivity and profitability. Integrating these views into our portfolios has led us away from carbon-intensive sectors and companies with high negative impact on the environment. While climate change and nature risks are different in character, they are often quite interconnected. Climate change can exacerbate nature risks, such as biodiversity loss and water scarcity, as rising temperatures, changes in precipitation and extreme weather events disrupt ecosystems. Conversely, nature loss such as deforestation can contribute to climate risks by affecting carbon sequestration and exacerbating greenhouse gas emissions. We consider both sets of risks together to make informed investment decisions, as they often overlap and have cumulative effects on asset performance and sustainability.

The categorisation into short, medium, and long-term helps Storebrand AM align its investment strategies with evolving climate and nature-related risks and opportunities, and to structure targets, actions and objectives in a way that responds across time horizons.

We consider short, medium and long-term time horizons as follows:

- **Short-term, up to 5 years:** This includes immediate actions and strategies that are being implemented or will be implemented in the near future. For example, immediate steps to reduce portfolio-level greenhouse gas emissions, engage in active dialogues with companies about their climate change transition strategies, and exclude the most polluting companies from Storebrand AM's investment portfolios.
- **Medium-term, from 5 to 15 years:** This includes targets such as achieving certain percentages of investments in sustainable or low-carbon technologies, meeting interim emissions reduction targets, and informs company and policy engagement activities.
- **Long-term, beyond 15 years:** This refers to the strategic target to have a net zero emissions investment portfolio across all asset classes by 2050.

Key commitments

Our climate and nature commitments, set down in our Sustainable Investment Policy and underlying thematic policies, apply to all assets under management.

Net-zero commitment: The initial iteration of our climate strategy was published in 2020 where we made a commitment to achieve net zero across all our assets under management by 2050. This provided information on our climate ambitions and how we could address climate risks and opportunities. Our long-term ambition is backed up by short-term strategies and we have set 1) sub-portfolio targets for emissions reductions, 2) a financing target for investment in solutions and 3) an engagement target. We met our 2025 targets and have set new targets for 2030, which are described in our Climate Policy.

Science-based targets: To ensure a science-based approach, Storebrand AM has also committed to aligning 42% of its listed equity and corporate bond portfolio, by value of investments, with SBTi-validated targets by 2027.

Deforestation commitment: Since adopting a Deforestation Policy in 2019, our ambition was to make best efforts to eliminate commodity-driven deforestation from our portfolios by 2025. We have fulfilled that commitment through screening our portfolios, exercising active ownership based on best practice expectations to companies, using exclusion as a tool in severe cases, and disclosing on our activities and results. We remain committed to make best efforts to combat deforestation risks, building on progress made and improving wherever possible. Our Deforestation Policy applies to all relevant companies in our portfolios, that are involved in production, trade, use or financing of forest-risk commodities, particularly palm oil, soy, timber, cattle products, rubber and cacao.

Nature commitment: As a signatory to the Finance for Biodiversity Pledge, we have also committed to collaborating and sharing knowledge, engaging with companies, assessing impact, setting targets and reporting publicly on biodiversity, all before 2025. With our investment activities, we aim to contribute to biodiversity protection. We will achieve this through increasing our positive impacts and reducing our negative impacts on nature, by strengthening and enhancing nature-related risk assessments in financial decision making.

Integration of climate and nature in investment and stewardship efforts

Our sustainability strategy and investment strategy are integrated. Storebrand AM's Sustainable Investment Policy sets the overall framework, clearly outlining our high-level commitments and the expectations we have for investee companies on issues like climate, nature, human rights, and deforestation. It also outlines the main methods and approaches we utilise in our stewardship work to mitigate or avoid risk as part of the due diligence in our portfolios, namely, screening and exclusions, engagement and voting, as well as integration into the investment decision making process. The Sustainable Investment Policy also describes how we pursue opportunities through investment in solutions to achieve the Sustainable Development Goals, including climate solutions. Our approach to managing these risks and pursuing these opportunities is described in detail in the Risk and Impact Management section.

03

Risk and Impact Management



3. Risk and Impact Management

Storebrand AM's risk management framework sets out how we identify, measure, monitor, and report on the risks to which our business, customers and wider society are, or could be, exposed to climate and nature-related risks. Both climate and nature are embedded in our overall policies and reporting systems to the board. The identification process involves understanding the potential impacts of climate change and nature loss on various sectors and assets, as well as recognising the specific vulnerabilities and opportunities that climate change and nature loss present. We conduct exposure analysis to understand how these risks will impact our most material exposures. We use scenarios to understand how climate-related risks might impact our strategy, financial and operational resilience and the management actions we might need to take as a result. Storebrand AM uses a range of data sources to identify and inform its climate change and nature analyses, including, ESG rating agencies, scientific research and reports, industry-specific data, company disclosures and third-party research and analytics services. Once identified, Storebrand AM manages these risks through various strategies which are outlined in Storebrand AM climate and nature policies and key targets which we have outlined above.

Towards achieving our sustainable investment objectives, we take a four-pronged approach:

Solutions-driven investment: contributing to positive influence by allocating more capital to equity investments in solution companies, green bonds, bond investments in solutions, and investments in certified green real estate and green infrastructure.

Screening and Exclusions: screening out and/or exiting investments that are not likely to be aligned with our sustainability principles.

Engagement and Voting: engagement, including voting, on many dimensions and with many stakeholders, to enable or influence the companies we invest in, to reduce their negative impact on climate or society.

Portfolio Integration: ESG analysis is used as a risk management tool in portfolio construction. We use ESG data to tilt systematic portfolios and manage active strategies with explicit sustainability related objectives.

Taking this approach enables us to be a driving force for sustainable investments, contributing to positive change

and development, while reducing financially material risks. It also allows us to set ambitious sustainability related commitments across our business, with clear means of addressing sustainability risks and opportunities towards achieving our goals.

3.1 Solutions-driven investment

We believe that investing in companies providing products and services that help achieve the Sustainable Development Goals (SDGs) will deliver the best risk-adjusted long-term returns for our clients. We therefore invest in sustainable solutions centred on themes such as renewable energy, smart cities, circular economy and equal opportunities. By the year 2030, we aim to invest 20% of our assets under management in: equity and bond investments in solutions; real estate solutions; solutions for infrastructure; and solutions for private equity. Our solutions investment target for 2025 was 15%, which we had already achieved by 2024. We regularly assess the basis for and scale of the 2030 target. In our quest to invest in sustainable solutions, we seek to filter for companies that follow Good Governance (GG) and Do No Significant Harm (DNSH) practices, while aligning with the definitions below.

Equity and bond investments in solutions

Through proprietary analyses, we identify solution companies - companies that help achieve the SDGs through products, services and operations, without causing significant harm to society or the environment. For equity and bonds, we define our solutions investments as:

- Issuers with a minimum of 25% green revenues
- Issuers with at least 25% CapEx, operating expenses or revenue aligned with EU taxonomy
- Issuers with at least 25% revenues addressing SDGs
- Green bonds, social bonds, sustainability bonds, sustainability-linked bonds

The companies that issue the green bonds we invest in must comply with international standards such as the Green Bond Principles, the EU Green Bond standard (EUGBS) and the International Capital Market Association (ICMA) framework. The companies are included in a database that is updated regularly. The database is a valuable tool for fund managers and serves as the basis for our thematic solution portfolios (for example, on renewable energy, smart cities and equal opportunities), or as part of broader investment portfolios.

Real Estate

Storebrand's real estate business covers fund management and operation and leasing of existing properties, including construction projects to adapt, renovate and upgrade them. We work to reduce the climate and environmental footprint of our real estate operations, primarily through continuous efficiency upgrades that cut CO2 emissions and energy use, reduce waste and material use through reuse, and improve urban biodiversity and pollution outcomes. Environmental certification (mainly BREEAM) verifies these results.

For real estate assets, we define our solutions investments targets as:

- assets that have a BREEAM environmental certification of "Very Good" or better, or equivalent third-party certification scheme.

Infrastructure

Our infrastructure solutions strategy targets assets that deliver stable long-term returns while supporting the transition to resilient, low-carbon societies. Through the Storebrand Infrastructure Fund series and our majority ownership in AIP Management, we invest across energy transition, decarbonisation and digitalisation themes. For infrastructure assets, we define our solutions investment as:

- assets that are aligned with the EU Taxonomy

Private equity

Storebrand's private equity investments are managed through Cubera Private Equity, a wholly owned fund-of-funds manager. Cubera assesses GPs' ESG capabilities and policies as part of due diligence for both its primary and secondary strategies, and will not invest with GPs whose ESG policies and capabilities are deemed insufficient. During the ownership phase, Cubera works to increase ESG data availability and monitors for material ESG incidents, while following Storebrand's exclusion policy via side-letter agreements.

For private equity, we define our solutions investments as:

- Impact Fund vintages and 15% of each CIPE vintage

3.2 Screening and Exclusions

Screening and exclusion are key steps in our implementation of due diligence to identify, manage and mitigate actual and potential adverse impacts in our portfolios. When these adverse impacts cannot be mitigated, and available avenues for escalation are exhausted, the result may be the sale or exclusion of a company from investment. Our approach is guided by the principles and standards set out in our Sustainable Investment Policy and our Exclusion Policy. The Exclusion Policy applies to all asset classes and does not distinguish between active and passive investments. We work systematically to invest in companies that contribute positively to sustainability. Our approach

to sustainable investments assumes that the companies which contribute to solving societal problems in a sustainable way will also be the most profitable in the long term. This positive selection approach is complemented by the de-selection approach of our Exclusion Policy, with both helping to ensure our clients' future returns.

We apply two main methods:

- Continuously monitoring our investments for controversies in breach of our Exclusion Policy, which covers international norms and conventions within human rights, the environment, governance and anti-corruption, and excluding companies that are in breach, or placing companies on our observation list where there is opportunity to influence a company's practice.
- Assessing specific Principal Adverse Impacts within our investments, as required by the EU Sustainable Finance Disclosure Regulation (SFDR), including, but not restricted to, the thematic areas highlighted in our Sustainable Investment Policy.

Screening and monitoring

We monitor thousands of companies for breaches of our Exclusion Policy via quarterly "company alerts" from our external data providers. The controversies are analysed by our experts within the Risk and Ownership team and contact with the company is established where necessary. Based on the severity and facts in the case, as well as the company's willingness to address the issue, a decision will be made to engage with the company, place the company on an observation list, or to recommend an exclusion. The same screening process is also conducted on a quarterly basis for potential inclusion of companies that have previously been excluded. If an excluded company demonstrates positive change that reduces the risk of recurrence, the company may be re-included.

Observation

In some cases, where there is a risk of a violation of our norm-based criteria, but there is insufficient information or a company is undertaking corrective action that is not yet verifiable, we may place it on an observation list with specific restrictions while we gather more information and engage. Portfolios without prior holdings are restricted from investing in observation-list companies; existing holdings may be maintained but not increased.

Exclusion approach and process

We treat exclusion as a last resort, applied when companies fail to show willingness to improve and the risk of recurring norm breaches is high. Once excluded, fund managers have around 20 days to divest, after which stakeholders and clients are informed. Excluded companies are told the reasons for exclusion and the requirements for re-inclusion, and are reassessed quarterly; the Risk and Ownership team recommends re-inclusion to the Sustainable Investment Committee where expectations have been met.

Exclusion criteria

We determine potential exclusions from investment on the basis of:

- **Conduct:** we may exclude companies based on conduct that breaches laws, conventions or norms
- **Product:** we exclude companies that produce or distribute controversial weapons or generate significant revenues from tobacco, recreational cannabis, coal and oil sands
- **Business practices:** we exclude companies with business practices deemed systematically harmful or unsustainable, as well as state-owned entities or assets from certain states.

Conduct-based exclusions

We exclude companies on the basis of serious and systematic breaches of international law and human rights (UDHR, core UN/ILO conventions, international humanitarian law), systematic corruption and financial crime (UN Convention against Corruption), and serious environmental damage (UN Convention on Biological Diversity, UNFCCC), where breaches are serious and recurrence risk is high.

Product-based exclusions

All funds exclude the following products: controversial weapons (any revenue); tobacco (any revenue from production/cultivation, >5% from distribution/sale); recreational cannabis (>5%); coal (>5%); oil sands (>5%). Funds applying additional criteria also exclude: fossil fuels (>5%, 1% for coal-related); large fossil fuel reserves (>100mt CO₂e); oil & gas services (>25%); defence and weapons (>5%); pornography (any revenue); alcohol (>5%); gambling (>5%).

Business practice-based exclusions

These include: lobbying that systematically undermines the Paris Agreement or Global Biodiversity Framework; deforestation, deep-sea mining, and marine/riverine tailings disposal; and sovereign bonds or state-owned enterprises from countries with weak governance, human rights protections, or under UN/EU sanctions. Full exclusion criteria and thresholds are published in our [Exclusion Policy](#).

Exclusion roles and responsibilities

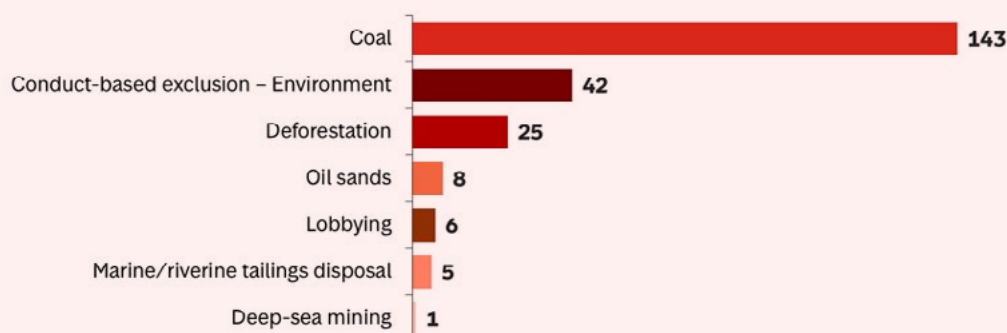
Storebrand's Sustainable Investment Committee, comprising senior Storebrand Group management, decides on conduct-based exclusions where breaches and recurrence risk are assessed as high, following engagement with the company. The Risk and Ownership team is responsible for non-conduct-based, product-based and activity-based exclusions and for selecting data providers, while our Investment Control and Analytics department verifies daily compliance with the Exclusion Policy.

Exclusion reporting

The Risk and Ownership team reports to the Board of Storebrand AM on Exclusion Policy activities twice a year, and publish quarterly and annual updates externally, including in the Sustainable Investment Review and an updated exclusions list on our website.

Figure 10:

Climate and nature-related exclusions 31.12.2025



Total: 230 (sum of category counts; companies may be excluded under multiple criteria). Source: Storebrand Q4 2025 Exclusion List.

3.3 Engagement and Voting

We use our position as owners to influence companies to improve corporate behaviour and reduce adverse sustainability impact. Through active ownership, we reduce risks, improve the quality of our investments, and influence companies to move in a more sustainable direction. We exercise our shareholder rights in two main ways:

- either through voting at shareholder meetings
- or by engaging with companies at different levels, including management and board levels.

Engagement can be bilateral and/or in collaboration with other investors. Both approaches can be effective in addressing concerns regarding ESG issues to reduce adverse sustainability impact. Engagement and voting, when combined, can reinforce one another and serve as an effective signal to companies regarding our views on important ESG issues and a good strategy to achieve change in corporate behaviour and thus reduce adverse impact. Our engagement strategy emphasises a positive impact on material sustainability issues (proactive engagement) in addition to redressing wrongs (reactive engagement). We prioritise engagements where we believe we can have a better opportunity to obtain results and positive impact in alignment with our policies. The decision to engage with selected companies is based on our assessment of the significance of a particular matter, the size of holdings, the companies' performance compared to peers, scope to effect change, and opportunities to collaborate with other investors. This can also be a result of mapping portfolios to identify high-risk industries with the largest investment exposure against salient climate, nature or human rights risks.

We set expectations for the companies we invest in and use our ownership position to influence the companies for improvement. We do so based on the principles and guidelines set out in our Sustainable Investment Policy.

Storebrand AM is also actively involved in engaging with policy makers to help shape legal frameworks, regulations, standards and guidance relating to climate change and nature, which we consider integral to reducing systemic risks related to climate change and biodiversity loss and thus an important part of our fiduciary duties to our clients.

Roles and responsibilities

Our Engagement and Voting Policies are approved by the Board of Directors of Storebrand Asset Management AS. The CEO of Storebrand AM, or the appointed representative, is responsible for ownership matters. Our Risk and Ownership team is responsible for assessing which companies we should engage with; deciding whether and how we should express our opinions through voting; and conducting the engagement and voting activities that are involved in the exercise of our active ownership responsibilities.

We apply uniformity in our voting activities across our boutiques, subsidiaries, products and brands, not least relating to voting on meeting items concerning environmental or social matters. The framework for the use of

voting rights deriving from shareholdings managed by the Storebrand Group is set out in regulation following the EU's Shareholder Rights Directives as well as related local regulations and industry recommendations. Our Risk and Ownership team, in collaboration with CIOs and PMs, reports internally on activities and progress related to this policy, to the management of Storebrand Asset Management and Boards of Directors as required on a regular basis.

Engagement purposes

The purpose of our engagement activities is to fulfil our fiduciary duty, by ensuring that companies manage risks and opportunities in a way that protects long-term shareholder value.

Risk Management and Value Protection/Creation: The primary goal is to mitigate financial risks by engaging with companies on ESG issues (Environmental, Social, and Governance), we aim to prevent losses stemming from regulatory fines, stranded assets (like coal reserves), reputational damage, or physical climate or nature impacts. We believe that companies with sustainable business models are more resilient and profitable over time

Driving Real-World Impact: We use our influence as a shareholder to push for tangible changes that align with global goals or international norms related to environmental, social or governance issues. Our goal is to move companies from:

- **Awareness:** Getting the company to acknowledge an ESG-related issue
- **Commitment:** Encouraging the company to address material ESG issues through credible action or transition plans, including verifiable targets
- **Implementation:** Verifying that the company implements positive changes in accordance with its targets, policies and plans.

Systemic Influence/Policy Engagement: We engage not just with companies, but with regulators and policy-makers. Our purpose in doing so is to advocate for a level playing field that addresses systemic risks across the economy. By pushing for mandatory climate and nature disclosures and human rights due diligence, we aim to prevent sustainable companies from being placed at a competitive disadvantage and to move the entire financial system toward stability.

Accountability and Stewardship: Engagement provides a mechanism for holding boards and management teams accountable. If a company fails to respond to dialogue or violates our minimum sustainability standards, the engagement can be escalated through various means and can as a last resort end in exclusion of the company. A key differentiating feature of our investment approach is the application of baseline sustainability criteria across all funds under management. To meet our sustainability targets, it is essential that we are able to engage with, or divest from, companies on behalf of the entire portfolio. This whole portfolio approach also supports engagement on systemic sustainability challenges and policy level issues.

Engagement prioritisation and themes

Our Risk and Ownership team defines priority engagement themes and develops engagement frameworks and strategies for portfolio companies. We select and prioritise engagement issues using a structured framework based on double materiality, geographic leverage, and thematic focus. This approach enables higher quality engagements over longer time horizons. Storebrand AM considers four primary factors when deciding whether to engage with a specific company or policy matter:

- **Significance of the Matter:** The focus is on “salient issues” that have significant implications for both the financial value of the company and its impact on the world. To a large extent, the priority engagement themes are systemic risks that affect the economy as a whole.
- **Holding Size & Ownership:** Prioritisation is given to companies where Storebrand AM’s ownership level is highest, as this provides greater leverage for targeted individual engagement.
- **Scope to Effect Change:** We assess where we have significant in-house expertise and where we believe we are well-placed to influence positive direction
- **Geographic Leverage:** As a Nordic actor, Storebrand AM prioritises proactive engagement with Nordic companies where our brand and local knowledge enable more constructive dialogue. To maximise our impact, and based on a structured assessment, we periodically develop engagement themes that guide and focus our action.

For the period from 2024–2026, the Risk and Ownership team at Storebrand Asset Management has prioritised three individual engagement themes and two cross cutting themes. The themes that we have prioritised align with the Sustainable Development Goals and with our own corporate commitments. The individual engagement themes cover certain environmental and social aspects of sustainability, while the cross-cutting themes address some aspects of governance and context necessary to enable sustainable investment.

For 2024–2026, our priority engagement themes are:

- Climate change
- Nature and biodiversity
- Human rights

Our cross-cutting themes for 2024–2026, which are elements in all our dialogues on the main engagement themes, are:

- Policy dialogue
- Sustainability disclosure

Figure 11:

Prioritised engagement themes

Individual:

Climate change



Nature and biodiversity



Human rights



Cross-cutting:

Policy dialogue



Sustainability disclosure



Escalation approach

If engagement does not lead to sufficient progress within a reasonable timeframe, we escalate in a graduated, outcome-focused manner. Escalation is typically triggered when companies fail to meet minimum expectations after repeated dialogue, or where risks remain material. Escalation tools include: raising issues directly with the Board; issuing public statements; collaborating with other investors; filing or co-filing shareholder resolutions; voting against Board members; and placing companies on our observation list with defined improvement expectations. We seek to exhaust these options before considering exclusion, particularly for proactive engagements; reactive engagements (e.g. norm violations) are more likely to lead directly to exclusion if dialogue fails.

A detailed process description is available in our [Sustainable Investment Policy](#).

Voting

Voting is an integral part of our active ownership approach and reflects our commitment to sustainable, long-term value creation. This commitment is integral to our fiduciary duty, ensuring we safeguard shareholder interests and promote good corporate management, particularly in environmental, social, and governance (ESG) aspects.

Our voting policy, which is adopted at Storebrand AM group level, is available on our website. Under this policy, voting rights and other rights deriving from shareholdings shall be exercised solely in the common interest of the unit holders, with the aim of ensuring the best possible risk-adjusted return for the unit holders, while promoting good practice on environmental, social and governance matters.

We have systems in place to identify, manage and document any conflicts of interest that may arise in the exercising of voting rights.

We publish all our voting decisions, on our website, five days ahead of shareholder annual general meetings.

Reporting

Externally, Storebrand AM publishes, quarterly and annually, a Sustainable Investment Review containing data and additional contextual details of how we are performing our active ownership responsibilities, including engagement, voting and exclusions.

We also publish on our website a dashboard of our engagement activity via our engagement data provider Esgaia. Regarding voting, we disclose all our votes cast on our website via a feed to the proxy voting dashboard of our external service provider ISS. Both the engagement and proxy voting dashboards can be accessed in the reporting and transparency section of our website: [Reporting & Transparency](#)

Engagement highlights 2025

Climate change

In 2025 we supported 366 engagements with companies and policymakers related to climate change, of which 66 were bilateral, 24 were collaborative and 276 we supported as signatory only. During 2025, we voted on 72 explicitly climate-related proposals at annual shareholder meetings, out of which we voted 56 times against company management's recommendations.

Our three main engagement priorities under climate change are Top emitters, Climate laggards and Lobbying.

Top emitters

Since 2021, Storebrand AM has engaged the largest emitters in its portfolios, broadening the programme in 2025 from the top 20 to the top 30 companies by portfolio emissions. Engagement combines direct dialogue, C-suite access and collaborative platforms such as Climate Action 100+, and focuses on credible net-zero commitments, short- and medium-term decarbonisation targets, climate-related disclosures and capital allocation aligned with the transition to a low-carbon economy. Particular attention is given to sectors with the highest emissions, including steel, chemicals, shipping, oil and gas, aluminium, construction materials, forestry, agriculture, and diversified metals. Our 2025 benchmark assessment found strong progress on target-setting and disclosure (85% of the top 20 hold net-zero commitments and report according to TCFD or ISSB standards) but a persistent implementation gap: only 15% had capital expenditure plans aligned with their decarbonisation ambitions. This gap is now our primary focus for going forward. See the annual Sustainable Investment Review for full engagement description.

Climate laggards

We identify companies insufficiently prepared for the low-carbon transition using data from the Transition Pathway Initiative, Climate Action 100+ and our own analysis, based on quality of net-zero commitments, aligned GHG targets, performance disclosure and credibility of decarbonisation strategy. If engagement does not lead to our concerns being addressed, we escalate through voting at AGMs against financial statements or directors. Since launching this engagement in November 2023 with 31 identified companies, 26 of the 31 have made sufficient progress to no longer be classified as laggards, two were excluded on other grounds, and Storebrand has divested from two of the remaining five. A new cohort will be identified in autumn 2026.

Lobbying

We screen portfolio companies quarterly for lobbying activity misaligned with climate and nature policy goals, using InfluenceMap data, as part of our exclusion framework. In dialogue with companies, we encourage them to disclose how their policy engagement and trade association memberships align with their climate strategies and net-zero commitments. In 2025 we co-published an investor briefing on climate lobbying transparency with InfluenceMap and other institutional investors. The most significant outcome was our decision to exclude Toyota Motor Corporation in Q2 2025, following four years of engagement and escalation over inadequate transparency on its climate policy lobbying. Through the Finance for Biodiversity Foundation and deforestation-focused investor coalitions, we advocate for policies and regulations that support the goals of the Kunming-Montreal Global Biodiversity Framework, enhance corporate disclosure of nature-related risks and impacts, and help align financial flows with climate and biodiversity objectives.

Nature and biodiversity

In 2025 we supported 244 engagements related to nature and biodiversity, of which 5 were bilateral, 47 collaborative and 192 as signatory only. We supported 11 shareholder proposals directly related to nature, biodiversity or deforestation at company general meetings, all of which were against company management's recommendations. In addition, we supported 9 shareholder proposals related to increasing circularity or reducing waste and plastic packaging.

Deforestation

Much of our 2025 deforestation engagement was carried out through the Finance Sector Deforestation Action (FSDA), which delivered its final progress report in Q4 2025, documenting progress on deforestation-related risk since 2021. We voted against 7 companies in 2025 for weak deforestation risk management. Through the Investor Policy Dialogue on Deforestation (IPDD), which our CEO co-chairs, we engaged policymakers in Brazil, Indonesia, the EU and the United Kingdom, including active support of the EU Deforestation Regulation. Storebrand AM was also among the first signatories of the Belem Investor Statement on Rainforests ahead of COP30.

Sustainable seafood

Given the sector's high climate and nature risk exposure, we engage seafood companies, focusing in 2025 on Norwegian aquaculture, on GHG emissions, biodiversity loss, wild fish stock pressure, and animal welfare. We also participate in FAIRR's collaborative Seafood Traceability engagement with other institutional investors, targeting seven major seafood companies to develop supply chain traceability systems addressing illegal, unreported and unregulated (IUU) fishing, overfishing, habitat destruction and human rights risks.



Extractives in sensitive areas

Storebrand AM's work in 2025 focused on safeguarding marine ecosystems, promoting precautionary decision-making, mobilising investors, and advocating for stronger governance of the deep sea, while maintaining one of the financial sector's most restrictive positions on investment in deep-sea mining. We maintain a precautionary policy against investment in deep-sea mining until environmental, social and economic risks are fully understood. In 2025, ahead of the July meeting of the International Seabed Authority (ISA), we helped mobilise, through our leadership role in the Finance for Biodiversity Foundation, a renewed Global Financial Institutions Statement to Governments on Deep-Seabed Mining, ultimately signed by 40 institutions representing over €3.8 trillion in assets. Governments did not approve a mining code or authorise commercial deep-sea mining at the 2025 ISA meeting, consistent with our precautionary position.

3.4 Portfolio Integration

For conventional equity funds, we apply portfolio integration as one aspect of our multi-pronged approach to sustainable investment.

All portfolio managers within Storebrand AM are responsible for integrating ESG according to their mandates, and work in close collaboration with the Risk and Ownership team. Storebrand AM manages investments within a broad range of asset classes and products. The approach to integration of sustainability in asset management may therefore vary across different mandates. In addition to ESG integration via our approach to screening, engagement, voting, and exclusions (as described above), other methods include, but are not limited to, the ones described below. We integrate sustainability risk ratings into our investment decisions to limit exposure to companies with high sustainability risks and tilt allocations towards companies with stronger sustainability profiles.

SFDR and PAI integration

Since 2021, we have integrated the Sustainable Finance Disclosure Regulation's (SFDR) Principal Adverse Impacts (PAIs), such as GHG intensity, fossil fuel exposure, board diversity, controversial weapons and deforestation, into our risk analysis using a traffic light system that scores issuers as red (laggards), yellow (intermediate) or green (leaders) based on sector materiality thresholds. PAI flags are made available to portfolio managers in Bloomberg and our trading systems, alongside other ESG data, so managers can assess the impact of trades at portfolio level. Red-flagged issuers are prioritised for engagement or risk-based sale of assets where impacts are severe.

The Storebrand AM Principal Adverse Impact Statement is available on our website.

Integrated tools for portfolio managers

To support consistent application of ESG considerations across asset classes and strategies, we have developed a dedicated Bloomberg-based tool that consolidates all issuer-specific sustainability information in a single, accessible interface. The tool brings together engagement status, sustainability scores, controversy alerts, exclusion list status, and climate data, enabling portfolio managers to view the full stewardship picture for any given issuer at a glance.

Integration in systematic and quantitative strategies

In our quantitative investment strategies, carbon intensity and forward-looking climate transition metrics are incorporated directly into portfolio construction algorithms. This means our objective of managing portfolios aligned with a 1.5°C scenario is embedded in the investment process itself, rather than applied after the fact. Portfolio managers of these strategies work alongside the Risk and Ownership team so that engagement signals, for example a company's responsiveness to climate engagement or its progress against climate disclosure expectations, are available as inputs to ongoing portfolio monitoring. Where a company shows sustained failure to engage or progress, this is flagged to the portfolio management team and can inform a review of the position.

Integration in fixed income

In our fixed income strategies, portfolio managers integrate sustainability analysis as a formal component of credit evaluation. Our fixed income team has developed an internal framework for assessing the ESG-adjusted credit risk of bond issuers, considering factors such as climate transition exposure, social license to operate, and governance quality alongside conventional credit metrics. In the primary market, we participate in new green and sustainability-linked bond issuances and use the terms of our participation to signal expectations, including our assessment of the credibility of an issuer's sustainability-linked bond framework, key performance indicators and targets. This represents portfolio integration exercised at the point of investment, not only through post-acquisition monitoring.

04

Metrics and targets



4. Metrics and Targets

4.1 Metrics used by Storebrand AM

Financed emissions and GHG intensity

The tables below set out Storebrand AM's absolute financed emissions and emissions intensity for listed equity, corporate bonds and direct real estate investments, 2020 to 2025.

Table 9: Financed emissions and GHG intensity, listed equity and corporate bonds

Metric	2020	2021	2022	2023	2024	2025
GHG intensity, equity and corporate bonds (tCO ₂ e / NOK m sales income), % change since 2018 baseline	11 / -14%	11.3 / -22%	11 / -24%	7.2 / -50%	6.1 / -58%	6.3 / -56%
GHG intensity, equity only (tCO ₂ e / NOK m sales income), index comparator in brackets	12.4 (17.3)	12.2 (16.8)	13.3 (17.5)	8.6 (13.7)	7.0 (11.3)	7.5 (11.0)
GHG intensity, corporate bonds only (tCO ₂ e / NOK m sales income), index comparator in brackets	6.2 (6.1)	7.6 (6.6)	4.5 (4.2)	3.3 (3.5)	3.2 (3.2)	2.9 (3.7)
Absolute GHG emissions, equity (tCO ₂ e, Scope 1-2)	3,113,714	2,504,453	2,492,038	2,299,432	2,163,798	2,562,082
Absolute GHG emissions, corporate bonds (tCO ₂ e, Scope 1-2)	616,743	262,922	391,993	264,822	380,906	374,332

GHG intensity is measured as tonnes of CO₂e (Scope 1+2) per NOK 1 million in company sales income (weighted average carbon intensity). Figures in brackets show the relevant index used for comparison.

Table 10: Real estate emissions intensity (location-based), Norway and Sweden

Metric	2020	2021	2022	2023	2024	2025
GHG intensity, real estate investments, location-based, Scope 1-3, Norway and Sweden only	7.92 (-20%)	6.01 (-40%)	5.48 (-45%)	5.61 (-44%)	4.84 (-51%)	3.9 (-61%)

This metric is scoped to Norway and Sweden only (Scope 1-3, location-based) and underlies Storebrand AM's headline emissions intensity reduction target (32 per cent by 2025, achieved) Base year 2018: 10.0

Table 11: Real estate emissions intensity by building type (market-based), Norway, Sweden and Denmark

Building type (market-based, Scope 1-2, Norway, Sweden and Denmark)	Base year (2019)	2023	2024	2025	SBTi-validated target
Residential buildings, kg CO ₂ e/m ²	24.3	23.15	24.4	14.25	64% reduction by 2027
Commercial buildings, kg CO ₂ e/m ²	31.32	41.97	44.96	35.76	71% reduction by 2027

Market-based intensity reflects supplier-specific and contractual emission factors (for example guarantees of origin for electricity), rather than the average grid emission factor used in location-based accounting. The increase in commercial buildings' emissions since 2019 is driven mainly by the electricity emission factor, not by higher energy consumption; a transition to location-based targets for these SBTi commitments, validated with a target year of 2027, is expected to conclude in 2026.

Fossil fuel exposure

Storebrand AM tracks both its allocation to fossil-free products and the residual exposure of its listed equity and corporate bond portfolios to companies active in the fossil fuel sector.

Table 12: Fossil-free investments and fossil fuel exposure

Metric	2020	2021	2022	2023	2024	2025
Investments in fossil-free products, NOK bn / share of AUM	379.2 / 39%	483 / 44%	449 / 44%	569 / 47%	695 / 50%	776 / 48%
Equity investments in companies active in the fossil fuel sector (SFDR PAI 1.4), share of listed equity	new	new	4.93%	4.17%	3.74%	3.86%
Bond investments in companies active in the fossil fuel sector (SFDR PAI 1.4), share of corporate bonds	new	new	0.33%	1.26%	1.21%	0.56%

Fossil-free products: funds/products with a mandate requiring investee companies to derive no more than 5 per cent of income from fossil energy production or distribution, and fossil reserves not exceeding 100 million tonnes of CO₂. SFDR PAI 1.4 measures the share of investments in companies active in the fossil fuel sector.

Solutions

Solutions investments comprise equity in solutions companies, green bonds, green infrastructure and environmentally certified real estate.

Table 13: Investments in sustainable solutions

Metric	2020	2021	2022	2023	2024	2025
Total investments in solutions, NOK bn / share of total assets	92.6 / 9.6%	123.1 / 11.2%	126.8 / 12.4%	154.9 / 12.8%	225.3 / 16.3%	318.4 / 19.8%
Equity investments in solutions, NOK bn / share of total equity	50.3 / 13%	62.6 / 13%	39.3 / 9%	55.1 / 9.56%	67.8 / 9.5%	122.8 / 15.4%
Bond investments in solutions, NOK bn / share of total bonds	new	new	35 / 9%	47.3 / 11.4%	68.8 / 15%	95 / 19%
Investments in green bonds, NOK bn / share of total bonds	22.2 / 5%	25.7 / 6%	32 / 8.3%	40.7 / 9.8%	59.5 / 12.9%	77.9 / 15.6%
Investments in green infrastructure, NOK bn / share of total infrastructure	new	1.5 / 100%	3.5 / 100%	3.7 / 100%	31.9 / 86.9%	57.9 / 53%
Investments in certified green real estate, NOK bn / share of certifiable real estate	20.1 / 43%	33.3 / 68%	49 / 64.6%	48.8 / 61.9%	56 / 68.3%	41.9 / 49.2%

Sustainable solutions consist of green bonds, environmentally certified real estate, green infrastructure and shares in companies well positioned to address challenges related to the UN Sustainable Development Goals, segmented into four thematic areas: renewable energy and climate solutions, smart cities, the circular economy, and equal opportunities. Green bonds must align with international standards such as the Green Bond Principles, the EUGBS and the ICMA framework. Certified real estate reflects the share of direct real estate under operational control in Norway, Sweden and Denmark with environmental certification (mainly BREEAM, also LEED or the Nordic Swan). Note: from 2025, a stricter certification threshold ("Very Good or better") is applied; on the prior "certified" criterion, the 2025 share would be 72%.

Table 14: Science-based targets (SBTi)

Metric	2020	2021	2022	2023	2024	2025
Share of investments in companies with SBTi-validated targets	new	new	23.4%	31.4%	31%	43.1%

Share of Storebrand AM's listed equity and corporate bond portfolio invested in companies that have validated science-based emissions reduction targets through the Science Based Targets initiative (SBTi).

Table 15: Exposure to high-emitting sectors

Metric	2020	2021	2022	2023	2024	2025
Exposure to high-emitting sectors, NOK bn / share of equity investments	32.2 / 8%	42.5 / 9%	49.7 / 11.3%	59.5 / 10.3%	66.5 / 9.3%	71.8 / 9%

High-emitting sectors are defined following the recommendations of the Net Zero Asset Owner Alliance, and include aluminium, aviation, cement, chemicals, energy, heavy and light duty automobiles, shipping, steel and utilities (by GICS sub-industry code).

Table 16: Companies and policymakers engaged on climate and nature

Metric	2020	2021	2022	2023	2024	2025
Active dialogues related to climate and environmental risks and opportunities	433	318	465	853	702	624
General meetings voted, number / share of listed equity	503	947	1,348 / 68.6%	1,999 / 90.7%	2,072 / 91.9%	2,138 / 91.9%

Dialogue figures include engagements that are new, on-going or concluded during the reporting year; approximately 80 per cent are conducted through collaborative engagement platforms and coalitions. Voting figures show the number of company meetings at which Storebrand AM cast at least one vote, and the share of capital invested in listed equity in companies at whose meetings we voted, against the total value of listed equity investments.

Table 17: Exclusions due to climate and environmental damage

Metric	2020	2021	2022	2023	2024	2025
Companies excluded due to climate and environmental damage	139	176	199	161	185	230

Includes conduct-based exclusions relating to environmental damage, lobbying, seabed mining, tailings disposal, deforestation and ecologically sensitive areas, and product-based exclusions for coal and oil sands, applied across all funds. The increase from 2024 to 2025 is partly due to the removal of the "excluded by NBIM" category and recategorisation to match Storebrand AM's own exclusion criteria.

Table 18: TNFD Core Metrics

Metric ID	Driver of nature change	Metric	Value
C1.0	Land / freshwater / ocean-use change	Total spatial footprint	~1,716 m ² LCE / USD m invested
C2.0	Pollution / pollution removal	Pollutants released to soil	0.02 Tonne / MUSD Investment
C2.1	Pollution / pollution removal	Wastewater discharged	853 m ³ / USD m invested
C2.2	Pollution / pollution removal	Waste generation and disposal, non-hazardous	Generated: ~10 tonne / USD m invested / Disposed: ~4 tonne/ USD m invested
C2.4	Pollution / pollution removal	Non-GHG air pollutants: direct operations	NOx ~0.16 tonne; SOx ~0.03 tonne; PM ~0.01 tonne (per USD m invested)
C3.0	Resource use / replenishment	Water consumption from areas of water scarcity	401.32 m ³ / USD m invested
C5.0	State of nature	Ecosystem condition: Mean Species Abundance, range across locations	Share of assets exposed to high / very high MSA condition: Europe 1.67%, Americas 2.05%, Asia 2.53%, Africa 0.00%, Oceania 0.02%
C5.0	State of nature	Species extinction risk (biodiversity footprint)	~1,716 m ² LCE / USD m invested / (benchmark ~2,140)

C5.0 (biodiversity footprint) is based on GIST Impact's Land Conversion Equivalence (LCE) methodology: the potential species loss attributable to the portfolio's proportional share of company operations, reframed as the equivalent area of land that would need to be converted from pristine to urban conditions to generate the same species extinction risk, measured in square metres per USD million invested. The other impact metrics (C1.0, C1.1, C2.0, C2.1, C2.2, C2.4, C3.0) use the same footprint model, broken down by impact driver (land/freshwater/ocean-use change, pollution, resource use) and realm (terrestrial, freshwater, marine).

Table 19: TNFD Additional Metrics

Category	Metric	Value
Dependencies	Material dependencies affecting operations in reporting year (A6.1)	Weighted dependency score 50 vs. 58 for the benchmark (Low relative dependency); most material: Water Purification, Water Supply, Water Regulation
Sensitive locations	Assets within 1 km of Key Biodiversity Areas	96,324 assets; Portfolio exposure: 4.8% of portfolio investment
Sensitive locations	Assets within 1 km of WDPA protected areas	332,532 assets; Portfolio exposure: 17% of portfolio investment
Sensitive locations	Assets within 50 km of Critically Endangered species ranges	1,803,951 assets
Sensitive locations	Assets near highest-significance sites	10,260 near WDPA IUCN Ia reserves; 7,269 near KBAs (criteria A1a/E); 149 Ia-exposed assets also on Indigenous land
Sensitive locations	Assets within 1 km of Marine Protected Areas	125,187 assets; portfolio exposure: 5.99% of portfolio investment

The dependency score (A6.1) combines each company's ratings across 25 ecosystem services (0 = no dependency to 5 = Very High) into a portfolio-weighted average; a higher score means greater reliance on nature and more financial exposure if ecosystem services are disrupted, and is read against the benchmark rather than against an absolute pass mark. Sensitive-location metrics use fixed buffers around company assets: 1 km for Key Biodiversity Areas (KBAs), World Database on Protected Areas (WDPA) sites and Marine Protected Areas, and 50 km for IUCN Red List threatened-species ranges; highest-significance sites combine IUCN Category Ia reserves (the strictest protection class) with KBAs triggered under criterion A1a or E.

4.2 Storebrand AM's targets and progress

Storebrand AM's key sustainability commitments and target dates are set out below, with quantified progress against the metrics in Section 4.1. Status is assessed against the most recent verified data.

Table: 20 Climate targets

Commitment	Target	Baseline year	2025 progress	Status
Emissions intensity, listed equity and corporate bonds	-32% by 2025; -60% by 2030	2018	-56% (equity and bonds combined)	2025 milestone achieved; on track for 2030
Emissions intensity, real estate (location-based, Scope 1-3, Norway and Sweden)	-32% by 2025	2018/2019	-57.7%	Achieved, exceeded
Emissions intensity, residential buildings (market-based, SBTi-validated)	-64% by 2027	2019	-41%	In progress
Emissions intensity, commercial buildings (market-based, SBTi-validated)	-71% by 2027	2019	+14%	Behind target (-20% reduction in 2025 alone)
Share of listed equity and corporate bond portfolio with SBTi-validated targets	42% by 2027	n/a	43.1%	2027 target already exceeded
Net Zero emissions across the portfolio	Net Zero by 2050	n/a	n/a	Long-term commitment; in progress

Emissions intensity progress reported here is drawn from the metrics in Section 4.1. The commercial buildings figure reflects the electricity emission factor used for market-based accounting, not higher energy consumption; see the footnote to the real estate emissions intensity table in Section 4.1.

Table: 21 Solutions

Commitment	Target	2025 progress	Status
Share of AUM invested in solutions	15% (2025 target)	19.8%	Achieved, exceeded
Share of AUM invested in solutions	20% by 2030	19.8%	Nearly achieved

