Storebrand

Sustainable Investment Review

Storebrand Asset Management

2024 • Full year

Photo: Rob Wicks, Unsplash

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This is Storebrand Asset Management's second annual Sustainable Investment Review. We aim for this document to provide a comprehensive overview that expands on information available in the Storebrand's Group Annual Report, as well as our several thematic reports such as our annual Progress on Climate and Nature, and our annual progress report on implementation of the Sustainable Blue Economy Finance Principles. In addition, we publish quarterly editions of the Sustainable Investment Review. These and other information can be found in the document library section of our website

Jan Erik Saugestad
CEO, Storebrand Asset Management

Staying the course

Looking back on 2024, what stands out is the rapid pace of change in the investment sector overall, as well within sustainable investing. The year was dominated by a higher level of volatility in market conditions than we had seen in recent years. Central bank interest rate cuts, strong equity markets as a consequence, and reduced over-allocation in unlisted markets.

In this context, clients have increasingly sought to diversify their portfolios, complementing their equity and fixed income holdings, by adding exposure to alternative asset classes, such as real estate, private equity, and infrastructure.

Here we have been well positioned to serve these with the ability to serve clients needs on a single platform, and products with the strong and integrated ESG profile that Storebrand Asset Management is known for. We saw strong organic growth in our private equity offerings, notably with our boutique Cubera closing its global private equity program at the end of the year. Further, with the acquisition of a majority stake in AIP, we significantly strengthened our offering and footprint in sustainable infrastructure investment, an asset class that is anticipated to continue its growth trajectory over the years ahead, driven by structural shifts reshaping the global economy. AIP has a well-established infrastructure platform that is complementary to our existing alternatives offering that includes real estate, private equity, and private credit.

Against this backdrop, demand for many of our sustainable investment products remained strong, suggesting that a significant portion of clients remain focused on the longer horizon. We observe that in many of our markets, our client success is fuelled by being well-positioned to provide strategic guidance on ESG reporting and compliance with the changing regulatory landscape, which are ongoing and pertinent challenges for clients

Yet, the sustainable investment sector continued to be buffeted by pressures. In the US, some states have sought to eliminate ESG-related metrics a factor in investment analysis, and some ESG data providers have been induced to reduce the scope of their offerings.

Our view is that these pressures are to be expected. Sustainable investment is evolving, and most important there remains irrefutable proof that we face the urgent real-world challenge of making a transition to a low carbon economy, while mitigating the growing impacts of climate change.

In this light, we remain firm in our commitment to the principles of sustainable investment, seeking to combine strong returns with a contribution to real world impact on climate, nature and social challenges and opportunities. We firmly believe that sustainability isn't a compromise, but rather is a strategic advantage.

Rising to the challenge

A message from our Head of Sustainable Investment, Kamil Zabielski

Through a year in which we witnessed real-world setbacks on many fronts, such as rising global temperatures and intensified effects of global warming, and weakened national commitments to global sustainability agreements, here at Storebrand Asset Management, we continued in our drive to help clients invest sustainably.

The interlinked themes of nature and climate have been high on our agenda. We have been pleased to be able to show great progress achieved on our 2024 climate targets, and have duly ratcheted up our medium-term targets for reducing the emissions intensity of our portfolios. We have also increased our ambition by including more holdings and asset classes in the targets. Furthermore, to improve the factual basis for our active ownership, we developed analyses focused on climate and nature that are integrated into our TCFD-TNFD reporting.

An important pillar of our approach to the climate and nature challenges, is securing policy commitments that provide both sufficient resources, and a role for the finance sector, to help drive solutions. During the year, an important avenue for us to accomplish this, was our work within the Finance for Biodiversity Foundation (Ffb) in which we have played leading role. This year the FfB was highly active in voicing the expectations of the finance sector, and participated as an official observer at the COP biodiversity conference.

This year also saw us take significant steps forward in expanding our use of voting in active ownership. We have adopted a more aggressive approach, more frequently filing shareholder resolutions as a way of escalating engagement with companies. We also began voting against company financial statements or against relevant board directors, at companies that we evaluate as scoring poorly on climate and deforestation risk management. Furthermore, we began pre-disclosing our voting decisions several days in advance, to maximize the potential influence, impact and transparency of our voting decisions.

Alarmingly, we continue to see a rise in harms and violations of human rights associated with Conflict Affected and High-Risk Areas (CAHRA). This led to several difficult decisions to exclude some companies from our portfolios. The rising levels of conflict around the word continue to pose a risk in terms of fulfilling obligations to ensure that human rights are respected, and we have continued to reinforce and advance our processes for ensuring that we meet our commitments in this area.

More than ever, we are determined to play our role in the transition: **decarbonizing the economy, protecting biodiversity and supporting inclusive growth.** This will require us to continue our ongoing efforts in this area, taking a holistic approach to sustainable investment.

About Storebrand AM

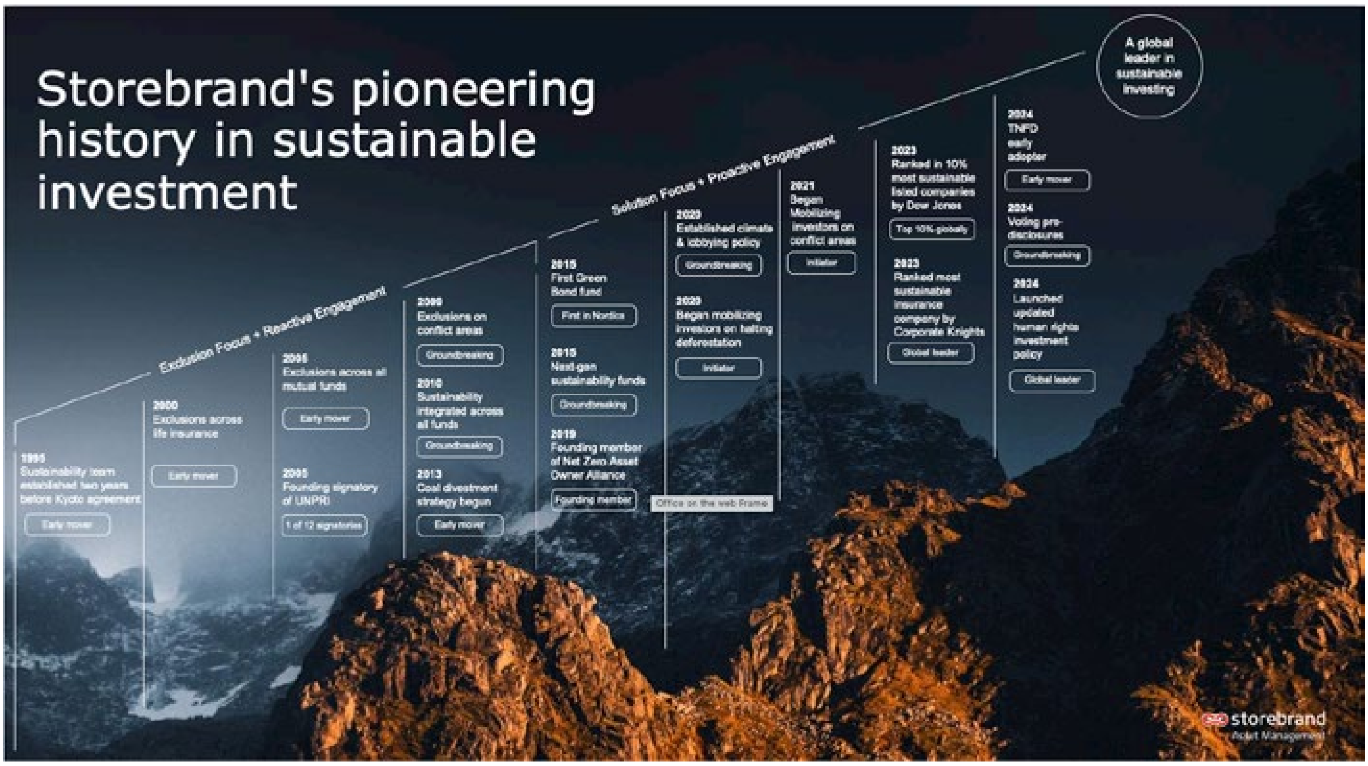
A driving force for sustainable investments

Storebrand Asset Management AS (Storebrand AM) is a leader in the Nordic markets and a pioneer in sustainable investments, with a growing footprint in select European markets.

In 1981, Storebrand AM was initially established to manage the assets of its parent Storebrand ASA. Listed on the Oslo Stock Exchange (ticker: STB), Storebrand ASA has roots dating back to 1767 and is a leading player in the Nordic market for long-term savings, pensions, banking and insurance.

Since its inception, Storebrand AM has grown steadily, through acquiring external mandates and incorporating specialist investment managers, to form a multi-boutique asset management group. External mandates now make more than half of Storebrand AM's assets under management, and we are one now of the largest private asset managers in the Nordic region with NOK 1469 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.



We use our experience and expertise in managing assets from the Storebrand Group's life insurance companies to provide a specialization driven, yet full-range asset management concept with a clear sustainable profile, which we offer to institutional clients, distributors, wealth, and retail customers.

The products we offer include securities funds, alternative investment funds, and active management in traditional and alternative asset classes. This includes equity and fixed-income products, as well as private equity, private debt, infrastructure, and real estate. Storebrand AM manages its own securities funds and alternative investment funds under the brand names Storebrand, Delphi, SKAGEN, Capital Investment, AIP Management, and Cubera – all part of Storebrand.

This document:

the Storebrand AM Annual Sustainable Investment Review, is designed to provide a comprehensive annual summary of Storebrand AM's work related to sustainable investments, as well as a window into the external context that we operate in. It expands on the summary information that we include in the Storebrand Group (Storebrand ASA) Annual Report, and in the periodic updates published in our quarterly Sustainable Investment Reviews.

For a complete overview of all our reports, please visit the Storebrand AM document library.

Key figures & highlights 2024

Assets under management, NOK billion:

1,469

Investment in solutions (NOK)/share of AuM:

NOK 225 billion / 16.2%

Assets under management (AuM) screened for sustainability criteria

100%

Share of investments in companies that have validated, science-based targets:

31%

Highlights in 2024

Q1

January-March

- Storebrand Asset Management became an inaugural TNFD (Taskforce on Nature-related Financial Disclosures) Early Adopter, committing to making disclosures aligned with the TNFD Recommendations in our corporate reporting from the financial year 2024 onwards.
- Storebrand AM announces it will offer the highest possible transparency in voting, by publicly disclosing voting decisions five days in advance of shareholder annual general meetings (AGMs).
- Storebrand Fonder and SPP won the Söderberg & Partners "Sustainable Actor of the Year" award in the Swedish market, for commitment to, and performance in, sustainable investments.
- Morningstar recognised Storebrand AM as Best Asset Manager in Denmark at its Awards for Investing Excellence 2024, based on the risk-adjusted performance of our funds.
- In Finland, Storebrand Fonder was also recognized as Best Europe Equity Fund in Finland's Morningstar Awards, for demonstrated superior risk-adjusted returns, consistency in performance, and excellence in long-term-oriented portfolio management.
- Storebrand AM initiated pre-marketing of a successor fund to the Storebrand Infrastructure Fund.
- Storebrand entered into an agreement to acquire an additional 50% of the shares in Danish infrastructure fund manager AIP Management P/S ("AIP"), achieving a majority ownership position of 60%.
- Storebrand ASA was named on the CDP's A List Europe for leadership in environmental transparency and action in activities related to climate.

Q2

April-June

- Storebrand Asset Management ranked 2nd highest by institutional investors, in Kantar SIFO's annual survey "Prospera External Asset Management" in both Sweden and Norway.
- Our SKAGEN Focus strategy was recognised as Winner in "Best Equity Global Small & Mid Cap Fund Over Five Years" at the LSEG Lipper Fund Awards Germany 2024; and Winner in "Best Equity Global Small & Mid Cap Fund Over Five Years" at the LSEG Lipper Fund Awards Nordics 2024.
- At the AGM of Amazon.com Inc., Storebrand AM co-filed a shareholder resolution requesting that the Board assess how the company respects freedom of association.

Q3

July-September

- Storebrand AM carried out a central role in the Finance for Biodiversity (FfB) Foundation's successful completion of preparatory meetings ahead of the vital national-level negotiations of the COP16 global biodiversity conference.
- Storebrand was present at the COP16 conference in Colombia, actively participating in the event to voice the interest of 177 financial institutions represented by FfB: advocating for a stronger enabling environment for business and finance in fighting nature loss.
- Time Magazine and the data provider Statista have assessed the most sustainable companies of 2024, creating a top 500 list from its review of more than 5000 of the world's largest companies. Storebrand Group is ranked 41st of the 500, which is the highest of the Norwegian companies assessed.

Q4

October-December

- Storebrand AM's AuM grows to an all-time high of NOK 1469 billion.
- Following regulatory approval, the acquisition of a majority stake in AIP was successfully closed, significantly expanding Storebrand AM's offerings in the infrastructure asset class.
- Storebrand Infrastructure Fund expanded its sustainable infrastructure portfolio by entering into an agreement to acquire a stake in the leading French independent renewable energy producer, VALOREM, in partnership with AIP Management.
- Storebrand was listed on the highly regarded Dow Jones Sustainability Index

Key Performance Indicators in 2024

Categories and metrics	Results					Targets	
	2020	2021	2022	2023	2024	2025	2030
Sustainability rating							
CDP-rating	A-	A-	A	A	A	A	A
Financial							
Assets under management (Bn. NOK)	921	1097	1020	1212	1469	N/A	N/A
Sustainability							
Share of total assets screened based on sustainability criteria	100 %	100 %	100 %	100 %	100 %	100 %	100 %
GRESB score direct real estate investments (value-weighted average) (*1)	85 %	88.6 %	91.5 %	93.6 %	91 %	Top 20 %	Top 20 %
Solution investments							
Investments in solutions (solutions companies, green bonds, green infrastructure and real estate with environmental certification): NOK billion / share of total assets	92.6 / 9.6 %	123.1 / 11.2 %	126.8 /12.4 %	154.9 / 12.8 %	225.28 / 16.25 %	N/A	N/A
Equity investments in solutions: NOK billion/ share of total equity investments	50.3 / 13 %	62.6 / 13 %	39.3 / 9 %	55.1 / 9.56 %	67.8 / 9.45 %	N/A	N/A
Bond investments in solutions: NOK billion/ share of total bond investments (*2)"	New	New	35.0 / 9 %	47.3 / 11.35 %	68.8 / 14.95 %	N/A	N/A
Investments in green bonds: NOK billion/ share of total bond investments	22.2 / 5 %	25.7 / 6 %	32.0 / 8.3 %	40.7 / 9.8 %	59.5 / 12.9 %	N/A	N/A
Investments in green infrastructure: NOK billion / share of total infrastructure investments	New	1.5 / 100 %	3.5 / 100 %	3.7 / 100 %	31.9 / 86.9 %	N/A	N/A
Investments in certified green real estate: NOK billion/ share of certifiable real estate investments (*3)	20.1 / 43 %	33.3 / 68 %	49.0 / 64.6 %	48.8 / 61.9 %	56 / 68.3 %	70%	78%

Notes
(*1) The goal is for all relevant real estate portfolios to achieve 5 stars in GRESB. This means that one must be among the top 20 per cent globally, and therefore cannot directly be translated into a score (value-weighted average). Capital Investment, which we acquired in 2021, is not relevant for reporting to GRESB and is not included in the figures.
(*2) Includes investments in solution companies, green and social bonds.
(*3) In 2022, we included Denmark for the first time. Therefore, the share of environmentally certified real estate investments was somewhat reduced from 2021. Certifications per country are the following: Norway (95 %), Sweden (93 %), Denmark (7 %).

Categories and metrics	Results					Targets	
	2020	2021	2022	2023	2024	2025	2030
Climate measures							
Share of AUM invested in funds covered by fossil fuel exclusion criterion	39%	44%	44%	47%	50%		
GHG intensity of equity and corporate bonds/change since baseline year 2018	11 / -14%	11.3 / -22%	11 / -24%	7.2 / 50%	6.1 / -58%		
GHG intensity of real estate assets / change since baseline year 2018	7.92 / -20%	6.01 / -40%	5.48 / -45%	5.61 / -44%	4.84 / -51%		
Share of AuM in listed equities and corporate bonds that have set SBTi-validated targets	New	New	23.4	31.4	31.4		
Active ownership and exclusions							
Votes at general meetings to promote Storebrand's ESG criteria: number of meetings (share of listed equity investments)	503	947	1,348 (68.6 %)	1,999 (90.7 %)	2072 / 91.9%	N/A	N/A
Number of companies that have been excluded due to serious climate and environmental damage	139	176	199	161	181	N/A	N/A
Number of companies excluded from the investment universe of the Storebrand Group	215	257	323	310	333	N/A	N/A
Number of companies that have been excluded for serious human rights violations and International law, and involvement in controversial weapons	N/A	83	76	97	106	N/A	N/A

Definitions for metrics

Sustainability rating

- **CDP rating:** Rating by CDP. CDP is an independent organisation that works to increase corporate reporting on climate and environment. CDP assesses and scores companies accordingly. CDP is used by investors and managers to access analyses and information on climate reporting from companies.

Sustainability

- **Share of total assets screened based on sustainability criteria:** All companies in our investment universe are screened for sustainability according to our standards: https://www.storebrand.no/en/sustainability/investments.
- **GRESB scores direct real estate investments (value-weighted average):** The GRESB score is based on an assessment of multiple ESG factors and provides a score ranging from 0 to 100. The score is a global ESG benchmark for real estate investments, reflecting sustainability quality in the management dimension and in the physical real estate portfolio. The total score is a value-weighted average of the score in the reporting portfolios: Storebrand Eiendom Trygg AS, Storebrand Eiendom Vekst AS, Storebrand Eiendomsfond Norway KS, and SPP Fastigheter AB. The score is calculated annually by the Global Sustainability Benchmark for Real Assets (GRESB).

Solution investments

- **Investments in solutions (solution companies, green bonds, green infrastructure and real estate with environmental certification):** Total share of assets under management invested in sustainable solutions. Sustainable solutions consist of green bonds, environmentally certified real estate, investments in green infrastructure and shares in companies that we believe are well positioned to solve challenges related to the UN Sustainable Development Goals.
  - **Equity investments in solutions:** Share of investments in equities in solution companies Storebrand and SPP. These are investments in shares in companies that we believe are well positioned to solve challenges related to the UN Sustainable Development Goals. Investments in solution companies are segmented into four thematic areas: renewable energy and climate solutions, the cities of the future, circular economy and equal opportunities.
  - **Bond investments in solutions, billion NOK / share of total bond investments:** Share of investments in green bonds or solutions companies multiplied by the relevant company's solution weights. These are investments in bonds in companies that we believe are well positioned to solve challenges related to the UN Sustainable Development Goals. Investments in solution companies are segmented into four thematic areas: renewable energy and climate solutions, the cities of the future, circular economy and equal opportunities.
    - **Investments in green bonds:** Share of investments in green bonds. Green bonds are for companies that both meet the Storebrand standard and are in line with international standards such as the Green Bond Principles, the forthcoming EU Green Bond standard, and with the International Capital Market Association (ICMA) framework.
  - **Investments in green infrastructure:** Share of investments in sustainable infrastructure. The fund (Storebrand Infrastructure Fund) invests in projects that contribute to a green transition, for example through onshore wind power, offshore wind and electric trainsets.
  - **Investments in certified green real estate:** Share of direct real estate investments under management in Norway, Sweden and Denmark with environmental certification. The certification system is mainly BREEAM, but can also be LEED, Svanen or Miljöbyggnad.

Active ownership and exclusions

- **Number of general meetings voted at to promote Storebrand's ESG criteria (share of listed equity investments):** Voting overview is retrieved from ISS Proxy Exchange. Share of total managed share capital invested in companies whose general meetings we voted at during the year.
- **Number of companies that have been excluded due to severe climate and environmental damage:** This includes conduct-based exclusions related to the environment, lobbying, deep-sea mining, mining waste disposal, forest risk raw materials, Arctic and ecologically sensitive areas, and product-based exclusions for coal and oil sands – exclusions that apply to all funds.
- **Number of companies excluded from the Storebrand Group's investment universe:** This includes companies excluded under conduct-based, product-based and activity-based exclusions as part of Storebrand's exclusion policy that applies to all funds. It also covers all NBIM exclusions that are not stand-alone exclusions under the guidelines for the exclusion of Storebrand.
- **Share of women on the boards of companies in which we invest in:** Average proportion of women in board composition for invested companies. Investments in companies based on SFDR's definition of Principal Adverse Impact Indicator 1.13.

Climate Measures

GHG intensity of equity and corporate bonds
Baseline intensity in 2018 was 14.4 tonnes of scope 1+2 CO2e/million NOK revenue.

GHG intensity of real estate assets
Baseline intensity in 2018 was 9.96 kg/m2 scope 1-3 location-based.

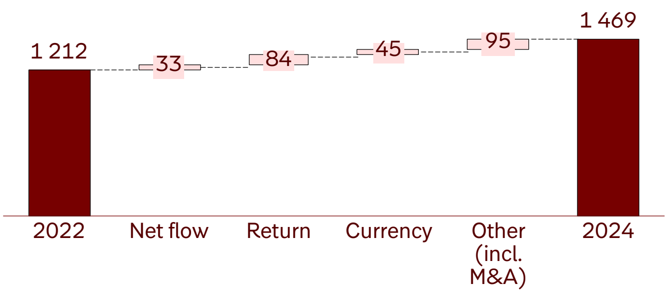
Business Strategy

For 30 years, Storebrand AM has been a pioneer in sustainable investments and has ambitions to set the agenda for sustainable finance in the years to come. We aim to be a Nordic asset management powerhouse by taking three market positions: being a local Nordic partner, the gateway to the Nordic region for foreign investors and a pioneer in sustainable investments.

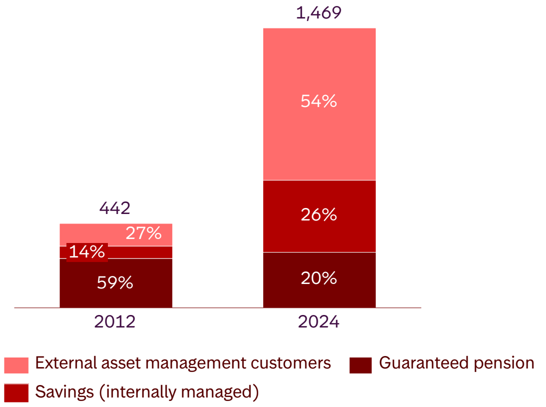
At the end of the year, Storebrand AM managed a total of NOK 1 469 billion of assets, of which 46 per cent was managed on behalf of internal customers within the Storebrand group, while 54 per cent was managed on behalf of external customers.

Figure 1: Storebrand AM Growth in Assets under Management

Total assets under management, NOK billion



Assets under management, NOK billion



Purpose and vision

As a fiduciary, our main goal is to ensure strong risk-adjusted returns for our clients. At the same time, we acknowledge that, delivering strong risk-adjusted returns over time means protecting the ability of future generations to meet their own needs. This, which we call "value beyond return", is our compass for helping our clients build a brighter future – one that they can look forward to.

We are inspired by the 1987 Brundtland Report from the World Commission on Environment and Development (WCED), which was sponsored by the UN and chaired by former Norwegian Prime Minister Gro Harlem Brundtland. Under Brundtland, the WCED defined sustainable development and developed long term solutions linking environmental and social issues with economic growth. Built on our Norwegian legacy, sustainability has been a key consideration for Storebrand from day one. Over time, our sustainability practice has evolved over time to fuse our focus on solutions-driven investing to address environmental and social problems that we are facing, with an exclusion focus where necessary.

In addition to being a sustainability pioneer and having established some bold 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 the first Green Bond Fund and being early to launch specific and dedicated deforestation, climate change & lobbying, and nature policies.

We operate around a long-term vision for the year 2050 as a world in which 9 billion people live well, and within the earth's natural limits. We integrate this vision and its values into our core asset management business, seeking to generate the best possible risk-adjusted returns for our clients without compromising the ability of future generations to meet their own needs. Our investment beliefs are based on the assumption that the companies which contribute to solving our societal problems in a sustainable way will also be the most profitable in the long run.

Leadership in sustainability

Storebrand AM has a strong position in the Nordic markets, as demonstrated in our two biggest markets, Sweden and Norway by: having been first and second respectively in each market for sustainable investment offerings in surveys of institutional client by Prospera in 2024. In addition, we were recognised by Morningstar as "Best Asset Manager", in Denmark at its Danish Awards for Investing Excellence 2024, based on the risk-adjusted performance of our funds; and in Finland as "Best Europe Equity Fund" in its Finnish Morningstar Awards, for demonstrated superior risk-adjusted returns, consistency in performance, and excellence in long-term-oriented portfolio management.

Our position as a sustainability pioneer has been central to our international success in recent years. We have sought to, and continue to, grow our international business through offering clients a 'Gateway to the Nordics', leading with our approach to sustainable investing.

The majority of our international growth has come from sustainability-focused clients that seek integration of environmental and social factors in their investment strategies, either through systematic or active investment strategies. Our fossil-free fund range has been particularly successful in the growth of our international business beyond the Nordics.

Sustainable investment memberships and initiatives

As a responsible shareholder and investor, we aim to invest in a way contributes to a more sustainable future and better world. More than ever, we are determined we need to play our role in transition: decarbonizing the economy, protecting biodiversity and supporting inclusive growth. These strong convictions permeate our strategic plan and will allow us to pursue our objective of generating long-term sustainable investment returns for our clients.

In connection with our overarching principles and vision, the Storebrand Group has signed the Global Compact. The company follows the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for multinational enterprises as well as institutional investors. We support the UN Human Rights Conventions, the ILO Core Conventions, the UN Environment Conventions, the UN Convention Against Corruption; and we have signed the Principles for Responsible Investment (PRI), which guide our activities.

In addition to these, Storebrand AM has made a significant number of formal commitments and is a member of several collective sustainability initiatives within the asset management sector.

A comprehensive, constantly updated list of our international, regional and local commitments, credentials and memberships is maintained on our website: at https://www.storebrand.com/sam/no/asset-management/sustainability/memberships-and-awards

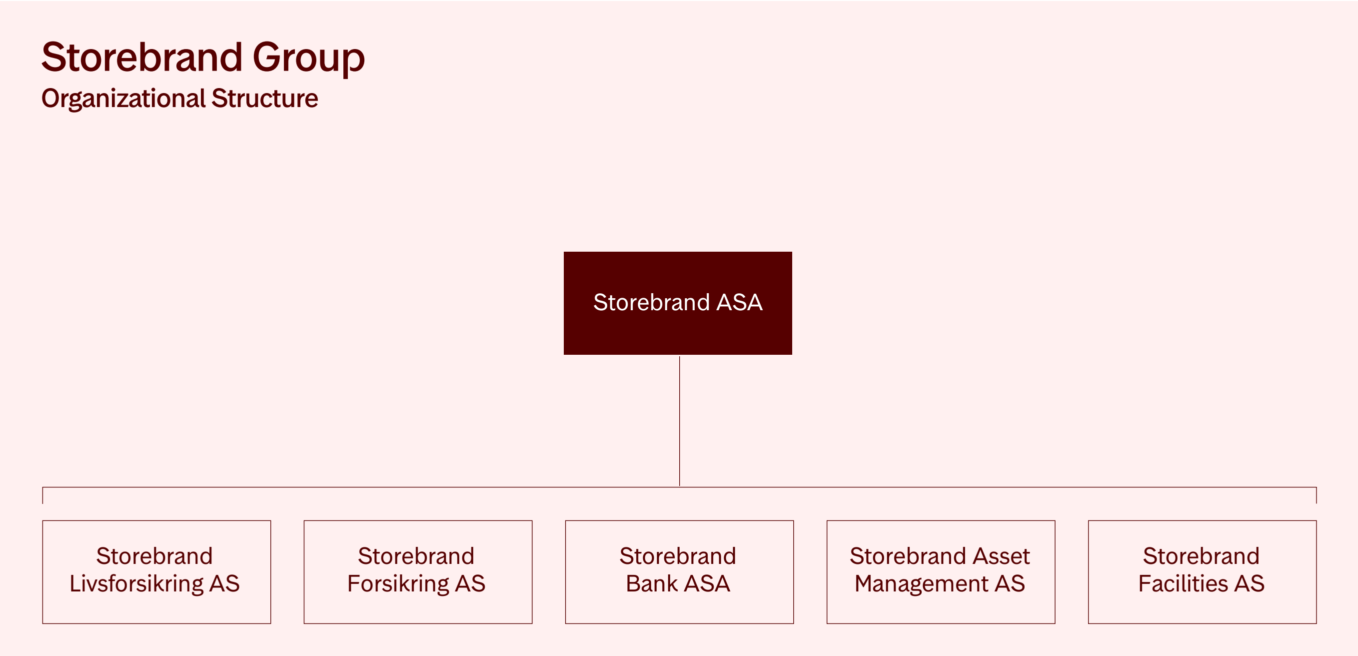
Commitments

As part of our commitments, we have pledged to meet a significant set of goals related to the composition of our investment portfolio. The time range for these commitments ranges from the near term through to 2050.

These commitments are detailed in the section on our sustainability strategy.

Organisation

Figure 2: Storebrand Group Organizational Structure



Storebrand Asset Management (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 this structure, Storebrand AM is focused on asset management, for both the group itself as well as external customers.

Storebrand Asset Management (Storebrand AM) owns several asset managers, collectively forming a diversified multi-boutique asset management group with total assets under management of NOK 1469 billion as of the end of 2024. We serve institutional clients including pension funds and insurance companies, distributors, municipalities; and private customers such as family offices, organizations and foundations; and high-net-worth investors.

Leveraging our experience and expertise in managing assets from the Storebrand Group's life insurance companies, and our distinct sustainability profile, Storebrand AM operates a multi-boutique asset management concept that gives clients a highly personalized experience, with strong advisory resources, and agility at scale across a full range of investment offerings. Central to this multi-boutique offering is our highly experienced and specialized teams, operating autonomously, focused on specific investment domains.

As of the end of 2024, 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.

All Storebrand AM entities are bound by a policy framework, which includes a comprehensive set of sustainability principles and exclusion criteria (norm-based and product-based) that the respective entities must adhere to in their investment processes.

Figure 3: Storebrand Asset Management: Organizational Structure

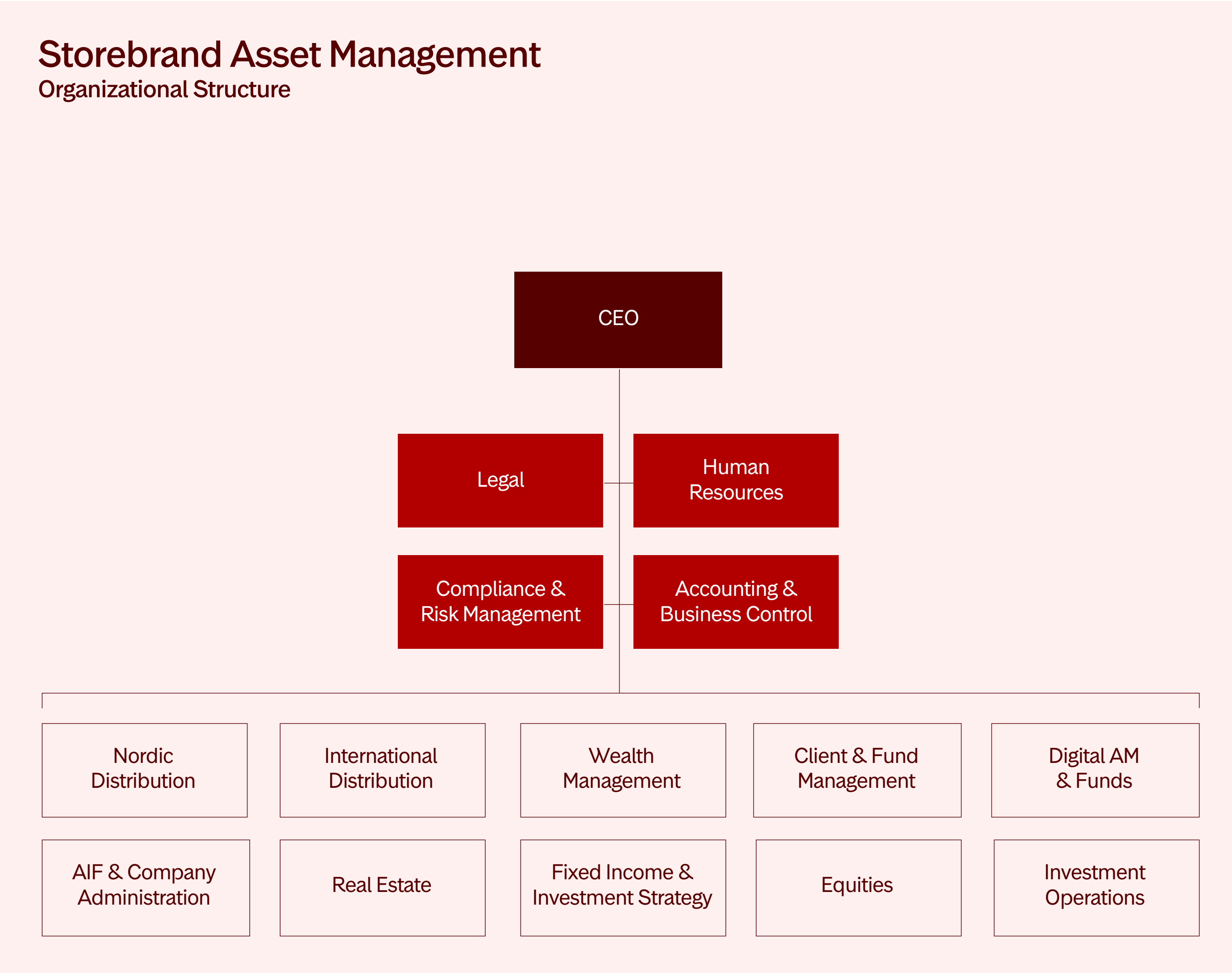
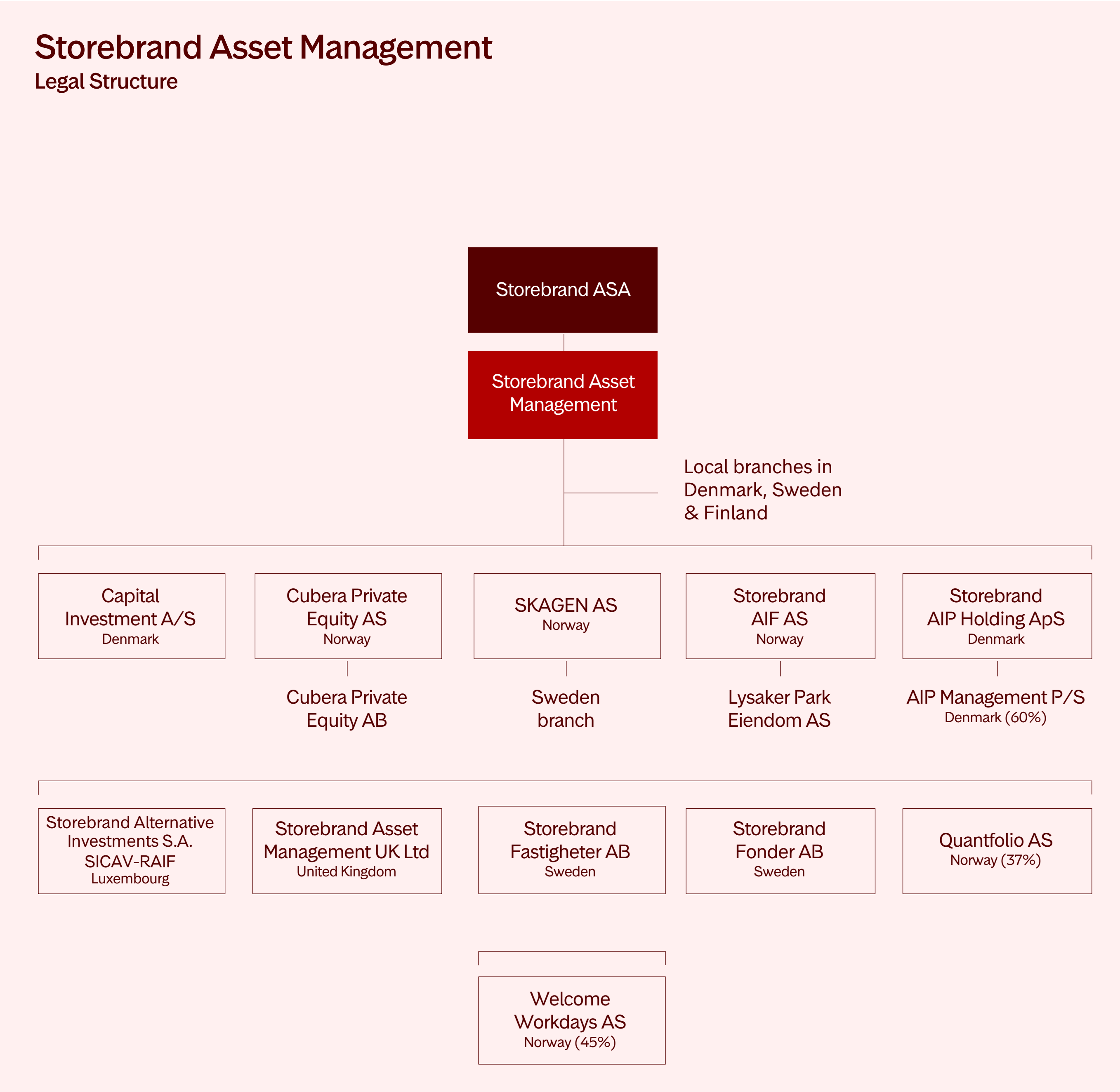


Figure 4: Storebrand Asset Management: Legal Structure



Ethics

Our business, and indeed the financial sector in general, is dependent on trust from customers, authorities, shareholders and society at large. To gain our clients' confidence, we must display professionalism, skill and high ethical standards at all levels. This applies both to the Group's business operations and the way in which every one of us acts, with due diligence and accountability.

All companies within the Storebrand Group use e-learning tools for employee training in ethics, anti-corruption, anti-money laundering and anti-terror financing, as well as privacy and digital trust. These employee courses are mandatory each year to ensure responsible business practices are maintained in line with our Group Code.

Conduct

In addition to the guidelines and internal rules that oversee employee and management behaviour, we value trust as a soft commodity, as the mutual feeling of security in the fairness, benefit, and sustainability of a business relationship. We acknowledge that trust is difficult to establish and sustain, and very easy to undermine.

Diversity and inclusion

We always strive to be an organisation characterised by inclusion and belonging. All Storebrand employees shall be treated equally, regardless of age, gender, disability, cultural background, religious beliefs, or sexual orientation, both in the recruitment processes and throughout their employment. We have zero tolerance for harassment, discrimination, and gender-based violence. Our goal is greater diversity and better gender balance in all senior positions. Measures include nominating an increased proportion of women to leadership development programs and in recruitment processes for management positions. For the Board of Storebrand ASA, the requirement is that the gender balance should be 50/50 between men and women. SAM nominates 50/50 gender balance of candidates to all leadership/training programmes as well as all internships and trainee programmes.

Our Diversity and Equal Opportunities Policy outlines our approach to ensuring diversity, inclusion and equality through defined processes for recruitment, organisational changes, salary adjustments and management training. The Board follows up with the CEO on several sustainability indicators. We have a diversity committee with participation from the entire Storebrand Group. The committee has focused on diversity, inclusion and belonging, and offering courses on inclusive leadership.

Photo: Caimage, Johner

Sustainability Strategy

Storebrand aims to ensure competitive long-term risk-adjusted returns for customers and owners, while serving as a driving force for lasting change in the way companies are managed.

Our strategy

We are committed to helping our clients achieve strong risk-adjusted returns and believe that integrating sustainability data and perspectives will help us do so. In this context we consider sustainability to be a significant driver of corporate value.

We believe that companies that manage current and future environmental and social opportunities and risks will emerge as leaders and are more likely to create a competitive advantage and long-term stakeholder value. Identifying the risks and opportunities arising from environmental, social and governance factors, is therefore an important factor in how we assess investments.

Context: systemic challenges to life and value creation

Based on research by the United Nations agencies UNDP and IPCC among others, a consensus has emerged that humanity faces urgent sustainability challenges which span climate, nature, and social dimensions. These issues have massive implications for our planet and our financial portfolios.

Climate change, currently the most visible sustainability issue in the public sphere, carries risks of irreparable harm to the physical environment, assets and economic systems. Biodiversity and natural ecosystems, which support human life and underpin economic value creation, are crucial building blocks to solve the global warming and climate challenge. Yet, these systems are currently being severely degraded, due to land and sea use change (including deforestation), pollution, climate change, overharvesting of natural resources, and spread of invasive alien species. A steady stream of scientific reports from the UN is already confirming that the world is now experiencing observed impacts of these issues, and a looming risk of them accelerating exponentially.

Towards the end of the year, the Potsdam Institute for Climate Impact Research, launched an overview of planetary life support systems, the Planetary Health Check (PHC). The report indicates that planet earth's critical systems are severely risk, with six of nine Planetary Boundaries breached. What's most relevant from the financial sector perspective is that these risks to the planet's health constitute a systemic risk to human life, and to our ability to sustain the economic activities that investments are based on.

Addressing these systemic environmental challenges, along with existing social ones, also implies a need for strengthened governance structures in business, as well as a "just transition": a broad program of change necessary to ensure broad buy-in needed from all stakeholders, and thus enable the global transition to a sustainable economy.

Over the past few years, this landscape has increasingly driven companies and investors to address sustainability head-on, in a more integrated manner. Attention has been paid to a broader set of issues that were previously much less visible, including topics such as living incomes; corporate governance and transparency; and due diligence on human rights and working conditions.

The SDGs as a compass for capital

In our view, the real-world implication, if one accepts the scientific facts around our need for change, in order to address these risks, is that a massive mobilization of private sector capital is needed to shift companies and their activities towards entirely new systems of value creation that are aligned with sustainability.

For investors, that means both investing in solutions, as well as taking on stewardship responsibilities: engaging with companies to ensure that they do have – and comply with – credible transition plans.

The Sustainable Development Goals (SDGs) outlined in the United Nations 2030 Agenda for Sustainable Development (Agenda 2030), and adopted by the UN in 2015, provide an internationally recognized context for sustainability. The SDGs are highly relevant to international companies in that they outline a common development agenda towards 2030 and highlight key business risks and opportunities. In addition, all major areas of sustainable development are addressed; including issues from healthcare and water use to climate, urban development, corruption and gender equality.

In our approach, which is grounded in the Storebrand Group's (Storebrand ASA) sustainable investment policy, we aim for our investments to contribute to the achievement of the SDGs, but without causing harm or having an adverse impact on society and the environment. This means that we focus on reducing the adverse sustainability impact that our investments may cause, while also contributing to positive sustainability impact by allocating more investments to sustainability opportunities.

Challenges and dilemmas

However, pathways to SDG alignment aren't always clear and obvious. Reaching sustainability objectives often involves balancing acts and tackling dilemmas: situations in which difficult choices must be made that potentially involve equally unappealing outcomes. Some examples of this include the need to urgently develop sources of renewable energy without destroying nature or jeopardizing Indigenous Peoples' ways of life.

Furthermore, the rise in violent conflict around the world, including even armed conflict here in Europe, appears to be creating incentives towards other, conflicting priorities. For example, rising geopolitical conflict has sparked a rush by nations to secure raw material and energy resources. In such a context, governments face immense pressure to continue to encourage investment in expanding production of fossil fuels, and in activities such as seabed mining, which bears unknown but potentially catastrophic consequences for marine ecosystems and climatic conditions.

In the past few years, the movement to address sustainability challenges, and the established consensus on the SDGs as a framework for defining sustainable transition targets and identifying solutions, has met with political resistance, primarily from the United States, and to some degree from certain constituencies here in Europe.

This appears to be leading to some fragmentation of the approach taken by some financial institutions, primarily US-based ones. It also has made the task of influencing fossil-fuel-based companies towards investing in transition, even more difficult.

However, this resistance does not change the fundamental scientifically- based rationale for transition.

Impact of regulatory frameworks

The EU's action plan for sustainable finance aims to: increase the share of sustainable investments; promote a long-term perspective in companies' planning; and make it clearer which financial products take sustainability into account. Regulations related to this action plan impact our strategy and how we report on our business.

EU Taxonomy for Sustainable Finance

The taxonomy is a classification system that defines which economic activities contribute to achieving the EU's environmental goals, without compromising social conditions. The taxonomy and associated reporting requirements were implemented in Norwegian law on 1 January 2023.

The companies that are affected by the legislation are obliged to assess how their products and services affect the environment in accordance with the taxonomy's classification system. Large, listed companies must disclose the proportion of their income, expenditure and investments that are linked to sustainable activities in line with the technical criteria set by the EU for each sector.

For the financial year 2024, we are obliged to report on activities related to all six environmental objectives in the taxonomy, to the extent that they are relevant to the Group's activities.

The rules establish standards for sustainable asset management and clarify requirements for reporting and customer information. The regulations will help to increase confidence and transparency in the financial markets, and will contribute to achieving the EU's climate and environmental goals. At the same time, the implementation of the taxonomy entails challenges, both for us as a financial player and for our customers and partners, such as ensuring sufficient and reliable data.

In the section "EU taxonomy", we show the proportion of our activities that are linked to economic activities that contribute to achieving the EU's environmental goals. In 2024, the focus has been on obtaining good data, despite the fact that it remains a challenge as long as only a limited number of companies in the value chain are reportable. We will continue to monitor the development of the taxonomy and continuously adapt our reporting and operations to new criteria.

Sustainability Reporting Directive (CSRD)

The Corporate Sustainability Reporting Directive (CSRD) replaces the previous Non-Financial Reporting Directive (NFRD). The CSRD was introduced into Norwegian law in 2024 and expands the reporting requirements in the current sections 3-3c of the Accounting Act. Sustainability information must be provided in the annual report and will to a greater extent be equated with financial information. The CSRD contains standards for sustainability reporting (ESRS).

The aim of the directive is to establish transparency and ensure a long-term perspective, as well as to ensure harmonisation and standardisation of reporting for users of accounting and sustainability information. The directive requires all listed companies in the EU to carry out an analysis of and report on risks, opportunities and impacts on the environment and society throughout the value chain, so-called "double materiality".

The Sustainable Finance Disclosure (SFDR)

The EU Sustainable Finance Disclosure Regulation (SFDR), which came into force in March 2021, aims to help clients make informed choices about their investments and provide increased transparency into how sustainability is integrated into a fund's investments. The regulations require Storebrand to be transparent about how the company manages sustainability risk, potential negative consequences of our investments, and the extent to which our investment products take sustainability into account.

In 2024, the European Commission published a summary of the public consultation on the requirements of the SFDR conducted in 2023. The summary pointed to the need for harmonisation and a clearer categorisation of what is considered sustainable. They also highlighted the

9) Materiality analysis report (storebrand.no)
10) 2023-annual-report-storbrand-asa.pdf (storebrand.no)

importance of strengthening the focus on investments in activities that contribute to the transition to a low-carbon society. In June 2024, the European Supervisory Authorities (EBA), EIOPA and ESMA issued a joint statement in which they proposed the introduction of simple and clear categories for financial products, such as "sustainable" and "transitional" products. The aim is to reduce the risk of greenwashing and to strengthen consumer protection. Further updates are expected during 2025.

The Markets in Financial Instruments Directive (MIFID) and the Insurance Distribution Directive (IDD)
In April 2021, the European Commission adopted a rule amendment to the existing MiFID II and IDD regulations stating that sustainability must be mapped in the same way as financial risk is mapped. Companies that provide investment advice must obtain information about customers' preferences related to sustainability, as well as map their experience and knowledge of investments. Sustainability mapping must therefore be an integral part of the suitability assessment companies carry out when they offer financial products to their customers.

Storebrand takes a positive view of requirements for mapping customers' sustainability preferences. It can help increase awareness of ESG factors and make it easier to understand different types of funds or profiles with a lower carbon footprint. Mapping of the customer's sustainability preferences is anchored in internal regulations and operationalized in routines and working documents. Regulation related to sustainability preferences and suitability assessment was introduced into Norwegian law in 2023.

Corporate Sustainability Due Diligence Directive (CSDDD)
The EU Directive on Corporate Sustainability Due Diligence (CSDDD) entered into force on 25th July 2024. Pending changes at the EU level, it is expected that the law will be implemented in Norwegian legislation by 2027. The threshold for inclusion is higher than the Transparency Act, and Storebrand is therefore expected to comply with the requirements in 2028.

CSDDD aims to promote sustainable and responsible business conduct and to embed human rights and environmental considerations in companies' operations and management systems. The regulations will require companies based or operating in the EU to conduct upstream and downstream due diligence, and respond to requests for information from stakeholders on how to manage and work to avoid or mitigate adverse impacts. The due diligence assessments must be made public, and there will be requirements for a plan for climate goals and integration of human rights and environmental considerations into corporate governance. The CSDDD establishes liability for damages for failure to carry out due diligence assessments.

'Green claims' directive
To counteract "greenwashing", the European Commission has come up with a legislative proposal to ensure that consumers receive reliable, easy-to-understand, comparable and verifiable environmental information. This will be achieved through clear rules for companies and organisations that have environmental claims in commercial communication or that use eco-labelling of products. Companies must be able to prove the claims in their marketing with verifiable data, such as life cycle assessments. The proposal for the Green Claims Directive was adopted by the Council on 17th June 2024 and the status is that the Council is waiting for a position from the new European Parliament that was elected in July 2024. The timeline for when the directive is expected to enter into force is unclear as of the end of the period of this report: the calendar year of 2024.

Impending changes to EU regulations
In 2025 it is projected that the European Commission will take action to implement a so-called Omnibus regulation, in which the CSRD and CSDDD will be substantially changed. If implemented, such changes could impact the scope and scale of possibilities for sustainable investment, as well as related requirements for corporate disclosure and reporting.

Materiality

To ensure that we have a comprehensive and long-term approach to creating value for our shareholders, customers, employees, and society at large, The Storebrand Group regularly conducts a materiality analysis across all business areas, including Storebrand AM. The analysis defines the challenges and opportunities that both Storebrand and our stakeholders perceive as most crucial to reaching our long-term strategic goals, and where we have the greatest impact on society and the environment.

The materiality analysis is continuously updated through on-going dialogue with our most important stakeholders: shareholders, customers, employees, authorities, and NGOs. This ensures alignment between our goals and prioritised areas, and our stakeholders' expectations.

The Storebrand Group's first materiality analysis was conducted in 2017 with annual adjustments following stakeholder engagement. In 2020, we renewed our topics following a thorough analysis based on input from both internal and external sources. In 2023 the Storebrand Group conducted a new materiality analysis, which was updated in 2024 to meet the requirements of the CSRD. The materiality analysis was based on input from trends, policies, internal and external stakeholders, as well as input from the executive management.

For Storebrand Asset Management, a wide range of the issues assessed can be considered to be significantly material or, of rising future material relevance. Climate change, nature and biodiversity, and human rights were the most significant issues.

Key sustainability commitments and target dates

We have committed to sustainability-related targets for our investments, ranging from short term targets over the next half-decade, to medium term targets, and long-term targets until 2050. These commitments underpin and inform our investment strategy, and require that our product design and engagement approach integrate environmental and societal factors towards reaching long-term financial objectives.

These targets are fundamental to our fiduciary duty in delivering strong long-term returns to our clients. The significance of these commitments to our business, means that the commitments are ambitious and achievable within the nature of our activities.

We have several goals designed to meet our external commitment to the Net Zero Asset Managers Initiative (NZAMI). Further, around half of our AUM is managed on behalf of companies in the Storebrand Group, which has verified Science Based Targets (covering all AUM) and is a founding member of the Net Zero Asset Owners Alliance (NZAOA). The commitments are therefore designed in collaboration across Storebrand Group companies to ensure relevance.

Although these targets do not span the entirety of our work in sustainability, they help guide our work on implementing our sustainability strategy. The commitments are displayed in the table shown here:

Key sustainability commitments and target dates

Category	Commitment	2025	2027	2030	2040	2050
Solutions	15% of AUM in solutions	●				
	20% of AUM in solutions			●		
Emissions	Reduce portfolio emissions intensity by 32%	●				
	Reduce portfolio emissions intensity by 60%			●		
	Net zero emissions					●
Science based targets	42% of equity and bond portfolio STBi aligned		●			
	64% reduction in residential property emissions/m²			●		
	71% reduction in commercial property emissions/m²			●		
Biodiversity	Nature risk assessed and biodiversity targets set	●				
Deforestation	Zero commodity deforestation	●				
Human rights	Substantial alignment with UN guiding principles			●		
Living wages	Living wages acknowledged in target sectors			●		

Performance against the key commitments and targets

	Greenhouse gas emissions: Stock and bonds	Greenhouse gas emissions: Real estate	Science based targets	Solution investments
Current status	**58%**	**51%**	**31%**	**17%**
Targets	**32%** reduction by 2025 compared to 2018 level	**32%** reduction by 2025 compared to 2018 level	**> 42%** of stocks and bonds by 2027	**15%** solution investments by 2025

Our approach

Integrated approach to sustainable investments
We take an integrated approach to sustainable investing, combining our sustainability strategy with our investment beliefs. There are four parts to this approach:

1. **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.
2. **Active ownership:** engagement on many dimensions and with many stakeholders, including voting, to enable or influence the companies we invest in, to reduce negative and increase positive impacts of their business model.
3. screening out and/or exiting investments that are not likely to be aligned with our sustainability policies.
4. **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.


Photo: Colourbox

1. Solution-driven investment

We strive to achieve a positive impact in society by directing more capital to companies that are well positioned to solve global sustainability challenges. We do this by increasing investments in solution companies, green bonds and real estate and infrastructure that support the SDGs.

The foundation of our solutions-driven investment is to identify companies contributing to sustainable development through their products or services. We include company equity and debt investments in our calculations and estimate their solution exposure (ranging from 25% to 100%) using both external datasets and internal proprietary research. Exposure estimates at a company level are aggregated to estimate total portfolio solutions exposure. While our solution exposure estimate is focused on revenues, we are mindful that smaller companies in a start-up phase may represent great opportunities – and we apply the "do no significant harm" principle.

Our solutions definition also encapsulates green bonds, infrastructure, certified Real Estate and impact-focused Private Equity.

We aim to invest 20 per cent of assets under management in solution companies, bond investments in solutions, green bonds, green infrastructure and environmentally certified real estate by 2030. Our target for 2025 was 15%, which we achieved in 2024.

Equity 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. 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.

Our approach differs for solution investments in other asset classes.

Debt

Within fixed income and credit management, we invest in debt instruments with different credit quality and maturities. This includes green and sustainability-linked bonds that provide direct exposure to sustainable initiatives. The companies that issue the green bonds we invest in, must comply with international standards such as the Green Bond Principles, the forthcoming EU Green Bond standard and the International Capital Market Association (ICMA) framework.

Real Estate

Storebrand's real estate business primarily comprises management of existing property on behalf of investors, as well as construction projects to adapt, rehabilitate and further develop the properties. In operations and development, we seek to reduce negative impact on the outside world, while creating a return on invested pension funds.

We are working towards a portfolio that is robust to physical climate risk and other risks. Recognizing that the building and construction sector accounts for a significant percentage of greenhouse gas emissions, energy use and waste production, we continuously work to reduce the climate and environmental footprint of our real estate operations.

A pillar of our approach is continuous improvement of our properties, with the goal of minimising their CO2 emissions and nature footprint. Upgrading buildings therefore makes an important contribution to energy and emission cuts, while reducing sustainability risk. It also reduces impacts on nature and natural resources, which are under significant pressure.

We preserve and transform and seek re-use-based solutions, to achieve the least possible waste generation and use of new materials. With increased reuse, we can avoid greenhouse gas emissions and take scarce material resources out of the cycle. We seek a positive impact on the local environment by promoting safe and attractive neighbourhoods, increasing urban nature and biodiversity, and preventing pollution to air, soil and water.

Infrastructure

Reducing global emissions will require large investments in infrastructure such as renewable energy generation, grid infrastructure, storage capacities and other such facilities.

Since the launch of the Storebrand Infrastructure Fund in 2021, the fund has made direct investments in projects that enable the transition to a greener economy, by increasing renewable energy production and utilization, and decarbonizing the transport sector.

In 2024 we completed the acquisition of a majority ownership in the specialist infrastructure investment boutique AIP Management. With this acquisition, we aim to catalyse further expansion of our capabilities and offerings in this area.

Private equity & private credit

Storebrand's private equity (PE) investments are carried out through a wholly owned subsidiary, Cubera Private Equity ("Cubera"), an investment adviser and fund-of-funds manager. The ultimate goal of Cubera's operations is to maximize the risk-adjusted returns for Cubera's investors. Cubera firmly believes that ESG integration will not only lead to better risk management for investments, but that it will ultimately provide financial and non-financial benefits to investors, their beneficiaries, and other stakeholders in both the short and long term. While Cubera has limited formal influence on ESG issues during the ownership phase, Cubera influences through manager selection and dialogue. Cubera follows Storebrand's exclusion policy and exclusion decisions, which are included in side-letter agreements.

PE has historically included sustainability considerations primarily in due diligence processes and pre-investment analyses, mainly aimed at understanding a private equity general partner's (GP's) ability to handle ESG-related risks and opportunities. While these efforts have led to an established practice of integrating ESG in the selection and assessment of private equity managers, the industry continues to face significantly lower availability and standardization of ESG data, with less standardization.

Over the last few years, the ESG agenda has become much more prominent in PE, with managers ramping up their efforts on (e.g.) emissions reporting. Data availability is improving, in part driven through regulation. For example, private equity funds that sell funds to European investors are in scope of the SFDR and often report according to Article 8 and Article 9 of the SFDR.

Furthermore, more and more voluntary approaches amongst PE players are emerging, the ESG Data Convergence Initiative (EDCI), a PE industry initiative, being the most prominent example. The initiative, of which Cubera is a member, is working towards streamlining reporting between GPs and LPs, as well as developing ESG benchmarks for private equity on seven key ESG KPIs. Here we see positive development also outside the EU jurisdictions, and of the members in EU and North America representing an equal response percentage of 44 per cent each, to us, this demonstrates a very positive trend.

When it comes to sustainability, Cubera pursues an integrated management approach, meaning that we embed sustainability across the organization and our business. Our sustainability governance is set up to enable the investment teams to address and incorporate ESG considerations in all our investment- and due diligence processes. Cubera invests with fund managers who share its view that ESG factors affect the long-term market value of assets.

For both the primary strategy, including the Impact strategy, and the secondary strategy, the ESG capabilities and ESG policies of the GPs are assessed as part of the due diligence process conducted by the investment teams.

These include:

- pre-assessment of inherent ESG risk levels in a given investment strategy
- the historic ESG performance of the GP
- how a GP has followed up on ESG-related incidents
- how a GP incorporates ESG into firm operations and the investment process
- whether the GP has a responsible investment policy
- whether the prospective GP provides sufficient reporting on ESG topics during ownership

Cubera will decide not to invest with GPs if their ESG policies and capabilities are deemed insufficient. Since the primary strategies typically invest in blind pools, which means that the investments by the GPs have not yet been made, the investment teams are to make an evaluation of about 10 to 15 selected portfolio companies from previously raised vintages or funds that the GP still holds. Historical ESG incidents would then be reviewed, assessed, and included in the investment recommendation.

In addition to the due diligence of the manager, the secondary strategy also screens for potential ESG issues in the underlying portfolio companies as funds are often fully invested at the time the secondary team considers a transaction. Each portfolio company is screened for prevalent ESG risks. For Cubera, it is important to identify and assess material governance factors and gain confidence in the manager's and companies' ability to address any such factors in a meaningful and appropriate way.

In co-investment transactions, which can occur both in secondary and primary strategies, individual companies will undergo additional due diligence.

One of the most impactful ways Cubera can influence GPs is through engagement. By engagement we mean specific dialogue about ongoing or recurring ESG topics or material incidents in the portfolio. Often such talks begin with a request on more transparency around a given issue and leads to input on how managers should address, improve, or prevent ESG related incidents. Because of the fund-of-funds nature of Cubera's business, we do not interact directly with portfolio companies, which makes it even more important that we have strong relations with managers and that there is mutual trust and transparency between us as partners.

Cubera prioritizes its engagement with managers where incidents are material and/or we are an important limited private equity partner (LP) and are in a position to have impact. Where there is an incident with one of Cubera's investments, Cubera will engage with the GP and seek for transparency and a clearly stated plan to address and provide satisfactory solutions to a given problem. We expect our GPs to report ESG incidents in their periodic reporting, while major ESG incidents should be reported to Cubera immediately. In addition to this, Cubera uses RepRisk as its internal monitoring tool for ESG incidents.

2. Active ownership

Exercising our influence through active ownership is a critical part of our approach to sustainability. We set expectations for the companies we invest in and use our ownership position to influence the companies for improvement. To reduce negative impact, we have a transparent process to ensure that companies meet our sustainability risk standards.

We do so based on the principles and guidelines set out in our Storebrand Asset Management Sustainable Investment policy. The policy emphasises that, on behalf of the unitholders for whom we manage capital, we must perform an ownership role in the companies in our portfolios where the execution of ownership is considered material financially, regulatory, or in terms of fiduciary duty. This ownership role must be performed by us in such a way that the interests of the unit holders are held foremost, for example by maximising the long-term value of the companies. This means that, in the event of any conflicts of interest related to the exercise of ownership rights and responsibilities, our corporate interests and those of our associated companies must always give way to the interests of the unitholders.

In 2024, the Board of Directors of Storebrand Asset Management adopted an updated climate policy, including emission reduction targets for 2030.

In addition to our overarching, Sustainable Investment Policy, we have several underlying policies that describe and guide our approach to the following issues:

- Exclusion
- Engagement and Voting
- Human Rights
- Climate
- Nature
- Deforestation

Roles and responsibilities

Our Engagement and Voting Policy is anchored with the Board of Directors of Storebrand ASA and adopted by the Board of Directors in 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 we should express our opinions through voting; and conducting the engagement and voting activities that are involved the exercise of our active ownership responsibilities

Reporting on active ownership

Our Risk & 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. Externally, Storebrand AM publishes a quarterly Sustainable Investment Review with data and additional contextual details of how we are performing our active ownership responsibilities, including engagement, voting and exclusions. Regarding voting, we disclose all our votes cast on our website via the Proxy Voting Dashboard of our external service provider ISS.

The full and current details of all our policies can be accessed in our document library: https://www.storebrand.com/sam/no/asset-management/insights/document-library.

Engagement Principles

Five principles guide our approach to exercising ownership rights:

1) Creating shareholder value

We believe that companies that proactively manage sustainability risks and adjust their strategies and business models to embrace sustainable solutions, will also create increased shareholder value over time. Thus, our clients' shareholder value also encompasses environmental, social and governance value.

2) Aiming for a positive impact

Ultimately, we aim for our investments to have a positive impact. Therefore, we do not only engage with companies to require them to redress wrongs (reactive engagement). We also engage with them to lift sustainability standards proactively so as to address potential sustainability risks before they can become impacts, as well as to encourage good practices. Accordingly, we allocate more resources to these proactive engagements, engaging for long periods and, where possible, with other investors for more leverage and better results.

3) Leveraging our Nordic position

We are a Nordic actor. This means that we have more leverage in Nordic countries where we are well known, and our exposure can be high (size of holdings). We will prioritise our proactive engagement with Nordic companies, where our Nordic position and knowledge of these companies enables constructive and meaningful dialogue that creates value for these companies, Storebrand, and our clients. However, this does not limit us to only engage with Nordic companies. Aspects such as the materiality of ESG risks, exposure, and the ability to have greater impact on ESG issues remain important factors to consider in the prioritization of our engagement work with companies outside of the Nordics.

4) Multi-stakeholder engagement
We understand that many sustainability issues cannot be solved by companies or investors alone; they require the involvement of other stakeholders. As a result, we engage with others such as governments, industry organisations, environmental and human rights organisations or labour unions. In particular, we consider policy-level engagement an essential factor in stimulating change since we believe regulation sometimes is required to advance many sustainability issues.

5) Targeted engagement
We engage companies on their sustainability practices, management of risks to people and the environment, developments in accordance with changing regulations, mitigating reputational risks, and expectations from their shareholders and society at large.

In our experience, we achieve the best results through cooperation with other investors and, when engaging individually, through targeted engagement with companies where our ownership level is highest.

Engagement themes

To maximize our impact, and based on a structured assessment, we periodically develop engagement themes that guide and focus our action. More detail on the engagement themes is available in our section on how we implement our sustainability strategy.

Engagement goal-setting and measurement

Before we start engagements, we establish specific goals for the engagement process, to ensure clear communication with the investment objects and to facilitate the measurement of the engagement's success. We classify engagement as either reactive in response to controversies or potential breaches of our standards; or proactive, in which we engage with companies or entire sectors to address more systemic issues.

The sustainability analysts in our Risk and Ownership team set the objectives for engagements and record the success factor for the commitment in each engagement process. We log and track all our engagements in a system developed for the purpose of monitoring engagement progress.

We measure progress towards four levels of success, where the fourth and highest level is in line with the UN Principles for Responsible Investment, PRI: Improved Business Practices (in line with the PRI definition of success: "The actions taken were fully or mostly completed after Storebrand contacted the company").We can therefore assume that our efforts have contributed to the improvement when this level is reached, although it is seldom possible to determine exactly to what extent.

The scale by which we measure progress is based on completion of four milestones:

- Level 1 = company contacted (explanation of concerns + request for company practice improvement; no response)
- Level 2 = company contacted; unsatisfactory response
- Level 3 = company contacted; satisfactory response
- Level 4 = company contacted; improved business practice

When engagements conclude, we classify the results in four categories:
1. None
2. Successful
3. Unsuccessful
4. Neutral

The relative success of engagement is notably easier to establish in reactive engagements about specific controversies, than in proactive engagements on broader issues like climate. The progress of engagement is discussed regularly by the Risk and Ownership Team, including minimum requirements, alternative methods of achieving or improving dialogue, and whether an engagement should be escalated or not. If the company does not meet our minimum requirements (or communicates a plan and ambition to start measures) after repeated dialogue attempts, we escalate our actions.

Escalation of engagement

Within the process of engagement, escalation can mean that we take some or all of the following actions:

- raising issues at board level if management is not responsive
- expressing our views publicly by issuing a public statement
- cooperating with other investors if not already done so
- proposing, submitting or co-filing resolutions at the AGM
- voting against re-election of board members concerned
- setting a company on our observation list

We are a Nordic actor, which means that we have more leverage in Nordic countries where we are more known and where our exposure can be higher (size of holdings). We will prioritise our proactive engagement with Nordic companies, where our position and knowledge of these companies enables constructive and meaningful dialogue that creates value both to these companies, to Storebrand, and our clients. This however does not limit us to engaging only with Nordic companies, as aspects such as the materiality of ESG risks, exposure, and the ability to have greater impact on ESG issues remain important factors to consider in the prioritisation of our engagement work with companies globally. Based on our long-term focus in investment, and our commitments to sustainable investment, avoiding certain investment incompatible with this perspective, is an intrinsic part of our processes.

We sometimes put companies on an observation list as a method of escalating the dialogue. According to our procedures, we expect companies under observation to show improvement within a pre-determined time, in order to be removed from this status. If the improvements are not achieved, the company can be excluded from our investable universe. Such cases typically involve companies that we consider close to being excluded based on norm-violations but where we see a possibility that the company will change practice in line with set expectations as part of dialogue. Companies on the observation list are continuously monitored for improvements and adherence to our standards.

Companies may only stay on the observation list for up to three years before being excluded from our investment universe or taken off the observation list. We set specific expectations of companies as to what actions are required to be taken to change their observation status. This specification for change is reviewed annually to ensure the company takes material action on issues. If the company does not take action to meet the specification, there may be cause for exclusion. While a company is designated by us as being on our observation list, we do not increase our investment in the company.

Voting

Our commitment to sustainable, long-term value creation drives us to actively exercise shareholder voting rights. This commitment is integral to our fiduciary duty, ensuring we safeguard shareholder interests and promote exemplary 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.

Responsibility for voting is delegated to our Risk & Ownership team, which determines how to exercise the voting rights appropriately, together with the relevant portfolio managers.

In 2024 we committed to a transparency-driven practice of publicly disclosing all our voting decisions on our website, five days in advance of shareholder annual general meetings (AGMs).

We have systems in place to identify, manage and document any conflicts of interest that may arise in the exercising of voting rights. Our procedure for handling conflicts of interest is set out in our company's guidelines for identifying and handling conflicts of interest.


Photo: Colourbox

3. Exclusion

Our approach to exclusions is driven by the principles and guidelines expressed in the Storebrand AM Sustainable Investment Policy, as well as in Storebrand AM's Exclusion policy (formerly called "The Storebrand Standard"). Our exclusion policy applies to all asset classes, and does not distinguish between active and passive assets.

Storebrand AM works systematically to invest in companies that contribute positively to sustainability. Our approach to sustainable investments is based on the assumption 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 regard exclusion as a last resort in cases where companies fail to demonstrate the will to cease their practices, or to engage and improve. When companies breach our Exclusion Policy, we will, in most cases, first use our position as an investor to engage them in dialogue and seek to make adequate improvements to end these breaches. If dialogue does not lead to positive changes, we may exclude the company from investment.

Screening and monitoring

For the screening of potential conduct-based breaches, third-party data providers deliver "company alerts" every quarter, including background information on the controversies related to potential conduct-based breaches. 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.

Exclusion of conduct-based norm-breaches is an action we would take as a last resort, and is applied where companies clearly fail to demonstrate willingness to cease the breach or incorporate improvements that can mitigate and/or prevent adverse impact.

The decision to exclude a company, based on a conduct exclusion criterion, is made by Storebrand's Sustainable Investment Committee on the background of a recommendation by the Risk and Ownership Team. The Committee comprises several representatives of the Storebrand Group's senior management team and other executives, who meet quarterly.

Screening of companies excluded by Norges Bank Investment Management (NBIM) is also done on a continuous basis. All companies that are excluded by NBIM are assessed against the norm-based criteria of this policy and a decision for exclusion across all investments and products is made by the Sustainable Investment Committee based on a recommendation from the Risk and Ownership team. These cases are taken on an ad hoc basis, at the time exclusions are made public by NBIM, as our Norwegian-domiciled funds adhere to NBIM exclusions.

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, it may be beneficial to follow a company over time to increase the information available. Similarly, there may also be cases where we see a company is working on corrective action, but such measures have yet to be fully implemented or verifiable.

In such cases, we place the company on an observation list, associated with specific restrictions, to allow for more time to gather the necessary information and influence company direction. Companies that are under observation will be closely monitored and engaged based on our existing ownership, and we will maintain a close dialogue with the company where we inform them of our expectations of measures and results. We expect the company to show improvement within a pre-determined time. Depending on the outcome, the company will either be excluded from our investment universe, or it will be removed from the observation list.

While companies are present on the observation list, portfolios without prior holdings will be restricted from investing in the said companies. Portfolios with prior positions will be allowed to maintain these positions but not to increase shares in the company.

Exclusion and/or inclusion

We regard exclusion as a last resort, to be applied in cases where companies fail to demonstrate the will to improve and there is a risk of recurrence. If we choose to exclude a company, we use formal routines for reporting to companies and internal formalities of compliance working with fund managers.

Quarterly reports regarding exclusions are first reported to portfolio managers and compliance, so they are aware of new exclusions. Fund managers have approximately 20 days to sell their holdings in excluded companies. Once this is achieved, other key internal and external stakeholders and clients are directly informed.

A list with all exclusions is published and updated quarterly on our website, along with more detailed information about exclusion cases in our quarterly insight reports. Storebrand Asset Management's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches based on this exclusion policy.

Companies excluded are informed of our action and the reasons for our decision. Companies are also informed of the requirements for re-inclusion and are invited to contact us when they believe they have met our requirements.

Excluded companies are monitored continuously and evaluated on a quarterly basis for potential re-inclusion. When our data provider indicates improvements have been made, we assess whether those improvements are relevant to reconsider our grounds for exclusion and decide whether to reopen the case and engage with the company.

Prior to re-inclusion, the Risk and Ownership team assess whether the expectations set out in the original exclusion have been achieved and will then make a recommendation to the Sustainable Investment Committee.

During the fourth quarter of 2024, we changed the way we process data inputs to, and make decisions on MOS (Market oriented screening), which used to be part of Storebrand's Extended Exclusion criteria. Previously, the MOS screening automatically excluded from our Swedish domiciled funds, as well as our Art. 9 funds, companies that were red flagged by one of our data providers for human rights, environmental damage or corruption. We will continue to screen red-flagged companies, but in our new process these companies will be assessed by our in-house expert team in accordance with our Exclusion policy. Any exclusions resulting from this assessment will apply to all funds and not just a sub-set of funds. This approach allows us to have a more consistent approach and take greater responsibility for our exclusion decisions.

Exclusion criteria

We apply the following criteria to determine exclusions from investment:

1) Norm-based exclusions (conduct and non-conduct based)

Storebrand AM will not invest in companies involved in the following norm breaches*:

- Companies that contribute to serious and systematic breaches of international law and human rights (conduct based),
- Companies involved in serious environmental degradation, including the climate and biodiversity (conduct based),
- Companies involved in systematic corruption or financial crime (conduct based),
- Companies that produce or sell controversial weapons, such as, but not limited to, nuclear weapons, land mines, cluster munitions, biological and chemical weapons (non-conduct-based norm-breaches).

Note: *A company will also be excluded when subsidiaries controlled by the company, typically through ownership of 50 per cent or more, are in breach of these criteria.

2) Product- and activity-based

Storebrand has also chosen to exclude investments in companies within certain single product categories or industries, or activities that we consider to cause significant adverse impacts. These products or industries are associated with significant risks and liabilities from societal, environmental or health-related harm. In these product categories there is also limited scope to influence companies to operate in a more sustainable way. These companies include:

- Companies with more than 5 per cent of revenue from coal-related activities
- Companies with more than 5 per cent of their revenue from oil sands
- Companies with more than 5 per cent of revenue from tobacco production and distribution
- Companies with more than 5 per cent revenue from recreational cannabis
- Companies that are involved in deforestation or conversion of native ecosystems through severe and/or systematic unsustainable production of palm oil, soy, cattle, timber, cocoa, coffee, rubber and minerals
- Companies involved in lobbying that deliberately and systematically work against international norms and conventions, such as the goals and targets enshrined in the Paris Agreement or the Global Biodiversity Framework
- Operations in biodiversity sensitive areas
- Deep sea mining
- Mining operations that conduct direct marine or riverine tailings disposal
- State-owned and controlled companies (from states excluded under sovereign bond criteria)

3) Risk-based sale of assets

To further mitigate risk, Storebrand will sell assets from companies with a considerable risk of involvement in activities with severe negative impacts, such as Principal Adverse Impacts (PAIs) as described by EU regulations. For more information regarding PAIs and our due diligence work addressing them, please see our Principal Adverse Impact Statement available on the Storebrand AM website.

4) Sovereign bonds
Storebrand AM will not invest in sovereign bonds from countries lacking elementary institutions to prevent corruption, fulfil basic social and political rights, and contribute to maintaining international peace and security. Countries that rank among the lowest 10 percent on Transparency International's "Corruption Perceptions Index" and the World Bank's "Worldwide Governance Indicators; Control of Corruption Index", are excluded.

Furthermore, countries with the lowest scores in Freedom House's "Freedom in the World Index", and countries subject to sanctions imposed by the UN Security Council, and the EU are also excluded. This criterion also applies to the state-owned or controlled companies of these countries.

5) Green Bonds
Special rules apply to green bonds when it comes to fossil fuels. The entirety of Sector 10 (coal, oil, gas) is excluded, and in addition, companies with turnover of more than 50 per cent coming from the production and/or distribution of fossil fuels in other sectors. The reason for this is that green bonds, among other things, must have the opportunity to create change in challenging industries.

6) Supplementary product-based exclusion criteria
For some selected products and entities, the Storebrand AM Group has introduced additional requirements. In these cases, companies with more than 5 per cent of revenue from the following activities will be excluded:

- Production and/or distribution of fossil fuels
- Companies with large fossil reserves, more than 100 million tons of CO2 equivalents
- Production and/or distribution of alcoholic beverages
- Gambling operations or ownership of gambling establishments.
- Production and/or distribution of defense contracts/ conventional weapons
- Production and/or distribution of adult entertainment

Exclusion roles, responsibilities and reporting

Roles and responsibilities
Storebrand's Sustainable Investment Committee is responsible for the decision to exclude companies based on a conduct-based norm-breach, and thus mitigate and prevent the adverse impact. The committee comprises several representatives of the Storebrand Group's senior management team and other executives, who meet on a quarterly basis. Companies will be excluded, if the adverse impact and the breaches of our standards are considered severe, and the risk of recurrence is assessed as high, after engaging with the company on measures to prevent recurrence and mitigate the adverse impact.

Storebrand Asset Management Risk & Ownership team is responsible for exclusion of non-conduct-based norm-breaches, such as controversial weapons and for product-based and activity-based exclusion.

The Risk and Ownership team is responsible for selecting data providers that deliver relevant data enabling the organization to perform these screens. Data providers may vary over time and are described in the standards pertaining to each product or practice, as outlined in our Exclusion Guidelines.

Reporting

Storebrand AM's Risk & Ownership team reports to the Board of Directors of Storebrand AM on progress and activities related to the obligations under this Policy, twice a year. Externally, we report quarterly and annually on main actions to implement this policy.

We publish separate updates on our exclusion-related activities, as well as in compiled format in our quarterly publication, the Storebrand AM Sustainable Investment Review, all editions of which are available on our website. These updates are also distributed directly to customers and other stakeholders.

Further detail on how we approach exclusions, can be found in our Exclusion Policy, which is published in the Document Library of the Storebrand Asset Management Website.


Photo: Johner

4. Portfolio integration

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.

As we manage investments within a broad range of asset classes and products, our specific approach to integration of sustainability in asset management may vary across different mandates, particularly in terms of how ESG data is used in portfolio construction and analysis. However, we generally include the following methods:

Risk rating: We integrate sustainability risk ratings in investment decisions to avoid or invest less in companies associated with high sustainability risk and prioritise or invest more in companies with low sustainability risk. The ESG Risk Rating feeds into the Storebrand Sustainability Score assigned to all the (listed) companies we invest in, and it is available for our portfolio managers to integrate in investment decisions. The idea is to move capital away from high sustainability risk companies to companies with lower sustainability risk. There may be local variations in the way risk ratings are applicable for different boutiques and asset classes.

Sustainability Score: The score is used to optimise portfolios towards more sustainable companies and to calculate an internal fund rating. We calculate the sustainability score on over several thousand companies and base it on a scale of 0-100. The sustainability score is the basis for a total weighted sustainability score given to our funds. Portfolio Managers at Storebrand Asset Management can access the score on several levels. Total Score, Risk Score, SDG Score, and scores for underlying themes within these building blocks, are all readily available. Implementation of the score is dependent on the style and risk profile of the fund/portfolio in question. The score can be used to better assess the ESG risk of a particular investment, for identifying companies with an attractive SDG positioning, or for assessing the overall exposure on ESG risk and opportunities of a portfolio.

Principle Adverse Impacts (PAIs): We have integrated the Principal Adverse Impacts (PAIs) identified in the EU Sustainable Finance Disclosure Regulation (SFDR) into our risk analysis for asset classes since 2021, where data is available. There is an overlap between PAI indicators, and our general work carried out to mitigate risk. This has not changed our methodology to identify risk, but has added a new dimension to further map, manage, measure and mitigate adverse impact as more specific data is available.

Our methodology is to identify PAI laggards (red), PAI intermediate performers (yellow) and PAI leaders (green). This traffic light system has been calculated based on a sector-based materiality assessment, for which thresholds have been set for what is considered green, yellow and red. As of this date, the PAI traffic light score has been calculated for the following indicators: GHG intensity, activities in the fossil fuel sector, violations of UN Global Compact and OECD guidelines, board gender diversity, controversial weapons and deforestation. Other indicators will be included if we see that the data quality and coverage improve. Some of the PAI indicators are binary, whereas some are more quantitative, for example GHG intensity. For the quantitative PAIs, the values of the 5th and 95th percentile will act as guiding numbers for establishing the red and green scores.

PAI flags are calculated and made available in Bloomberg for all portfolio managers, together with other ESG-related information such as exclusions, green revenues, whether the company is classified as a sustainable investment under SAM's SFDR definition, sustainability scores etc. How different fund products consider PAIs will differ, depending on the specific product (for example art. 8 and 9), and strategy (active or passive). PAI data has also been integrated into our trading system, so that when the managers make a trade, they can see how it affects the various PAI indicators at portfolio level.

In order to further mitigate risk, Storebrand will sell its holdings in companies with a considerable risk of involvement in activities with severe negative impacts such as Principle Adverse Impacts (PAIs) as described by EU regulations, so called, risk-based sale of assets. PAI red-flagged issuers will be prioritised for potential engagement or risk-based sale of asset, if the adverse impact is particularly severe. The Storebrand AM Principal Adverse Impact Statement is available on our website.

Sustainability Implementation

Solutions-driven investment

We aim to invest 15 per cent of our assets under management in solution companies, bond investments in solutions, green bonds, green infrastructure and environmentally certified real estate by 2025. Further, we aim to increase this figure to 20 per cent by 2030.

Solutions

At the end of 2024, 16.2 per cent of our total assets were invested in solutions, up from 12.8 per cent in 2023. 9.6 per cent of our equity investments are invested in solution companies, 11.4 per cent of bond investments are invested in solutions and green bonds, 100 per cent of infrastructure investments are invested in green infrastructure and 61.9 per cent of real estate investments in certified green real estate.

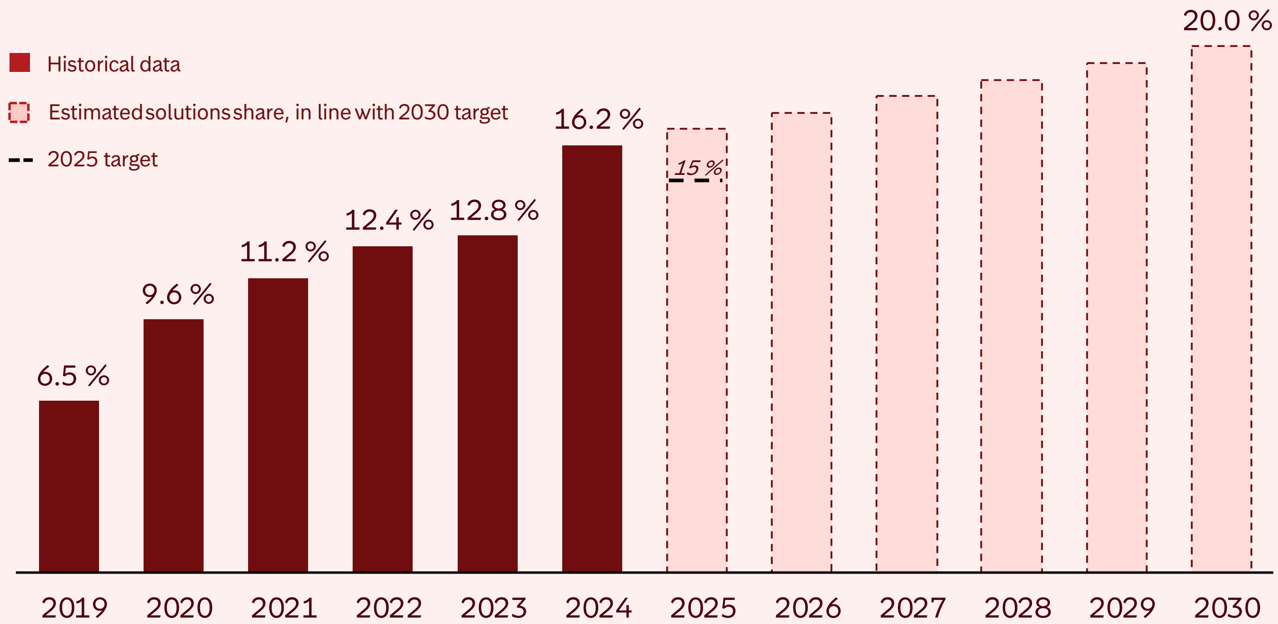
Storebrand Asset Management also makes bond investments in the "Solutions" category. Going forward, our ambition is to increase our holdings in the category.

By the end of 2024, we had invested NOK 59.5 billion in green bonds. This represents 12.9 per cent of our total bond investments, up from 9.8 per cent in 2023.

Real Estate

We work systematically to reduce energy consumption, phase out fossil energy sources and establish renewable energy production for buildings. In the period 2019 to 2024, the energy intensity in the Norwegian and Swedish portfolios has been reduced by 23 per cent from 194 kWh/m2 to 149 kWh/m2. This is six percentage points down from 2023, and a result of active energy and climate management, including operational optimisation, energy efficiency measures in maintenance, and climate-efficient solutions in construction projects and rehabilitation.

Share of AuM in solution investments



Green bonds

Green bonds are a type of instrument designed to fund projects that have a positive environmental benefit. Projects supported by green bonds can contribute to climate change mitigation by focusing on low-carbon technologies, such as solar and wind power, which reduce reliance on fossil fuels.

GHG intensity Real Estate – Location-based

	Base year*	2023	2024	Target 2025
GHG intensity (kgCO2e per m2) from real estate investments, location-based, Scope 1-3, Norway and Sweden	10.0	5.6	4.8	6.8
% change from base year		**-44 %**	**-51 %**	**-32 %**
* Base year 2018				

GHG Intensity Real Estate – SBTi Validated Targets

	Base year*	2023	2024	Target 2030
GHG intensity (kgCO2e per m2) from residential buildings, market-based, Scope 1-2, Norway, Sweden and Denmark	24.3	23.15	24.4	8.75
% change from base year		**-5 %**	**0 %**	**-64 %**
GHG intensity (kgCO2e per m2) from commercial buildings, market-based, Scope 1-2, Norway, Swden and Denmark	31.32	41.97	44.96	9.08
% change from base year		**34 %**	**44 %**	**-71 %**
* Base year 2019				

We aim to increase the proportion of green investments according to the EU taxonomy and certify the properties according to the BREEAM environmental classification system or equivalent. In 2024 the proportion of real estate investments with an environmental certificate (BREEAM or equivalent) was 68 per cent.

Market-based emissions, according to our SBTi-validated targets of 64 per cent and 71 per cent reduction for residential and commercial buildings, respectively, have increased 7 per cent in 2024, and 33 per cent from the base year 2019. The market-based emission factor for electricity has almost doubled since 2019, while electricity accounts for three-quarters of total energy consumption.

The purchase of guarantees of origin as a mechanism for reducing emissions has been used to a limited extent and has remained virtually unchanged during the period. A transition to location-based targets is being considered in 2025.

For our Swedish portfolio, we conducted energy audits in 2024, to plan for energy and climate upgrades and improved EU Taxonomy alignment. The renovation of our 25-year-old building Filipstad Brygge 1A in Oslo last year, led to a 50 per cent reduction in annual energy consumption and related carbon emissions, energy label A and the achievement of BREEAM In-Use Excellent. Our acquisition in 2024 of Knud Holms gate 8 in Stavanger will contribute to reduced energy and carbon intensity for the portfolio, as the new building has energy label A.

Infrastructure

Infrastructure investments enable us to further contribute to the green transition through long-term investments with a positive impact.

The strategic focus of Storebrand Infrastructure Fund is on investments that support the transition to net zero and we make investments within the themes of energy transition, decarbonisation and digitalisation. The investment assessment itself and ongoing follow-up/management will be prioritised in order to achieve the goal of 90 per cent of infrastructure investments being in line with the net-zero path by 2030. We will ensure that due diligence of an investment opportunity includes an assessment of measures and plans that ensure the investment is in line with a net-zero trajectory. If the risk of not reaching the net-zero trajectory within five years is significant, the investment case will be weakened.

In most investments, we will have a major impact on the underlying company/project through board appointments, either indirectly via the fund's investment partners or directly on the board. We will ensure, through ongoing dialogue with partners and/or the company directly, that net-zero strategies are implemented and complied with.

The Storebrand Infrastructure Fund, which has so far invested 80 per cent of its available funding, ended 2024 with ownership stakes in a total of eight direct investments in sustainable assets in Europe and the US. From the end of 2024, all direct investments in the portfolio qualify as infrastructure solutions. The direct investment portfolio includes an onshore wind farm in the US, two offshore wind farms in Germany and the UK, a solar and battery storage project in the US, a district heating network in Norway and two investments in electric train sets in the UK.

During the year, we expanded our investment portfolio by purchasing a stake in one of the leading French independent power producers, Valorem. Storebrand AM has a 33 per cent stake in Valorem together with a consortium of partners, including AIP Management. Valorem specialises in the development, construction, and operation of onshore wind and solar assets.

In 2024, we increased our ownership stake, going up from 10 per cent minority ownership to a majority position of 60 per cent, in AIP Management, a Danish infrastructure manager that invests in energy transition assets.
Our majority ownership position in AIP Management supports our broader strategy to increase our presence in sustainable infrastructure and accelerate the green transition.

Private Equity

Storebrand AM's private equity investments are conducted by our wholly owned subsidiary and fund-of-fund manager, Cubera Private Equity. Our main strategy regarding sustainability in the private equity class is driven by a careful selection of funds based on due diligence of the fund manager, active ownership and dialogue with the fund managers in which we invest, as well as relevant authorities. Investments follow Storebrand AM's exclusion policy, limiting exposure to fossil assets. Our impact program has carbon reduction focus and can build up exposure to climate solutions over time.

Cubera published its first Sustainability report and Impact report in 2023 and conducted a first data collection effort for all funds and managers. In 2024, Cubera published its second report. We see a positive development in ESG metrics, notably also driven by regulatory action in Europe and voluntary disclosure schemes in important jurisdictions for Cubera, where reporting is not mandatory such as North America.

Cubera will continue to collaborate with the private equity community, actively involving investors in building ESG further into mandates, supporting industry initiatives, and collaborating with peers to standardize data. In 2024, Cubera joined NorNab, an initiative that consists of a variety of actors in the Norwegian impact investment ecosystem, that work to promote the development of impact investments in Norway.


Photo: Colourbox

Private Equity Solutions Case

Launching Cubera Impact, our first fund focused specifically on generating societal impact

Cubera Impact is the first fund of Cubera that specifically focuses on generating societal impacts, in terms of positive impact on the environment or as positive impact on the society; and also aims to maximize long-term risk adjusted returns. Launched in 2021, the fund presents a unique opportunity to make an impact while investing with the best private equity impact managers globally.

The fund, named Cubera Impact I, invests in funds that have as a stated objective to generate positive outcomes and actively solving one or more social or environmental issues. The three impact objectives of the fund are:

1. **To accelerate solutions for a sustainable transition**
   Sustainable transition investments in solutions to accelerate the transition into a sustainable world. The main focus is on clean transition, climate action, sustainable production and consumption and the circular economy.

2. **To drive inclusive growth**
   Inclusive growth investments in solutions that drive including growth, specifically contributing to that societies and communities are granted access to quality education, health services and financial services, which Cubera view as powerful enablers for sustainable growth.

3. **To advance innovation**
   Investments in disruptive solutions to displace unsustainable incumbent technologies and enabling technologies, products and services that facilitates the sustainable and inclusive transition.

Cubera Impact applies the same investment philosophy and rigorous selection criteria as for all strategies, yet with the additional dimension for evaluating impact.

Cubera invests with managers with experience and capabilities for investing in impactful and scalable solutions. To qualify an investment, we seek to identify the true objective of the investment strategy by verifying previous, current, pipeline and strategized investments with a focus on the companies' main activity (i.e., the products or services sold) being what drives the positive impact.

The impact analysis is parallel to the commercial diligence and is performed by the investment team to ensure the same level of scrutiny in every single investment.

The Cubera Impact Assessment Framework builds on leading industry methodologies, modified to our purpose as a fund-of-funds, that allows us to systematically consider the impact objective in an investment opportunity.

Infrastructure Solutions Case

Acquisition of AIP Management to expand offerings within sustainable infrastructure

Caption: Storebrand CEO Jan Erik Saugestad and AIP Managing Partner Kasper Hansen announcing the transaction

In the second quarter of 2024, Storebrand AM entered into an agreement to acquire an additional 50% of the shares in Danish infrastructure fund manager AIP Management P/S, to reach a direct ownership of 60%.

The increased ownership gives us control over a well-established infrastructure platform that is complementary to our existing alternatives offering that includes real estate, private equity, and private credit. AIP will also be strengthened by benefiting from our strong market position, scale and investor relationships.

Infrastructure assets offer clients stable returns, low correlation with other assets, making them good for diversification. They provide a long-term investment option and support carbon emission reduction by focusing on sustainable investments with good risk/return potential. Infrastructure assets also represent one of the most exciting long-term investment opportunities, driven by structural shifts reshaping the global economy. Over the past 12 years, infrastructure funds have experienced strong growth, and the asset class is anticipated to continue its growth trajectory in the future.

Investment in renewable energy specialist VALOREM

At the beginning of October, Storebrand Infrastructure Fund and AIP entered into an agreement to acquire a stake in VALOREM, a leading French independent power producer. The investment supports Storebrand's broader strategy to increase its presence in sustainable infrastructure and accelerate the green transition.

With this addition to the portfolio, the first vintage of Storebrand Infrastructure Fund has committed about 80% of its capital to nine sustainable infrastructure assets across various sectors in Europe and the US. The investment aligns well with Storebrand AM's broader goal of generating long-term value for our clients while contributing to the green transition in Europe.

Renewable energy development and power generation

VALOREM specializes in developing and operating renewable energy infrastructure, including wind, solar, and hydropower. Founded in 1994, VALOREM has nearly 30 years of experience as a pioneer in renewable energy, with a fully integrated business model covering the entire value chain—from project development to construction and operations.

VALOREMs portfolio of operating and development assets offers an attractive combination of stability and growth potential which complements the current portfolio of Storebrand Infrastructure Fund. The company has developed 1.7 GW of renewable assets and has retained a portfolio of 0.8 GW of operational assets, under construction, or ready-to-build with a visible pipeline of around 6.6GW to be developed in the future.

Consortium deal

This transaction has been structured such that the investment in this asset has been made through a consortium that includes the asset manager IDIA, part of the Crédit Agricole group and Bpifrance. Together, the consortium has acquired approximately a 33 percent stake in VALOREM. In addition, the investors have agreed to inject capital into VALOREM to finance its strong pipeline of renewable projects.

The completion of the transaction is subject to legal requirements, including informing and consulting with the company's employee representative bodies, as well as obtaining customary regulatory approvals. It is expected to close in the first half of 2025.

VALOREM
L'ÉNERGIE D'AGIR

Advancing the craft of sustainable building renovation at Filipstad Brygge

Profile:

- 19 595 m² office building
- Prime city-center location
- Renovated 2022-2024
- Energy label A
- BREEAM-In-Use: Excellent

How can existing buildings be upgraded to make them more attractive to tenants, while also contributing to sustainability goals? This was the underlying aim of Storebrand Real Estate two-year long renovation of the Filipstad Brygge 1A office property in Oslo. The ambitious rehabilitation project showcases cutting-edge techniques in materials reuse, energy management, climate emissions reductions, and cultivation of urban nature.

Combined commercial and sustainability goals

Fittingly, commercial considerations were a central issue in the renovation strategy for Filipstad Brygge 1A. Although the building occupied a prime city centre location, it was not offering a lot of office space capacity per square meter of built area. Furthermore, the building was somewhat older, built to standards of an earlier era and therefore relatively inefficient in terms of its energy consumption rates. Altogether, the project presented a lot of untapped commercial and sustainability potential from both the points of view.

Storebrand AM aims to be one of the Nordic region's leading players in sustainably managed real estate investments. The three main target areas that we are focusing on are:

1. building a portfolio of environmentally robust properties
2. promoting the health and well-being of our stakeholders
3. and advancing transparency and insight into the sustainability of our property portfolios

Within the first goal of building environmentally robust portfolios, our goal is to align our portfolios with science-based targets and the 1.5-degree centigrade Paris Agreement-aligned pathway. This will ensure that our portfolios of properties have the capacity to withstand changing market conditions, regulations and environmental factor.

To achieve these goals, we have been implementing initiatives organized around several themes:

- Increasing energy efficiency and renewable energy usage
- Handling physical climate risk
- Boosting circularity and waste reduction
- Boosting biodiversity

In the management of direct real estate investments, we systematically work towards reducing the properties' climate and environmental footprint.

Our primary strategy is continued implementation of direct interventions with emissions-reduction measures in the building stock. Three main actions are included in our energy and climate management system.

1. Optimization of energy efficiency in daily building operation procedures, making sure to keep up indoor climate and tenant health and satisfaction
2. Implementing technical measures for energy efficiency and renewable energy production as part of properties' maintenance and improvement plans
3. Systematically targeting energy and climate footprint in refurbishments and renovation projects when they occur

These themes therefore featured prominently when we developed renovation plans for the renovation of Filipstad Brygge 1A.

Sirkulator: interactive renovation scenario tool

To enhance our processes and ensure that reuse plays a bigger role in our renovation projects, we have developed an interactive tool, "Sirkulator" in collaboration with other industry players.

Sirkulator is designed to calculate and model the climate impact and positive effects of various options for circularity and reuse of buildings and building parts in construction and renovation projects. We utilize this tool to engage tenants and other stakeholders in the reuse journey, by giving them the capability to easily understand the implications, impact and interplay of the various choices one can make in building design and construction.

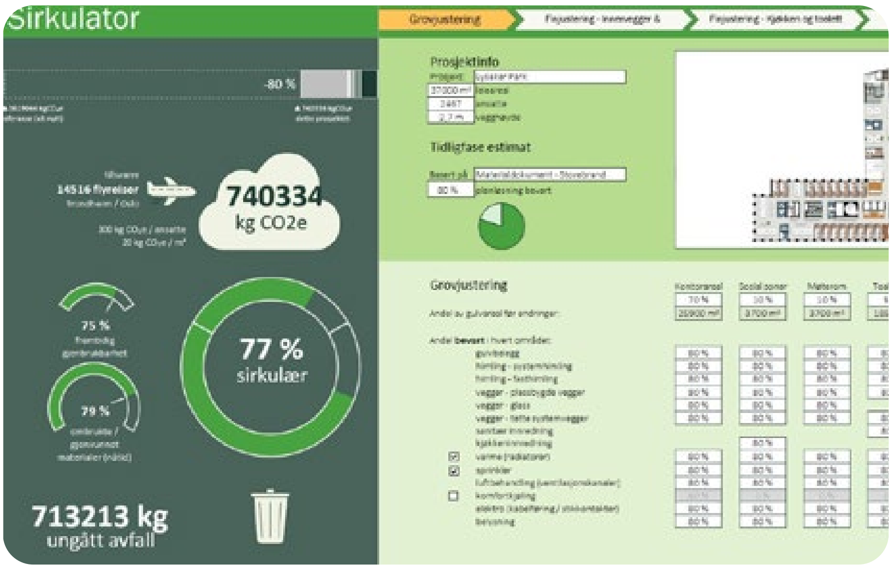
We have worked with the tool for some time. We published it after the project because we found that it was difficult to get the lessees involved the process, where we have renovated an older office building into a modern, energy-efficient office space.

Building exterior facades

Efficiency, reuse and recycling

Our solutions for the renovation followed the classic sustainability hierarchy: reduce, reuse, and recycle.

The principle of reduction included increasing the fundamental space efficiency of the building, so that it could represent more commercial space offered relative to its footprint. The newly floor plan achieves this, doing so without any physical extensions of the building.



This renovation project involved significant reuse of building materials, resulting in substantial carbon dioxide (CO_2) emissions savings, when compared to similar projects and new constructions. For example, the toilets removed from the building during the renovation were refurbished and installed at another building we were also refurbishing, at Grev Wedels plass in Oslo. The redesign included the replacement of the building façade, in order to improve the aesthetic appeal and interior natural lighting of the workspaces. However, we were able to ensure that the façade materials were reused in a building project at a university in Norway, where they now make up the structure of a shed.

The project has also made significant progress in circular economy and is classified as a Circular Building according to the Futurebuilt criteria for Circular Buildings. A total of 415 tons of reused components have been utilized in the renovation process, equivalent to 11 per cent of the 3717 tons of materials added. Of the material removed during the renovation, as much as 94 per cent were successfully sorted. As a result, over 34 tons of components have been donated to other buildings, and 77 per cent of the waste has been prepared for reuse or material recycling.

Improving nature and biodiversity profile

Additionally, this project included a focus on nature and green space. We introduced new green areas of high ecological quality into the built areas. The planted green area has increased from 40 square meters to approximately 600 square meters, using native Norwegian plants. We chose this approach because studies show that these changes contribute to biodiversity, recreation, and well-being, as well as stormwater management in a wetter and wilder climate.

Communal spaces outside and on the roof, improve quality of life for the users of the building.

Outcomes so far

So far, the renovation project at Filipstad Brygge 1A has achieved a major boost for the property.

Now, the building has 2600 square meters more office space, and accommodates an additional 580 workplaces, an increase of 131 per cent. The project is environmentally certified with a BREEAM rating of "In-Use: Excellent".

Furthermore, the investment can be classified as "green" within the EU taxonomy. The project, which has achieved an energy rating of A is expected to reduce the building's energy consumption by 60%, equivalent to an annual CO2 savings of 160 tCO2e, and the electricity consumption rate by roughly 53 per cent.

In terms of greenhouse gas emissions, the project has achieved an impressive reduction of 80 per cent compared to the BREEAM-NOR V6.1 reference building for offices, while C02 emissions were reduced by an estimated 53 per cent.

Alongside the improved sustainability profile, is a similarly improved commercial profile. The renovation has improved the aesthetic qualities of the building interior, exterior façade and its external space. Together these qualities have contributed to significant increase in the commercial appeal and value offered of the property.

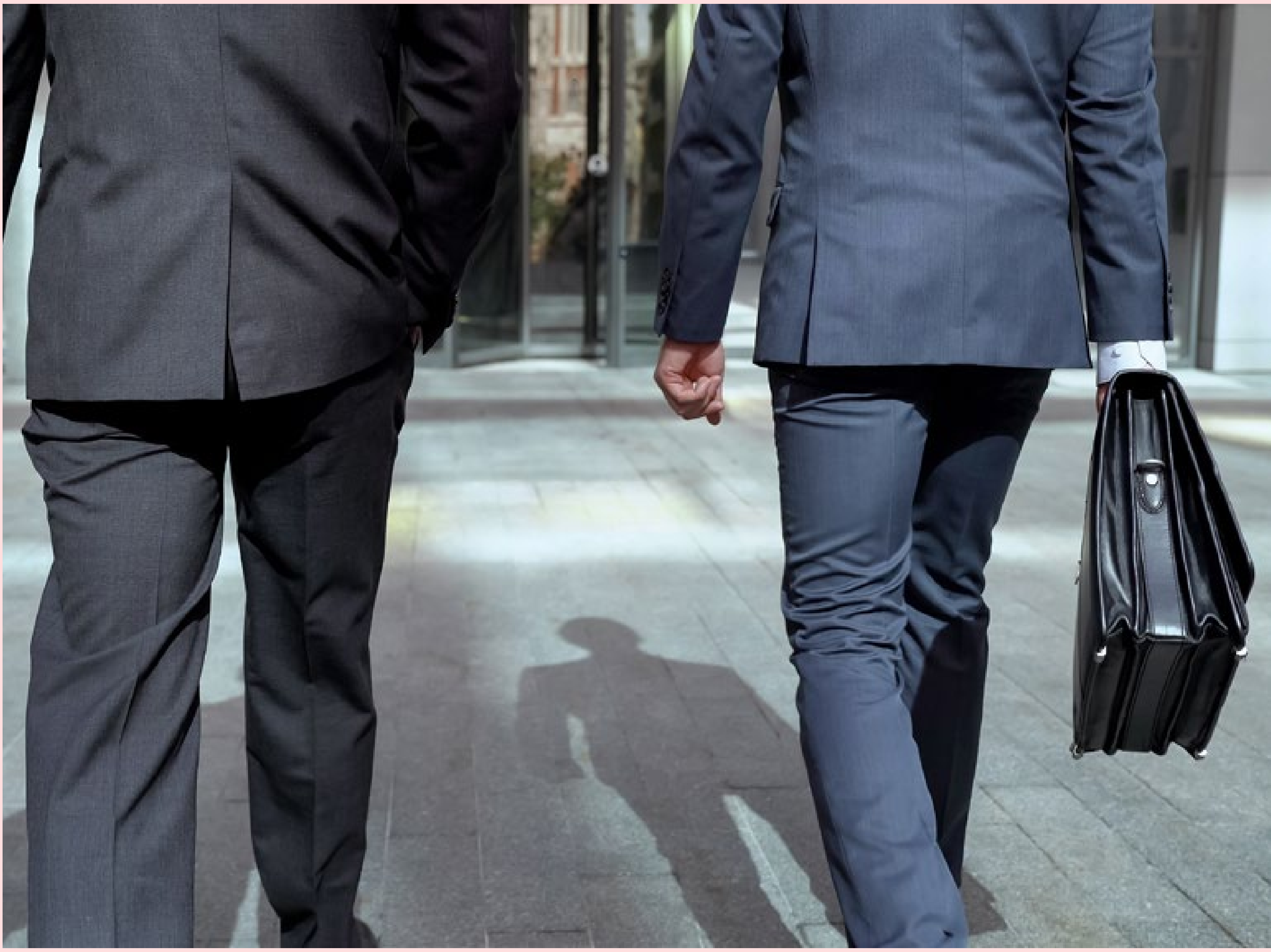
One of the objectives of this project was to contribute to other tenants in our buildings choosing to extend or renegotiate their leases. Already, our tenant next door at Filipstad Brygge 1B, has re-signed.

Overall, the project demonstrates Storebrand's commitment integrating sustainability into our commercial and investment strategies, and is further proof of how we can combine modern technology with sustainable solutions shaping thriving and environmentally robust urban areas.

Electricity use and emissions slashed

- Estimated 1,357,646 kWh (-53%) saved annually Based on a consumption of 68.5 kWh/m². Estimated based on the energy consumption of a building that achieves energy label C (according to NS 3031:2007). Requirement 145 kWh/m² for office buildings.
- Estimated 160t CO2e (-53%) reduced annually Tons of CO2 equivalents. Estimated with an emission factor of 0.123 kg CO2 eq./kWh for electricity and 0.009 kg CO2 eq./kWh for district heating (Oslo area). Material emissions not included target of 32% reduction from materials and 30% reduction from transport to/from the construction site

Active Ownership



Engagement

Based on the principles set out in our investment and sustainability strategy, we engage with many companies each year, seeking to influence them to move in a more sustainable direction. We use our position as owners to influence companies to improve corporate behaviour and reduce adverse sustainability impact. Through active ownership in this way, we aim to reduce risks, improve the quality of our investments and influence companies to move in a more sustainable direction.

We believe in a combination of engagement and voting, screening and exclusion, and inclusion and integration. Screening and exclusions are steps in our implementation of due diligence to identify, manage and mitigate actual and potential adverse impacts in our portfolios. If companies are unable or unwilling to mitigate adverse impacts to the required level, we consider divestment. Engaging with companies happens on different levels, including management and board levels, and can be both direct individually and/or in collaboration with other investors. We employ several ways of doing this: voting at shareholder meetings, shareholder proposals or direct company engagement by expressing our views, in writing or through dialogue with the company's management, advisers or Board of directors.

We believe combining engagement with companies and voting is a good strategy for achieving change in corporate behaviour, and thus for reducing adverse impact. Both methods can effectively address ESG concerns and provide complementary signals to companies on where we stand on important issues.

Our stewardship approach is strategically aligned with the interests of our clients and our policies. To that end, our engagement themes and processes are long term in nature, with pre-determined focus areas for multi-year periods of time. We believe this aligns well with the expectations and interests of institutional asset owners, many of whom are working towards long term alignment with the goals of the Paris Agreement. Further our Sustainable Investment Policy and underlying policies apply regardless of the instrument or asset class.

Whole-portfolio approach to stewardship

A differentiating feature of SAM's investment approach, and an important method for ensuring we can meet our business sustainability commitments, is the fact that all of our funds under management are subject to baseline sustainability criteria. When it comes to the implementation of strategies to meet our climate and nature targets it is crucial that we can engage, and divest, on behalf of the whole SAM portfolio. This work is done by the SAM Risk and Ownership Team in line with our policies.

The Risk and Ownership Team sets SAM's priority engagement themes and develops frameworks and strategies to engage portfolio companies on those themes, including direct and collaborative engagements both internally (with portfolio managers) and externally (with industry coalitions). This whole-portfolio approach is also helpful for engaging in systemic sustainability issues and policy engagements.

Engagement prioritization

Most of our engagement is based on prioritization/priority themes, including our assessment of the significance of a particular matter, holding size, scope to effect change, and opportunities to collaborate with other investors. In a few of cases, usually in the single digits of percentages relative to our total number of engagements, we engage companies in reaction to company incidents or controversies. This weighting of our efforts is based on our engagement strategy which emphasizes a positive impact (proactive engagement) in addition to redressing wrongs (reactive engagement).

Therefore, we prioritize engagements where we think we can have a better opportunity to obtain results and positive impact in alignment with our policies. This means better quality engagements for longer periods of time and when possible, with other investors for more leverage. It also allows for more proactive engagement.

Engagement themes

To maximize our impact, and based on a structured assessment, we periodically develop engagement themes that guide and focus our action.

Storebrand AM has prioritised three thematic engagement themes and two cross cutting themes for the 2024-2026 period. Our prioritised themes align with the Sustainable Development Goals and with our own corporate commitments, as outlined in our Sustainable Investment Policy.
Our engagement priorities are characterised by a focus on double materiality, addressing salient issues that have implications for the financial value of companies, as well as the companies' impact on the world at large. Strategically, we have also focused on issues where we have significant in-house expertise and experience, and where we believe we are well-placed to influence companies in a positive direction.

Our engagement themes for 2024-2026 are:

- Climate change, which accounted for 37.4 per cent of our engagements in 2024
- Nature and biodiversity, which accounted for 26.1 per cent of our engagements in 2024
- Human rights, which accounted for 34.6.% of our engagements in 2024
- Our cross-cutting themes for 2024-2026 are:
- Policy dialogue
- Sustainability disclosure

Engagement theme:

Climate change

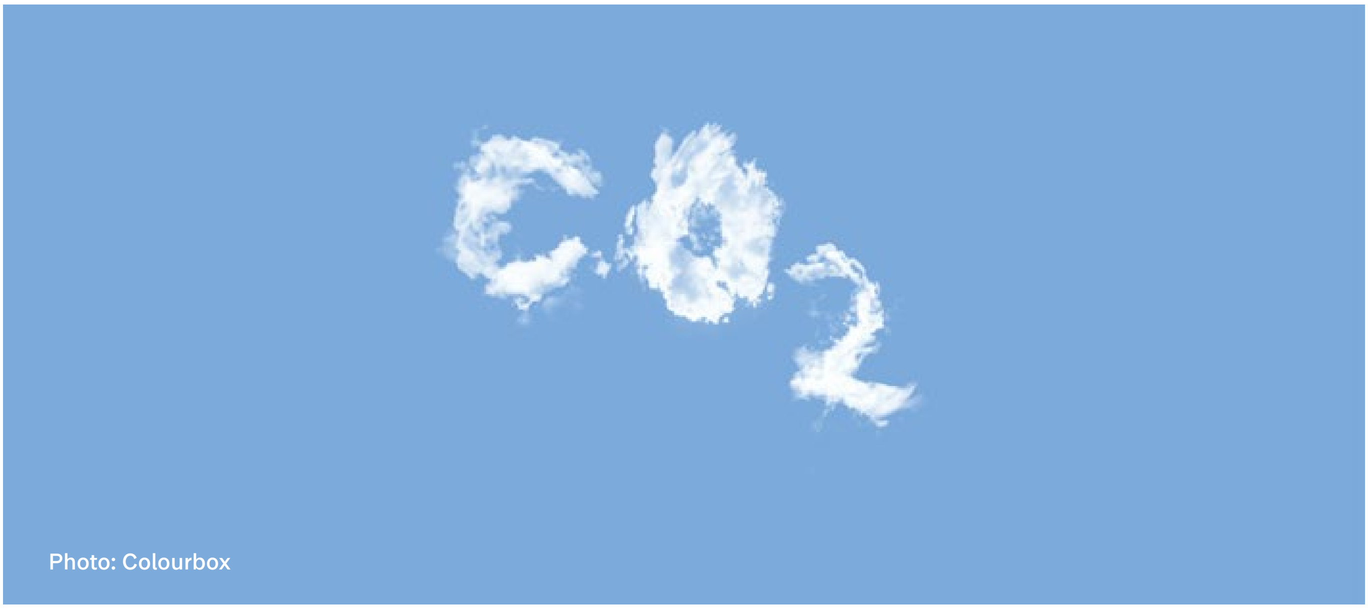


Photo: Colourbox

Engagement theme: Climate change

With our firm commitment to our investment portfolios having net-zero greenhouse gas (GHG) emissions by 2050 at the latest, we believe investors can play an important role in tackling climate change and transitioning to a lower-carbon economy.

In line with this commitment, we have set short-term targets to reduce emissions from Storebrand's total listed equity, corporate bond and real estate investments by 32 per cent by 2025, with 2018 as the base year. Furthermore, Storebrand has a target for 42 per cent of our portfolios' listed equities and corporate bonds to have set validated science-based targets by 2027 (based on AUM). The target has been approved and validated by the Science Based Targets initiative (SBTi).

To achieve these targets, we have designed an engagement approach to create an impact in the real economy and encourage companies to define and implement climate strategies and align with the goals of the Paris Agreement and reaching net-zero emissions by 2050 or sooner. We will also continue to engage with several banks in order to understand their exposure to the fossil fuel industry. Our participation in Climate Action 100+, the Institutional Investors Group on Climate Change (IIGCC) and the Principles for Responsible Investment (PRI), connects us with like-minded investors in platforms for collaborative engagement on this theme.

With our firm commitment to our investment portfolios having net-zero greenhouse gas (GHG) emissions by 2050 at the latest, we believe investors can play an important role in tackling climate change and transitioning to a lower-carbon economy.

In line with this commitment, we have set short-term targets to reduce emissions from Storebrand's total listed equity, corporate bond and real estate investments by 32 per cent by 2025, and by 60 percent by 2030, with 2018 as the base year. Furthermore, Storebrand has a target for 42 per cent of our portfolios' listed equities and corporate bonds to have set validated science-based targets by 2027 (based on AUM). The target has been approved and validated by the Science Based Targets initiative (SBTi).

To achieve these targets, we have designed an engagement approach to create an impact in the real economy and encourage companies to define and implement climate strategies and align with the goals of the Paris Agreement and reaching net-zero emissions by 2050 or sooner. We will also continue to engage with several banks in order to understand their exposure to the fossil fuel industry. Our participation in Climate Action 100+, the Institutional Investors Group on Climate Change (IIGCC) and the Principles for Responsible Investment (PRI), connects us with like-minded investors in platforms for collaborative engagement on this theme.

Top emitters

Emphasis will be placed on the emitters that generate the biggest amounts of owned emissions in our portfolios, on and companies that have significant impact on ecosystems with high carbon value. Some of these dialogues have been carried out at the C-suite level and through our participation in the Climate Action 100+ and the Institutional Investors Group on Climate Change (IIGCC).

In 2024 we have been in dialogue with the 20 largest emitters in our investment portfolio. From 2025 to 2030, this engagement program will be extended to the 30-50 highest-emitting companies. We will assess the companies' ability to transition, by monitoring developments in emissions and whether climate targets are integrated into strategy, investment choices and reporting.

Climate laggards

As part of our engagement strategy, we have also identified companies in high-impact sectors that we consider do not adequately manage climate risk and that are not ready for a transition to a low-carbon economy. Building on the data from Transition Pathway Initiative, Climate Action 100+ and self-collected data, climate laggards have been identified and direct concerns raised to the companies. We monitor progress annually and, and if we do not see any significant improvements, we will escalate by voting against board directors or financial statements of these companies at their Annual General Meetings. After a period of 36 months, we will consider excluding any companies that continue to not meet our expectations.

Lobbying

In the context of climate policy, we believe that investors, companies and governments need to work together on ambitious solutions to achieve the Paris Agreement. Negative corporate interest, often represented by third-party organisations, can hinder policy action that aims to mitigate the impacts of climate change. This can cause issues for investors, including legal and reputational risks, and long-term portfolio volatility.

We expect consistency in companies policy engagement in all geographic regions; and to ensure that engagement conducted on their behalf or with their support is aligned with the Paris agreement, in turn protecting the long-term value in our portfolios across all sectors and asset classes.

Collaborative alliances

To achieve our goals, we collaborate with other investors through platforms such as Climate Action 100+ and Institutional Investor Group on Climate Change (IIGCC).

Main actions in 2024

In 2024 Climate Action 100+ published a new net-zero standard for oil and gas companies alongside an analysis of ten companies. Storebrand AM is engaging with several oil and gas companies on climate change, including leading the dialogue with Equinor through CA 100+. Given the physical and transition risks associated with climate change, in 2024 we conducted a scenario analysis to provide a framework for assessing:

- positive and negative climate impact, and
- the resilience of our investment strategies

We continued engaging with the highest-emission companies in our portfolios, as well as "climate laggards", which are companies clearly misaligned with the transition to net zero. We have set clear expectations for them to set targets, have credible decarbonisation strategies and report in a transparent and standardised manner.

In the last quarter of 2024, we published an updated assessment of progress among companies in the top emitters and climate laggards categories.
Within alternative asset classes, we have defined, and are following through on, priorities for our active ownership:

- Infrastructure: Dialogue with investment partners to ensure implementation of net zero strategies across sectors we invest in.
- Real estate: Dialogue with customers to establish mandates in line with the SBTi targets and any other scope 3 targets. The targets can be SBTi targets or supplementary targets that cover scope 3 and ensure a life-cycle perspective on emissions.
- Private Equity: Dialogue with General Partners in the event of significant incidents and improvement plans for high-emission companies.

To improve the factual basis for our active ownership, in 2024 we developed three analyses focused on climate and nature. The first offers insight into how different climate scenarios may impact our investment portfolios. The second maps the exposure of our investments to extractive industries in forests. The third demonstrates how geospatial asset-location data can be used to understand water risks. These three analyses provide a more granular view of our investments and help us to prioritize our active ownership actions more effectively.

In 2024 we published our first combined climate and nature report, covering the reporting year 2023. The report outlines how we integrate climate and nature considerations in our investment decisions and risk management. It follows the common structure of the TCFD (Task Force on Climate-related Financial Disclosures) and TNFD (Task Force on Nature-related Financial Disclosures), while incorporating TNFD's additional core disclosures and metrics.

The report aims to align with the recommendations of TCFD and TNFD. While the overall structure of the TNFD recommendations follow the same thematic areas as TCFD, additional core disclosures and metrics were added.

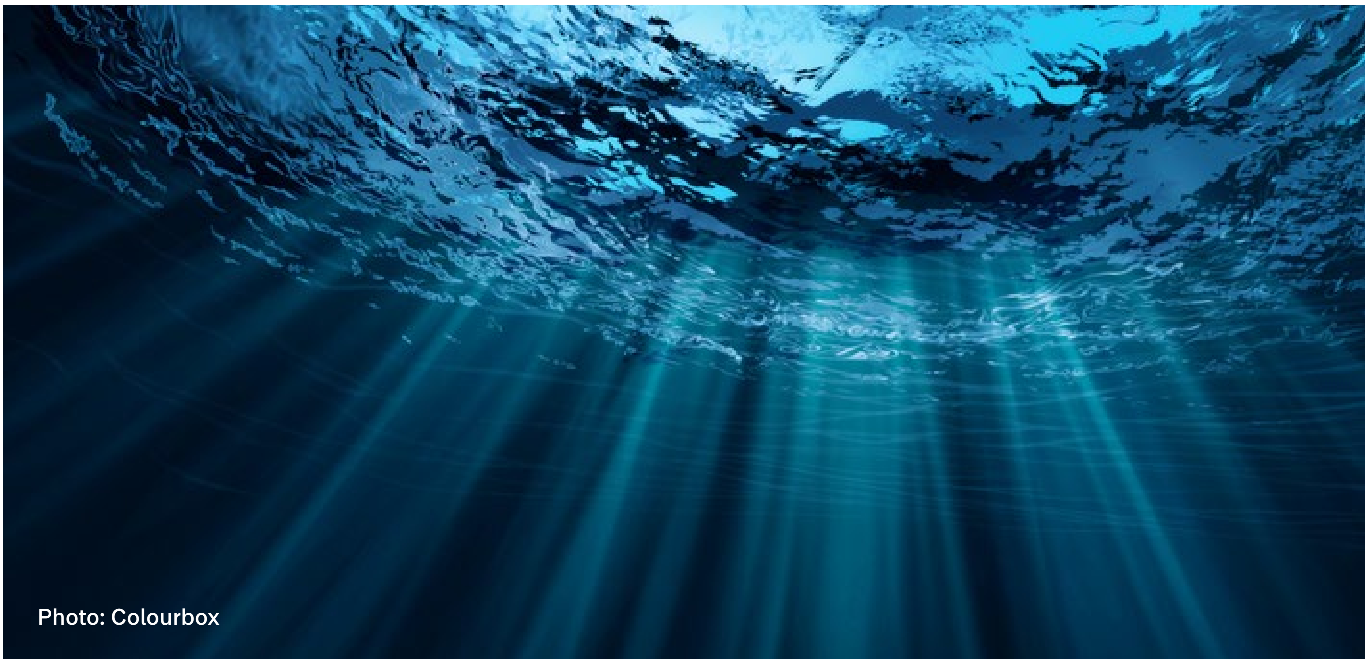
During the year we also updated our climate policy, building on the progress we have made. We are on track to meet our previous set of short-term targets previously defined for 2025.

During 2024, we voted on 90 explicitly climate-related proposals at annual shareholder meetings, in which 57 times we voted against company management's recommendations.

We also began a practice of voting against company financial statements or against relevant board directors, at companies that we evaluate as scoring poorly on climate risk management. In 2024 we voted against 24 companies for this reason. We will increase the use of this escalation tactic in the future, if engagements on climate do not progress.

Engagement theme:

Biodiversity and ecosystems



We believe biodiversity and nature loss will affect the capacity of our long-term economic growth and is likely to have implications for long-term asset returns. Failure to recognise business dependencies and impacts on nature exposes companies, and the financial institutions that invest in them, to 'hidden' risks. Protecting nature is therefore an integral part of our commitment to sustainability.

The Intergovernmental Panel on Biodiversity and Ecosystem Services (IPBES) highlights five direct drivers to biodiversity loss, namely land and sea use change, climate change, pollution, natural resource use and overexploitation, invasive alien species. In our work we prioritize the most material sub-industries, from the perspective of nature-related impacts, to ensure that these companies are mitigating their potential negative impacts.

Our expectations to companies are built on the mitigation hierarchy that is set out in the International Financial Corporation's (IFC) Performance Standard 6 and guided by Science-Based Targets Network (SBTN) and Taskforce on Nature-related Financial Risks (TNFD).

Deforestation

Our ambition is to eliminate commodity-driven deforestation from our portfolios by 2025. However, we observe that companies are not making sufficient progress to eradicate deforestation and conversion from supply chains, and we are committed to continuing to engage forcefully on this issue, beyond 2025.

As a part of our commitment to halting deforestation, we are engaging with companies in our portfolio that are involved in: production, trade, use or financing of forest-risk commodities and mining. Through the investor initiative Finance Sector Deforestation Action (FSDA), we contribute to engagement with 70 companies and banks, with the aim of eliminating deforestation risk from their operations, supply chains and loan books.

In addition, we will continue to engage with policymakers in selected countries on deforestation, mainly through the alliance Investor Policy Dialogue on Deforestation (IPDD), of which Storebrand is co-chair.

Sustainable seafood

Seafood is one of the world's most highly traded and valuable commodities, with global demand expected to double by 2050. Yet a significant amount of seafood-related assets and revenue may be at risk due to overfishing, habitat degradation, nutrient pollution and disease. Companies, particularly within aquaculture, will be engaged to reduce the sector's environmental impacts, including biodiversity loss.
We expect the sector to address issues such as pressure on wild fish stocks, habitat loss, antimicrobial resistance (AMR), pollution due to use of chemicals and waste, and animal welfare.

Extractives in ecologically sensitive areas

We prioritise engagement with companies that operate or source from ecologically sensitive areas such as the Arctic and the deep sea. We will expand to other ecologically sensitive areas as data improves. Companies that derive more than 5 per cent of their revenues from Arctic drilling will be put on our observation list and closely monitored and engaged with based on our existing ownership. Following the precautionary principle, we will not invest in companies that are directly involved in deep-sea mining, until more scientific knowledge is developed on the impacts. We will also engage with downstream companies that are involved in extractives in the deep sea.

Collaborative alliances

To achieve our goals, we collaborate with other investors through global initiatives and platforms. We participate in international investor coalitions to exert greater influence in meetings with partners and investee companies, and to set expectations for transition in line with international and our own commitments. Some of these initiatives are:

- Finance for Biodiversity (FfB)
- Finance Sector Deforestation Action (FSDA)
- Investor Policy Dialogue on Deforestation (IPDD)
- Nature Action 100 (NA 100)

The Global Biodiversity Framework (GBF) of the Kunming-Montreal agreement adopted in December 2022, recognises, for the first time, the role that finance can play in helping to halt the loss of nature. This is the result of work carried out by Finance for Biodiversity (FfB), a coalition of 194 global financial institutions, where Storebrand is co-chair of the Public Policy and Advocacy Working Group.

Main actions in 2024

This year the NA100 conducted extensive benchmarking analysis and pinpointed the 100 companies around the world that represent the highest risk to biodiversity. This initial foundation gives investors a solid platform from which to determine necessary actions, such as engaging with companies to adjust their trajectory, or reallocating capital based on their environmental practices. For emphasis the alliance published the results at the COP16 United Nations Biodiversity Conference.

Earlier in the year the NA100 also published a field guide, designed to identify and manage nature risks and dependencies in eight key business sectors. Although targeted towards the finance sector and investors, the guide provides an overview for all businesses to better understand sector-specific nature-related impacts and dependencies.
In April 2024, ahead of the COP16 biodiversity conference the Finance for Biodiversity Foundation (FfB) — whose public policy advocacy working group of 76 financial institutions Storebrand co-chairs — outlined a series of recommendations for governments to implement the landmark Kunming-Montreal Global Biodiversity Framework (GBF), which was agreed upon by 188 governments at the COP15 conference in 2022.

During the year FfB also organised and delivered a joint statement calling upon world leaders to urgently take concrete steps that align private financial flows with the Global Biodiversity Framework (GBF), which was the focus of the COP16 event.

Due to Storebrand's leadership role in the Finance for Biodiversity Foundation (FfB), Storebrand AM's CEO participated in FfB's observer delegation at COP16, held in Colombia in October 2024. There, both our CEO and our Head of Climate and Environment were active in a series of events in and around the conference, to help voice the views and needs of the financial community regarding sustainable management of nature and biodiversity
In 2024 Storebrand AM became an inaugural TNFD Early Adopter, which involves beginning to disclose data on our work in formats aligned with TNFD recommendations, from the reporting year 2024. We have already started to implement the TNFD methodology to better understand our nature-related risks and opportunities in our portfolios. As mentioned earlier, we published our first combined climate and nature report in 2024, based on the TCFD and TNFD frameworks.

In 2024, we conducted a screening of our portfolios, to identify exposure to forest-risk commodities and to assess how companies address deforestation risk. The results were published in our 2024 Climate and Nature Report.

In June, the Finance Sector Deforestation Action initiative (FSDA), of which Storebrand is a co-founder and active member, published a report on the progress made so far by the members of the initiative. The report is an important deliverable of the FSDA's work, providing transparency on how the initiative's members are making good their commitments to adopt deforestation policies, assess risk exposure and collaborate to engage with companies on deforestation.

During the year we also conducted a screening of our portfolios to map companies with very high water-related impacts and dependencies. This initial step establishes basic insights that we can further deepen with more location-specific analysis.

In May, we published an annual progress report documenting our implementation of the Sustainable Blue Economy Finance (SBE) Principles, which as a signatory, we are required to report on annually.

As part of the Investor Initiative on Hazardous Chemicals (IIHC), we have also been leading the alliance's engagement with the materials recycling company Umicore since 2021. The engagement is planned to continue in 2025. In 2024, we voted on 23 proposals related to nature and biodiversity at company general meetings, of which 22 were votes against company management's recommendations.

This year, we also began a practice of voting against relevant board directors at companies that we evaluate as scoring poorly on deforestation risk management. We voted against 18 companies for this reason in 2024. We will increase the use of this tactic in the future, at companies that do not make progress on eliminating deforestation risk from their operations, supply chains or loanbooks.

Engagement theme:

Human Rights

Caption: Our prioritized work on human rights includes topic such as labour rights and forced labour which are prevalent challenges in some areas.

We will not invest in companies that contribute to severe and systematic breaches of international humanitarian law and human rights. We will promote the respect of human rights by engaging with investee companies, policymakers and standard-setting bodies to tackle systemic human rights risks and create enabling environments for responsible business conduct that is grounded in respect for human rights and access to remedy for affected right-holders.

To promote respect for human rights, we are prioritising three themes within our engagements during the 2024-26 period:
1. Reducing inequalities and promoting a just transition
2. Conflict and high-risk areas
3. Digital rights

Embedded in these engagement areas, is our work towards achieving our two main social targets:
1. Substantial alignment with the United Nations (UN) Guiding Principles
2. Living wages acknowledged for target sectors

Our engagement work is based on the UN Guiding Principles and OECD (Organisation for Economic Cooperation and Development) Guidelines; the Norwegian human rights due diligence law (Transparency Law); the EU Corporate Sustainability Due Diligence Directive; UN human rights conventions and declarations and ILO conventions and international humanitarian law.

Reducing inequalities and promoting Just transition

According to the UN, inequality is growing for more than 70 per cent of the global population, exacerbating the risks of divisions and hampering economic and social development. Income disparities and a lack of opportunities are creating a vicious cycle of inequality, frustration and discontent across generations.

Storebrand aims to tackle this trend by focusing its engagements with companies in three areas: eliminating forced labour, promoting living wages and encouraging a just transition. The latter focus area addresses the potential negative effects that a transition to a low carbon economy may have on workers and communities. These issues can cause material risks to companies' operations, but the greater risk is generally in companies' supply chains.

Regarding forced labour in supply chains, we are focusing on the textile and renewables sectors by participating in an Investor Alliance for Human Rights initiative on forced labour including Uyghur forced labour.

Our work on living wages is focused on the agrifood and food retail sectors, and is conducted through the Platform Living Wage Financials.

Our participation in PRI Advance focuses on the metals and mining sector as well as the renewable sector and covers forced labour, living wages, labour rights as well as just transition with a strong focus on the rights of Indigenous Peoples and local communities. Through the World Benchmarking Alliance, we engage with oil and gas companies on just transition, with a focus on labour rights in this context.

Conflict and high-risk countries

Companies with operations in conflict-affected and high-risk areas (CAHRA) are exposed to a higher risk of involvement in human rights violations. Conflict-affected areas are identified by the presence of armed conflict and widespread violence. Some of the worst human rights abuses involving business occur amid conflict over the control of territory or resources and where central governmental control is weak or has broken down completely, or in territories whose people have not yet attained a full measure of self-government and thus have difficulty to defend themselves and exercise their self-determination rights.

We expect companies we invest in to exercise extreme caution when operating in these areas by conducting heightened human rights due diligence so that their operations do not contribute to conflict.

Our actions on this theme are twofold:

- reactive engagement with companies flagged for contribution to conflict
- collaborative pro-active engagement aiming to ensure enhanced human rights due diligence in CAHRA in general with two high-risk sectors: the information and communication sector (ICT) and the renewables sector within the Investor Alliance for Human Rights CAHRA's project, together with the Heartland Initiative and the Peace-Nexus Foundation.

Digital rights

Digital technologies can be used to stimulate engagement and democratic participation. Everyone should have access to a trustworthy, diverse and multilingual online environment and should know who owns or controls the services they are using. This encourages pluralistic public debate and participation in democracy.

However, there is a need to create a digital environment that protects people from disinformation, surveillance, discrimination, information manipulation or other forms of harmful content in addition to job displacement. Everyone should be empowered to make their own, informed choices online - including when they interact with artificial intelligence tool and algorithms.

Our dialogue with companies covers workers, consumers, societal and existential risk as we refer to the Artificial Intelligence OECD Principles, the work by the UN B-Tech group on Advancing Responsible Development and Deployment of Generative AI, in addition to emerging regulation in this field such as the EU Digital Service Act and the EU AI Act. Specifically, regarding AI, Storebrand AM expects companies to conduct ongoing human rights impact assessments to be undertaken by businesses, both AI providers and AI users, at all stages of the product and service cycle.

We participate in several initiatives: the Investor Alliance on Human Rights' initiative on digital rights; the Swedish Council of Ethics-led initiative on Big Tech and the World Benchmarking Alliance Collective Impact Coalition for Ethical AI. Storebrand AM is also involved in investor initiatives that are advocating for robust digital rights regulation and giving feedback to lawmakers in the EU, through the Investor Alliance for Human Rights.

Main actions in 2024

Since 2023 Storebrand has been working together with the Investor Alliance for Human Rights, Heartland Initiative, and Peace Nexus and a select group of investors to develop and pilot a process for identifying, analyzing, prioritizing, and managing portfolio risk linked to business operations and relationships in CAHRA by engaging with companies within the Information Communication and Technology (ICT) and Renewables sectors. During 2024, we focused mainly on engagement activities whereas in 2025, we would write a report on our findings as well as recommendations.

During 2024 we conducted another round of our periodic screening of our portfolios for risks related to conflict and high-risk areas (CAHRA). This resulted in the exclusion of 14 companies from our portfolios based on severe risks uncovered.

With AI risks continuing to rise, Storebrand has been working with the Collective Impact Coalition for Ethical Artificial Intelligence by the World Benchmarking Alliance. In 2024, the initiative engaged 44 digital technology companies asking them to implement, demonstrate, and publicly disclose, ethical AI principles, impact assessments and governance processes.

In June 2024, 28 international institutional investors led by Storebrand sent a letter to over 90 companies, to encourage them to take action on living wages/living incomes by joining the UN Global Compact Forward Faster initiative and/or adopting its set business targets.

Storebrand has already been engaging companies in its portfolios on the issue of living wages and living incomes for several years, including through the Platform on Living Wage Financials (PLWF). This year the group has further updated its screening methodology and using this tool, conducted another round of assessment of companies participating in the working groups. The report on findings and results will be published at the beginning of 2025.
In 2024, we voted on 100 proposals related to human rights, labor practices, discrimination, and digital rights and safety. We opposed management recommendations in 78 of these 100 votes.

At the annual general shareholders meeting of Meta Inc, shareholders voted on a human rights resolution that we had co-filed in December 2023. AkademikerPension was the main filer of the resolution, with Storebrand and Amundi as co-filers. Unfortunately, the resolution did not receive a majority of the votes, given management opposition and CEO and co-founder's control of a significant portion of the voting rights at the company, due to its dual-class share structure. The resolution had requested that Meta Platforms Inc. ("Meta") issue a report to its shareholders on the effectiveness of measures it is taking to prevent and mitigate human rights risks - with regards to the proliferation of hate speech, disinformation, and incitement to violence - that are enabled by its Instagram and Facebook platforms, in its five largest non-US markets (based on the number of users).

Ensuring that companies respect the rights of workers, including ILO-defined rights, is part of our prioritized work on the theme of human rights. In connection with this, we have been engaging with the retailer Amazon.com, including co-filing a resolution at the company's annual general meeting this year, asking its board to assess how it respects international human rights law regarding workers' freedom of association (FOA), including the right to associate in organized labour unions. At the annual general shareholders meeting of Amazon, a vote was held, which failed to pass, although it received 37 per cent of non-insider votes, and received the most support of all the shareholder resolutions at the AGM.

Crosscutting theme:

Policy Dialogue

Caption: Dialogue with policymakers such as the EU institutions, are a prioritized part of our work, aimed and providing an enabling environment for companies to successfully align their business activities with sustainable development practices.

We actively engage with policymakers and stakeholders to promote sustainable business practices aligned with the SDGs and global agreements on climate, nature, and human rights through direct engagements, consultations, and investor alliances like Finance for Biodiversity and IPDD.

Policy dialogue is also a cross-cutting theme that spans a range of thematic areas. While voluntary action by companies is important for achieving progress, the regulatory frameworks for sustainable business, as well as our main engagement themes, are determined by international treaties and national policies.

Therefore, engaging with policymakers and other stakeholders in a transparent and responsible manner, is an essential part of our strategy to promote business practices aligned with the Sustainable Development Goals (SDGs) and global agreements on climate, nature and human rights. This may entail direct engagements with relevant policymakers, standard setters or trade associations, participating in consultation processes, co-signing open letters or presenting investor alliance statements at UN summits. Finance for Biodiversity and the Investor Policy Dialogue on Deforestation (IPDD) are examples of investor alliances through which we engage in policy dialogue.

Crosscutting theme:

Sustainability disclosure


Photo: Istock

We advocate for standardised sustainability reporting by all companies to enhance transparency, manage sustainability risks, and ensure comparable and reliable information for better investment decisions globally.

Sustainability disclosure is a cross-cutting engagement theme as the importance of consistent, reliable, and verifiable reporting is relevant across the board range of E, S and G themes.

Storebrand AM believes that all companies should report on standardised and company-specific sustainability metrics. This will benefit all stakeholders and increase transparency. The level of oversight and reporting on ESG-specific issues are good indicators of how a company measures and manages its exposure to sustainability risks, which is essential to us as investors.

It is in everyone's interest that companies report on how sustainability issues affect their business and how their operations and products/services impact people and the environment. Currently, there are differing standards and regulatory requirements on corporate sustainability disclosure, leading to non-comparable and insufficient information. This results in investors needing a better overview of our portfolio companies' exposure to sustainability risks. This information must be comparable and verifiable to channel our investments toward the most sustainable companies.

The reporting landscape is changing rapidly. Increased reporting will improve the flow of sustainability information to investors and others alike. It will make sustainability reporting by companies more consistent so that investors, banks, and regulators can use comparable and reliable sustainability information. Companies based in the EU will be subject to regulations that streamline and demand such reporting, but we will demand the same disclosure from publicly listed companies in all countries.

We will continue to encourage companies to provide enhanced corporate disclosures in line with TCFD and TNFD recommendations, also in line with CSRD (Corporate Sustainability Reporting Directive), CSDDD (Corporate Sustainability Due Diligence Directive) and the Norwegian Transparency law. We will also encourage companies to improve their reporting on Principle Adverse Impact (PAI) indicators, which will allow us to better identify companies that are laggards and leaders and to implement our commitments and requirements in relation to the EU Sustainable Finance Disclosure Regulation (SFDR).

Engagement

Impending changes to engagement report format
During the fourth quarter of 2024, we reassessed the way we report engagement data. Consequently, in future periods, we will now make two sets of changes to how we report engagement data.

The engagements that we carry out, and have reported analysis of until now, fall into four categories:

- "Internal": engagements aimed at achieving objectives set by Storebrand, with the engagement activity led by our own team/Storebrand's sustainability analysts.
- "Collaborative (leading role)": engagements aimed at achieving objectives mutually set by Storebrand and partners (such as other investors, collaborative organizations or other experts), with Storebrand's team taking a lead role in the engagement activities of the collaborative effort.
- "Collaborative (non-leading role)": engagements aimed at achieving objectives mutually set by Storebrand and partners (such as other investors, collaborative organizations or other experts), with Storebrand's team in a supporting role in the engagement activities of the collaborative effort.
- "Signatory only": engagements such as letters and joint declarations, in which Storebrand's contribution lies in its commitment of public and formal support/endorsement to the collaborative effort, but where we are not actively taking part in the company calls for example.

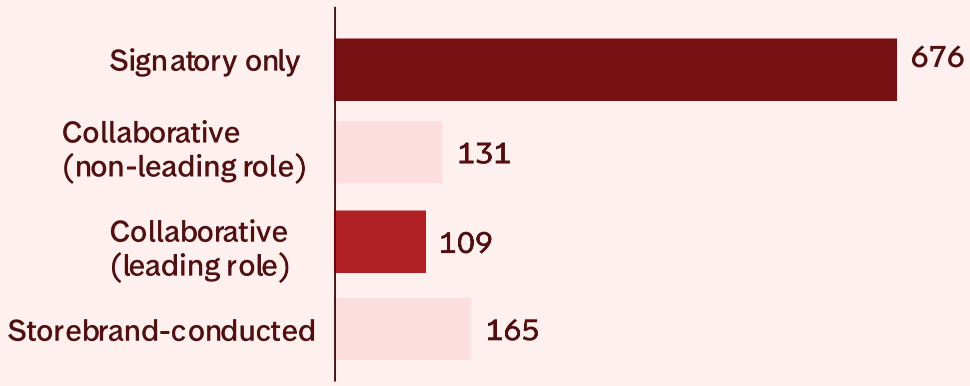
Following our review, we found that the large number of "signatory only" engagements that we have been involved in, could make it more difficult to accurately understand both the scale and the analysis of our activities within the engagements that fall in the other three categories. We identified the need to more clearly distinguish between the different levels of our involvement — from actively participating in company calls and directly engaging with companies ourselves, to supporting other leading investors in their engagement efforts, to simply endorsing initiatives by signing a letter or providing capital support. As a result, in our future data reporting, we will narrow down the focus by:

- Separating the "Signatory only" category and communicating it separately.
- Reporting a narrowed down set of engagement totals and analysis drawn from only the "Internal", "Collaborative (leading role)" and "Collaborative (non-leading role)" categories.

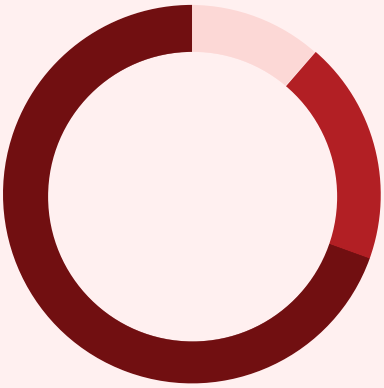
Overall, we believe these changes to how we approach reporting on our engagements will provide a clearer and more transparent representation of our work. The data reported will more accurately reflect the scope and intensity of our work, as well as the instances where our sustainability analysts are in direct contact with companies. Our goal is to maintain transparency by clearly differentiating between engagements where we are actively involved and those where we are providing indirect support.

In this report we present our full-year engagement numbers for 2024, in the older format. In 2025 and onwards, we will report data only in the new format.

Storebrand role in engagements



Format of engagements

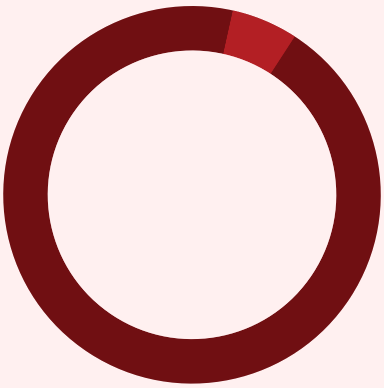


- **10 %** - Collaborative (leading role)
- **14 %** - Internal
- **75 %** - Collaborative (non leading role)

Top countries engaged in

Country	Number of engagements
United States	283
Norway	67
Japan	66
Germany	52
France	44
United Kingdom	42
Sweden	33
China	32
Switzerland	26
Brazil	22
Cayman Islands	22

Reasons for engagement

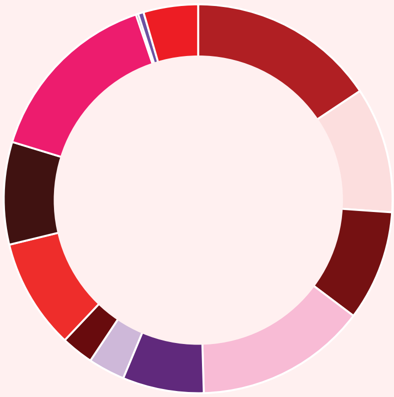


- **5 %** - Reactive
- **95 %** - Proactive

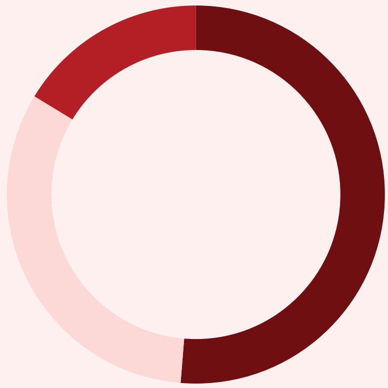
Sectors engaged in

Sectors	Number of engagements
Consumer Staples	154
Communication Services	113
Consumer Discretionary	99
Industrials	99
Information Technology	92
Energy	73
Utilities	49
Financial	33
Healthcare	29
Real Estate	5
None/Other	2
Other	169

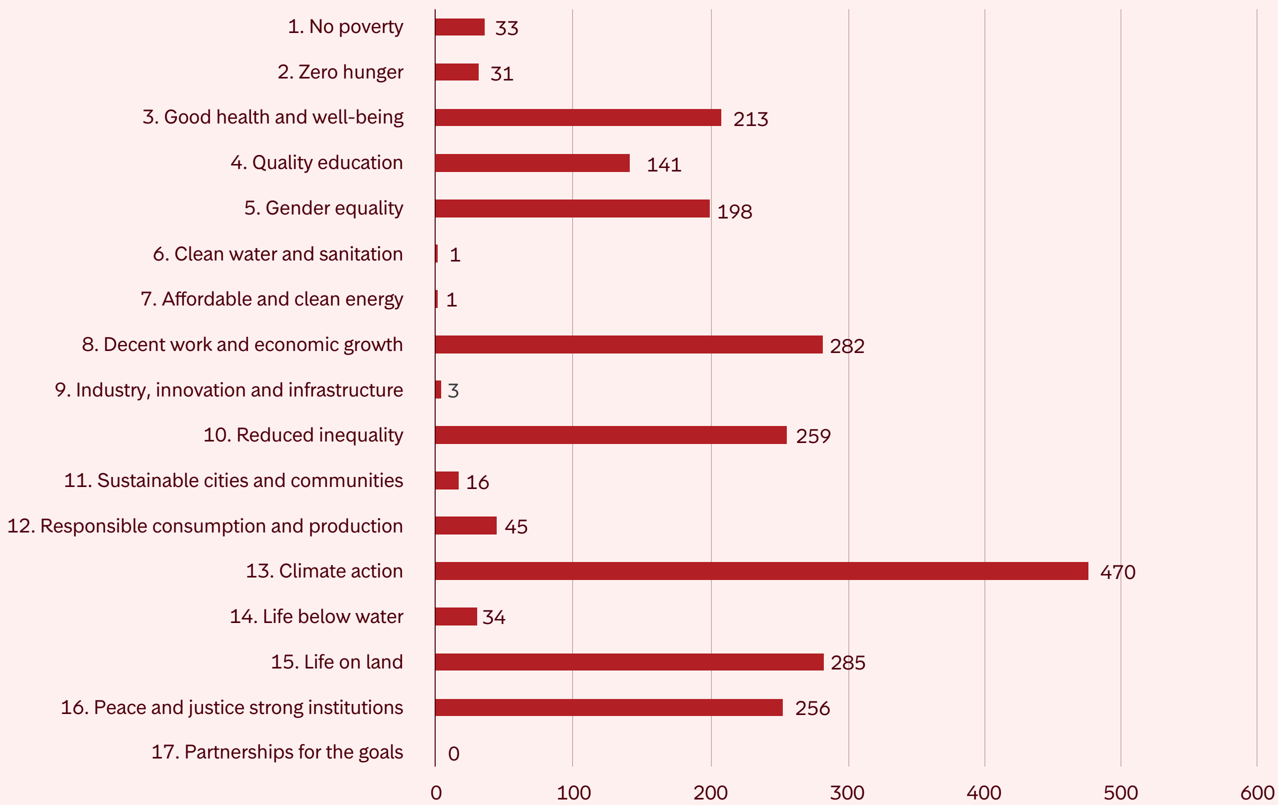
Sectors engaged in



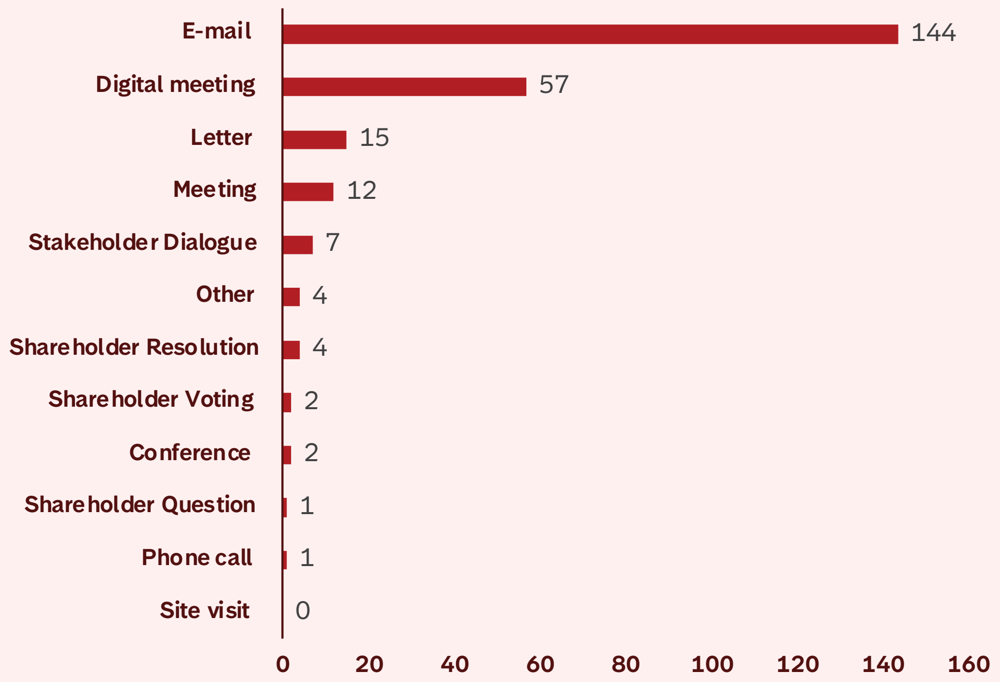
ESG categorizations of engagements



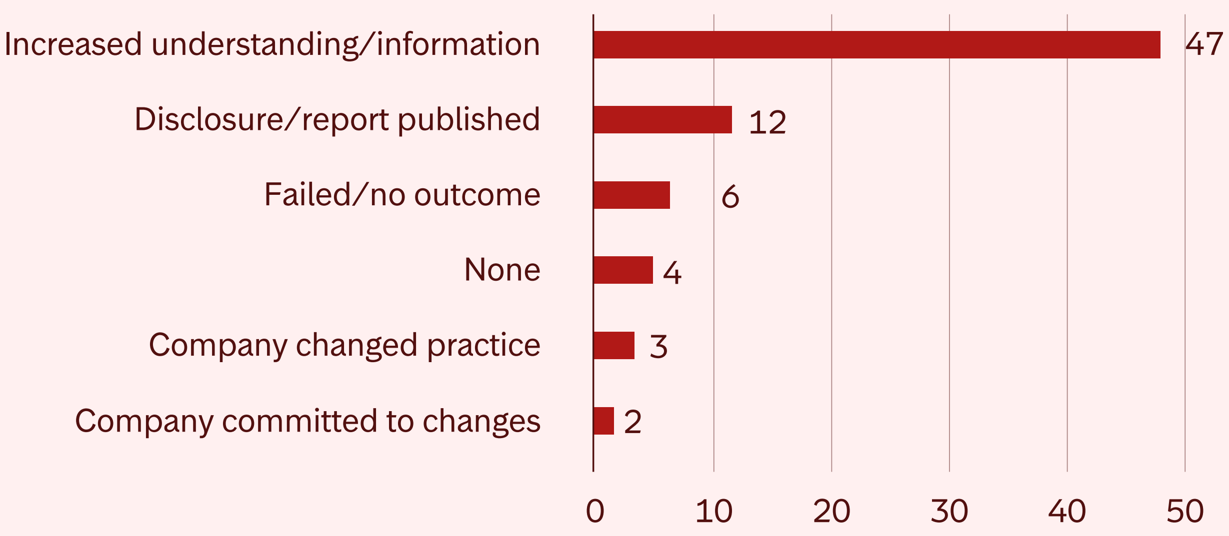
SDGs impacted by engagements



Engagement activity type: How did we contact companies?



Engagement outcomes



Risk Analysis Case

Climate Scenario Analysis of our Investment Portfolio


Photo: Colourbox

Given the uncertainty around physical and transition risks associated with climate change, in 2024 we conducted a scenario analysis to provide a framework for assessing:
- positive and negative climate impact, and
- the resilience of our investment strategies

Why scenario analysis?
Scenario analysis breaks down potential futures into discrete data-based scenarios with projections as to what will happen in key economic sectors. This enables reasoned analysis as to the performance of financial assets when different assumptions are considered.

Approach
As part of our efforts to continually improve our climate risk assessments, we partnered with Canbury Insights Ltd to develop a more granular methodology for our climate scenario analysis.

A prominent set of data-based scenarios is the ones developed by the Network for Greening the Financial System (NGFS); these scenarios are designed to model different possible futures, considering the impact of climate-related factors on the financial system through the analysis of a wide degree of variables. The NGFS data provides several different scenarios. Consistent with the TCFD recommendations, Storebrand AM considers three scenarios: 'orderly transition', 'disorderly transition' and 'hot-house world'.
By considering a range of scenarios, users can understand the potential impact of differing levels of physical risk (being highest in a 'hot-house world') and transition risk (maximised in 'disorderly transition'.)

Scenarios chosen from the NGFS database for Storebrand AM's analysis:

1. Orderly Transition: Net Zero 2050
   Models an ambitious scenario that limits global warming to 1.5°C through stringent implementation of climate policies and largescale innovation, reaching net zero CO_2 emissions around 2050.
2. Disorderly Transition: Delayed Transition
   Assumes that global annual emissions do not decrease until 2030, after which strong policies are needed to limit warming to below 2°C. These policies differ across countries and regions and emissions initially exceed the Paris Climate Agreement carbon budget. However, the scenario also projects a more rapid decline in emissions in order to limit global temperature rise to 2°C.
3. Hot-house world: Current policies
   This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. It assumes that emissions grow until 2080, leading to global temperature rise of at least 2.5°C. It also assumes irreversible changes such as higher sea level rise.

We established a base case, the Nationally Determined Contributions (NDCs) scenario, which we use to compare the other scenarios to. This is because the pledges have been made in line with the Paris Agreement, and it is relatively certain that countries will take action in pursuance of their commitments.

		Short Term			Medium Term			Long Term			
Climate Policy Relevant Sectors (CPRS)	NGFS Integrated Assestment Models (IAMs)	2030			2040			2050			Present
		Delayed Transition	Net Zero	Current Policies	Delayed Transition	Net Zero	Current Policies	Delayed Transition	Net Zero	Current Policies	Weights
Agriculture	Agricultural Production|Non-Energy|Crops	-0,01%	0,00%	0,04%	-0,03%	0,00%	0,03%	0,21%	-0,04%	0,02%	0,07%
Agriculture	Agricultural Production|Non-Energy|Livestock	-0,02%	-0,01%	0,00%	-0,07%	-0,04%	-0,02%	0,03%	0,06%	0,00%	0,39%
Buildings	Energy Service|Residential and Commercial|Floor Space	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,73%
Transportation	Energy Service|Transportation|Aviation	5,57%	-21,44%	4,44%	-13,70%	-32,69%	6,55%	-20,49%	-38,31%	6,80%	0,05%
Transportation	Energy Service|Transportation|Freight|International Shipping	2,23%	-13,95%	2,13%	-8,73%	-18,34%	3,64%	-12,86%	-21,06%	4,48%	0,90%
Transportation	Energy Service|Transportation|Freight|Railways	-0,77%	1,88%	-0,39%	-5,03%	-0,60%	0,87%	-7,32%	2,65%	0,98%	0,11%
Transportation	Energy Service|Transportation|Freight|Road	-0,02%	-2,95%	0,42%	-0,71%	-5,39%	0,64%	-1,58%	-5,04%	0,46%	0,04%
Transportation	Energy Service|Transportation|Navigation	4,49%	-15,89%	1,62%	-16,21%	-24,19%	4,92%	-23,86%	-21,17%	5,61%	0,00%
Transportation	Energy Service|Transportation|Passenger	0,62%	-4,33%	0,50%	-3,54%	-6,65%	1,14%	-5,42%	-6,96%	1,22%	0,12%
Transportation	Energy Service|Transportation|Passenger|Aviation	4,64%	-18,38%	3,78%	-12,32%	-28,24%	5,71%	-18,31%	-32,88%	6,02%	0,07%
Transportation	Energy Service|Transportation|Passenger|Railways	-0,34%	1,53%	-0,43%	-2,29%	1,58%	0,53%	-4,79%	3,21%	0,23%	0,10%
Transportation	Energy Service|Transportation|Passenger|Road|Bus	0,59%	0,17%	0,65%	-1,78%	1,01%	0,70%	-3,47%	2,92%	0,76%	0,09%
Transportation	Energy Service|Transportation|Rail	-0,12%	3,06%	0,01%	-3,02%	2,36%	0,48%	-4,26%	5,66%	0,52%	0,13%
Energy Intensive	Fertilizer Use|Nitrogen	-0,82%	0,47%	-1,10%	-10,77%	-10,60%	-0,96%	-14,51%	-14,03%	-1,20%	0,35%
Energy Intensive	Final Energy|Electricity	-0,86%	-4,04%	-1,00%	-1,68%	7,36%	-3,11%	3,12%	10,92%	-4,94%	1,40%
Energy Intensive	Final Energy|Industry	4,28%	-18,20%	4,15%	-18,41%	-25,42%	14,89%	-21,76%	-25,36%	24,78%	16,81%
Energy Intensive	Final Energy|Industry|Chemicals	3,31%	-16,49%	3,17%	-20,23%	-23,84%	10,23%	-20,15%	-24,08%	15,28%	4,45%
Fossil Fuel	Final Energy|Transportation|Liquids	1,60%	-4,73%	1,55%	-5,76%	-27,25%	4,12%	-15,47%	-48,40%	6,15%	0,01%
Transportation	Final Energy|Transportation|Passenger|Liquids	2,18%	-1,43%	2,16%	-8,52%	-23,14%	4,98%	-17,08%	-36,13%	6,12%	0,12%
Other	Investment|Energy Supply	-15,36%	39,63%	-15,44%	36,17%	37,65%	-16,61%	28,35%	15,83%	-17,52%	0,04%
Other	Investment|Energy Supply|Electricity	-17,68%	33,23%	-17,73%	26,10%	30,82%	-19,83%	25,90%	9,37%	-21,08%	0,18%
Fossil Fuel	Primary Energy|Fossil	9,46%	-27,93%	9,28%	-20,13%	-57,00%	34,33%	-48,36%	-74,06%	62,51%	0,34%
Fossil Fuel	Primary Energy|Gas	12,74%	-27,99%	12,58%	-28,97%	-72,16%	38,61%	-69,94%	-88,98%	63,13%	0,12%
Fossil Fuel	Primary Energy|Oil	2,42%	-6,28%	2,33%	-11,32%	-32,02%	4,83%	-25,56%	-60,48%	7,58%	0,48%
Energy Intensive	Production|Cement	1,68%	-21,26%	1,55%	-17,06%	-27,19%	5,56%	-19,71%	-19,82%	8,00%	0,22%
Energy Intensive	Production|Steel	1,81%	-25,67%	1,72%	-24,69%	-28,60%	13,35%	-22,86%	-26,18%	20,08%	0,49%
Utility	Secondary Energy|Electricity	-0,92%	-3,70%	-1,05%	-2,04%	10,75%	-5,44%	6,53%	18,90%	-14,95%	0,53%
Utility	Secondary Energy|Electricity|Wind	-14,96%	28,32%	-14,76%	-3,92%	37,50%	-25,35%	8,69%	28,95%	-31,77%	0,75%
Fossil Fuel	Secondary Energy|Gases|Natural Gas	7,05%	-23,03%	7,09%	-36,46%	-59,01%	23,53%	-60,68%	-83,19%	35,35%	0,04%
Energy Intensive	Secondary Energy|Hydrogen|Fossil	21,29%	-36,53%	21,24%	-10,54%	-94,40%	82,14%	-96,93%	-99,95%	174,58%	0,33%
Fossil Fuel	Secondary Energy|Liquids|Oil	2,44%	-6,30%	2,34%	-11,30%	-32,01%	4,84%	-25,56%	-60,48%	7,58%	1,13%
	Total covered portfolio exposure										30,61%

NGFS has a wide range of models with different assumptions and calculations. For this analysis, we used the Remind-MagPIE 3.2-4.6 Integrated-PhysicalDamages (median) model.

We combine NGFS scenarios by analyzing economic activities in terms of their "Climate-Policy Relevant Sector" (CPRS). CPRS is a way of categorizing companies based on their energy technology (including input substitutability of fossil fuels), role in the GHG emissions chain, and specific policy processes — in other words, grouping companies by the impact that climate policies could have on their revenues. There are nine overarching classes of CPRS: 1-fossil fuel, 2-utility, 3-energy intensive, 4-buildings, 5-transportation, 6-agriculture, 7-finance, 8-scientific R&D, and 9-other.

Using NGFS-supported documentation, we mapped all portfolio holdings via NACE class to corresponding CPRS and to the most appropriate integrated assessment model (IAM) variable for each NACE class. The identified IAM variable provides a measure of the production value of that NACE class and can be used as an indicative proxy for the prospects of each class. For example, the NACE class related to wind energy would be expressed in terms of EJ/year. The NGFS data would then project the amount of exajoules a year that would be produced using wind in the different climate scenarios.

Given the complexities in mapping economies, a focus of the NGFS modelling is one key driver of emissions and climate changes. As such, sectors with significant GHG emissions and/or highly sensitive to climate policies are prioritized, whereas other sectors may be aggregated under broader categories. As a result, only these prioritized sectors can be mapped directly to IAM variables, and roughly 30% of our holdings correspond to these production variables.

The next step was to analyse the % difference in the IAM variable under each scenario as compared to the baseline scenario (i.e. NDCs scenario), and to weight the IAM variable impact relative to the weight of positions that are mapped to that IAM variable.

The analysis was performed for each of our funds as well as aggregated for our entire portfolio. The result is a high-level overview of the potential climate risk of our portfolio and provides a starting point for more granular analysis of risks, resilience and opportunities.

The table above shows the percentage difference in the IAM variable under each scenario as compared to the baseline scenario for short-, medium- and long-term horizons, here shown as the years 2030, 2040, and 2050. The percentages shown do not indicate changes in share price or value of holdings. Rather, they are projections of potential positive and negative impacts on the various production variables, with an underlying assumption this will link to company value.

The actual impact on a portfolio will depend on several factors, specific to the companies themselves as opposed to the NACE codes of their economic activities. Further, we note that only around 30% of our holdings were mapped to an NGFS variable, for the reasons noted above. As such, the insights from the scenario analysis performed only apply to the portfolio weightage in scope.

For illustrative purposes, we have highlighted some of the main positive and negative impacts. It is notable that the largest positive or negative impacts across the different scenarios and time horizons are mainly driven by the same production variables. For example, the variable "Investment|Energy Supply|Electricity", which covers scale of investments into electricity generation, grid infrastructure etc., is projected to increase in the "Net Zero 2050" scenario, with rapid growth in 2030 but slowing towards 2050. This is consistent with the urgent need for large investments into electrification to meet net zero targets.
In the "Current Policies" scenario, however, investment in electricity is projected to decrease markedly compared to the baseline "NDC" scenario.

In the "Delayed Transition" scenario", this variable shows a decrease in the short term, but big increases in the medium and long term, corresponding to this scenario's assumption of climate change policies tightening significantly over time.

Another example is the variable "Primary Energy|Gas", measured in amount of energy produced from gas per year. In the "Net Zero 2050" scenario, the analysis shows large projected reductions in energy produced from gas, with almost 90% decrease by 2050, compared to the baseline scenario. In the "Current Policies" scenario, however, energy from natural gas is projected to increase, with a 63% increase over baseline in 2050. The "Delayed Transition" scenario projects a slight increase in 2030, but larger decreases in 2040 and 2050.

Risk Analysis Case

Assessing and Disclosing Deforestation Risk Exposure in our Investment Portfolio


Photo: Colourbox

We are committed to eliminating commodity-driven deforestation from our investment portfolio, and to assess and disclose our exposure to deforestation risk. This ambition is articulated in our deforestation policy and as part of the Finance Sector Deforestation Action (FSDA) joint commitment. Our work in this area is related to our prioritized engagement themes on nature and climate, spanning the 2024-2026 period.

To effectively assess and disclose exposure to deforestation risks, we leverage the Forest IQ data platform, a comprehensive resource developed by Global Canopy, Stockholm Environment Institute and the Zoological Society of London.

Forest IQ Data Tool Overview

The Forest IQ data platform contains information on more than 2000 companies' exposure to commodity-driven deforestation and their efforts to eliminate deforestation, conversion and associated human rights violations from their operations, supply chains and financial relationships. It includes data from the following datasets: CDP, Deforestation Action Tracker, Forest 500, SEI York, Trase, ZSL SPOTT and RSPO. The forest risk commodities currently covered are palm oil, soy, beef, leather, timber, pulp & paper, natural rubber, cocoa, coffee, gold and coal. While the coverage in number of companies and commodities is expected to continue to grow, Forest IQ already covers most companies and financial institutions in our investment universe with material exposure to commodity-driven deforestation.

Metrics Used in Storebrand AM's Risk Screening

We employ several key metrics based on Forest IQ to evaluate and disclose deforestation risks:

Metric 1: Exposure to Forest Risk Commodities

This metric assesses the level of exposure of our portfolio to companies potentially linked to deforestation. Forest IQ places companies in different exposure categories, by estimating volume of commodities sourced or produced with risk of deforestation. (Financial institutions are assessed by estimating the amount of finance provided to companies with exposure to deforestation.) We report on the number of companies, value of holdings, and percentage share of our total equity and bond investments held in companies that fall in the categories with the following exposure levels: Critical, Very High, High, and Moderate. This provides a picture of how much of our portfolio is potentially exposed to deforestation risks.

Metric 2: Sector Distribution
This metric analyzes the distribution of companies identified under Metric 1 across different Global Industry Classification Standard (GICS) sectors. This helps in understanding which sectors in our portfolio are most exposed to deforestation risks.

Metric 3: Company Management of Deforestation Risk
Metric 3 evaluates how well companies manage deforestation risks, categorizing them into five performance tiers: Laggard, Weak, Moderate, Advanced, and Leader. This is done by assessing the quality of their commitments, actions taken and quantifiable progress reporting. For companies identified under Metric 1, we disclose the number of companies and value of holdings distributed across these performance categories.
This metric provides insights into the effectiveness of companies' deforestation risk management practices, which helps inform our stewardship efforts.

Developing screening methodology

When we first screened our portfolio for deforestation risk in 2020, we designed an inhouse screening methodology based on the tools Forest 500 and Trase. As Forest IQ includes data from both these tools, in addition to others, we are now able to assess a larger share of companies in our portfolio. While this change in data availability and methodology makes comparisons with earlier iterations difficult, it improves transparency, stewardship efforts and risk management related to deforestation. It should be noted that currently available data do not allow attributing actual deforestation impact to individual companies, but estimates risk exposure and assesses company performance to avoid deforestation, conversion and associated human rights abuses.

We will continue to perform annual deforestation risk assessments and to disclose the results and any further changes to methodology and data sources.

Figure 6:
Metric 1 - Number of companies in holdings with deforestation exposure – by category

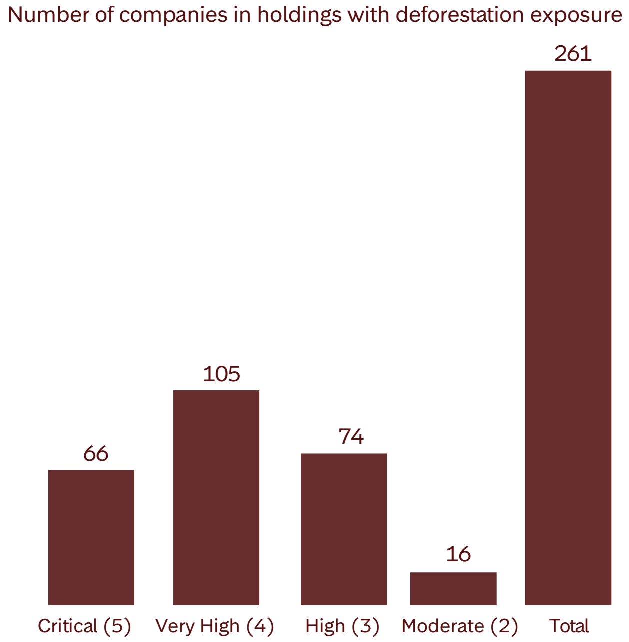


Figure 7:
Metric 2 - Number of companies in holdings with deforestation exposure – by industry

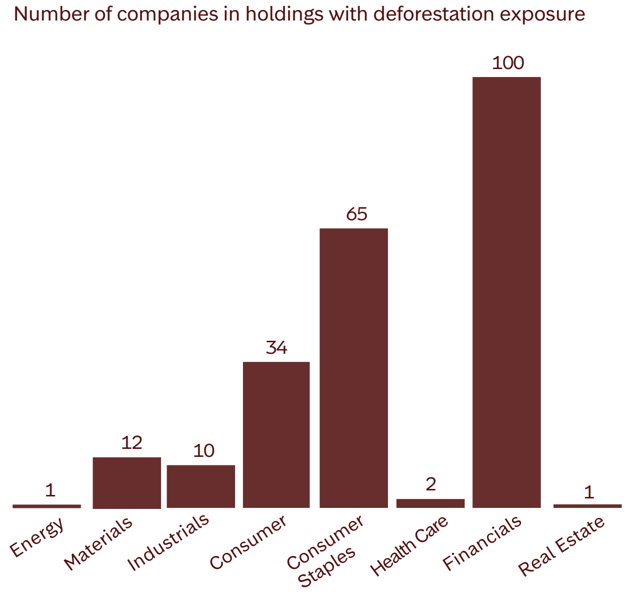


Figure 8:
Metric 3 - Investments exposed to deforestation by industry and deforestation management score (in MNOK)

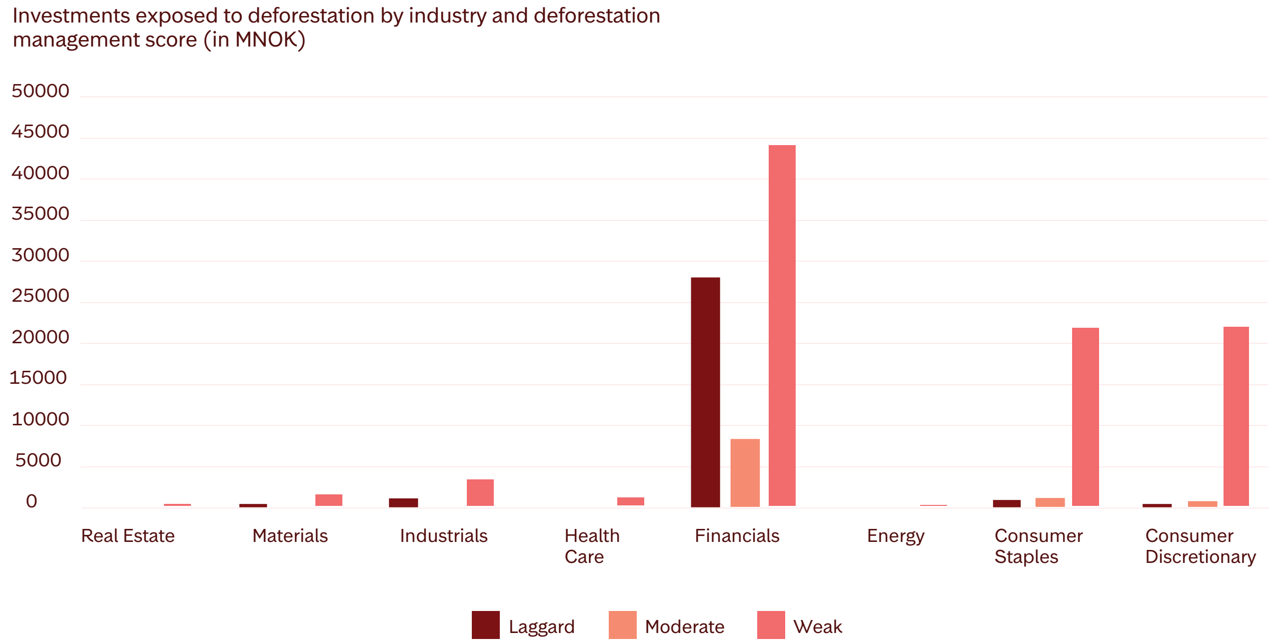
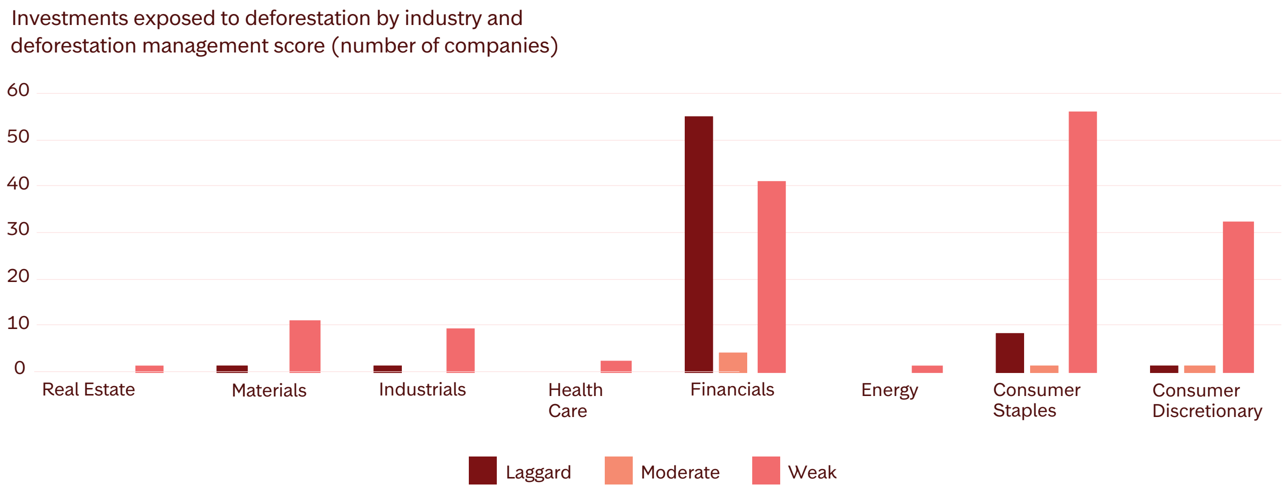


Figure 9:
Metric 3 - Investments exposed to deforestation by industry and deforestation management score (number of companies)



Risk Analysis Case

Understanding the financial case for water risk, and asses-sing our portfolios

Water is a crucial factor for production, and its scarcity may lead to slower economic growth, with some regions experiencing a potential decline of GDP growth as much as 6 per cent by 2050, due to water-related losses. In addition to economic consequences, the loss of water may also lead to severe social consequences. As water becomes scarcer, food prices could spike, igniting conflicts and driving migration. [4]

For the financial sector, water risk increases the exposure to water-stranded assets and other knock-on effects such as non-delivery of products to offtake partners, hedging mis- matches, increased clean-up liabilities and fines, shareholder class actions, and consequences for financial relationships. [5]

Commitment to mitigation of water risk

As an asset manager, we are committed to maintaining and strengthening biodiversity. We believe biodiversity and nature loss will affect the capacity of our long-term economic growth and is likely to have implications for long-term asset returns. Protecting nature is therefore an integral part of Storebrand's commitment to sustainability, and is one of our prioritized engagement themes for the 2024-2026 period. Nature is defined as all life on Earth (i.e. biodiversity), together with the geology, water, climate and all other inanimate components that comprise our planet. [2]

Freshwater use is also one of nine planetary boundaries (environmental limits within which humanity can safely operate). [3] Overexploitation and pollution are two of the main drivers regarding biodiversity loss. [4] Storebrand's highest exposure to impact related to water is water pollutants and water use. Our highest exposure to water-related dependency risks stems from surface water and ground water. [5]

Our approach for collecting and analyzing asset-location data

As an entry-point, we used ENCORE to map companies with very high water-related impacts and dependencies in our portfolios. However, there is a need for a more specific risk assessments which utilizes company location data, as Encore has two important limitations. First, it only indicated direct linkages with nature, but these linkages in a large part are substantiated through the company's value chains. [6], [7] Second, Encore evaluates risks at sub-industrial level and does not account for company specific risks. [8]

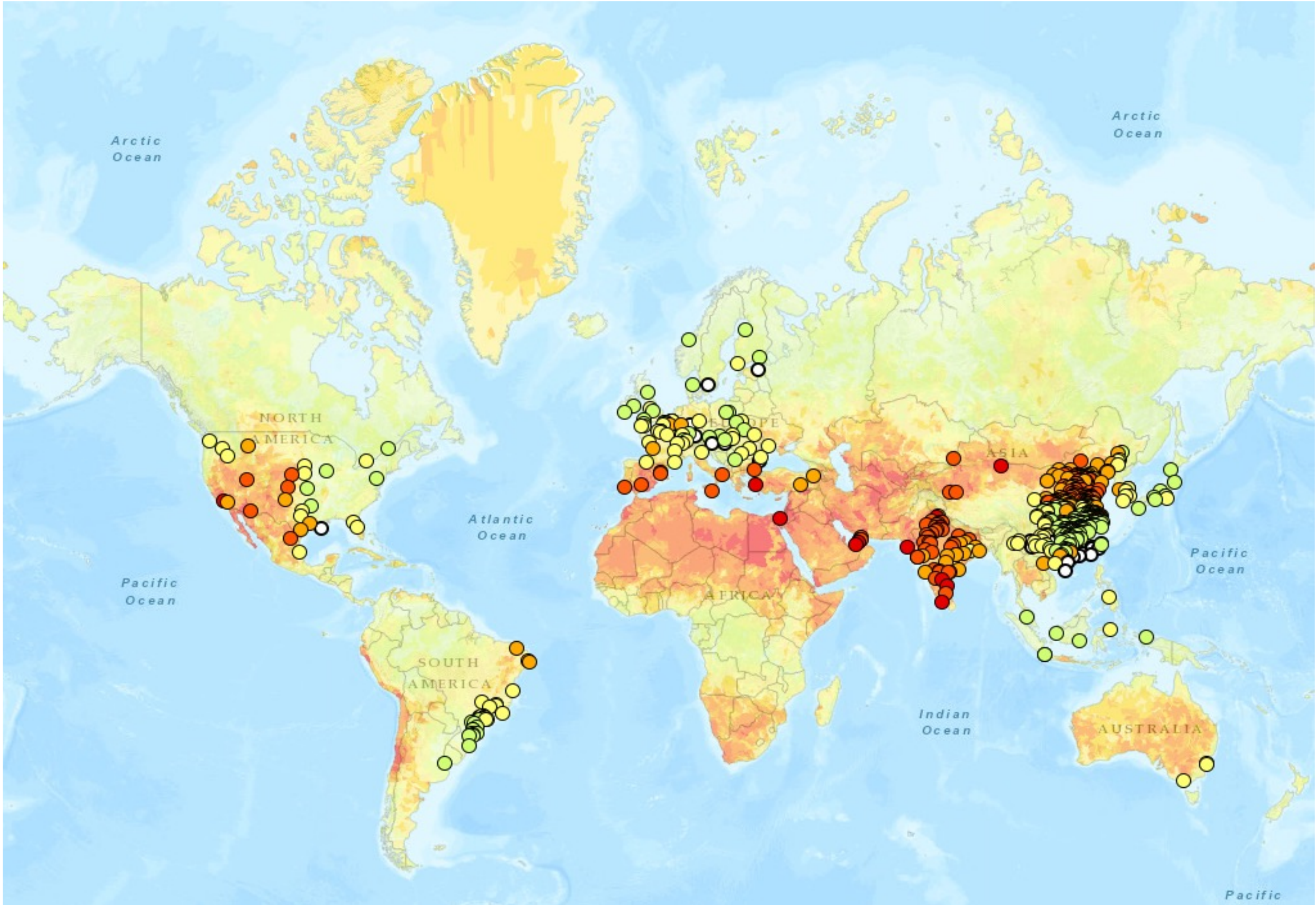
To achieve a more granular analysis, companies which were identified through Encore as having very high water risk, were included in the attempt of doing an asset-location screening with the Water Risk Filter from the World Wide Fund for Nature (WWF), a non-governmental organization founded works towards wilderness preservation and the reduction of human impact on the environment.
The Water Risk Filter is a portfolio-level screening tool which assesses three types of risks: physical risk, regulatory risk, and reputational risk. The location-specific data was retrieved from open-source datasets from the Spatial Finance Initiative (SFI). These geospatial datasets allow for the locating of individual physical assets and the linkages between financial instruments and the real economy, which can be aggregated at a portfolio level. [7]

Five datasets were downloaded and analyzed to investigate if some of our portfolio companies were included: beef abattoirs, cement, paper and pulp, petrochemicals, and waste management. In each SFI dataset, the ultimate parent of the owner of the asset was matched with the names of companies in our portfolio identified by ENCORE to have very high-water risk. This approach resulted in asset-location data for 30 matched companies across six industries:

1. Paper and forest product production
2. Oil, gas, and consumable fuels
3. Construction materials
4. Chemicals and other materials production
5. Food and beverage production
6. Water utilities/water service providers

This produced 662 sites in total, which were then grouped and analyzed for water scarcity, in accordance with the main driver of nature loss. The sites are also dispersed in various geographical areas, with most of the sites being located in China, India and Brazil, as illustrated in Figure 10 here.

Figure 10:
The map presents the grouped sites exposed to water scarcity risk using the Water Risk Filters mapping module.



Lessons learned and the way forward

For investors such as us it is imperative to understand portfolio companies impact and dependency on water. Using Encore as an initial step in this mapping is crucial but should be further deepened with more location-specific analysis. Tools such as the Water Risk Filter serves as a continuation and an aid in the furthering of these analysis.

The analysis shows that our portfolio is exposed to water risk, however the same approach could be used to investigate biodiversity risk through the Biodiversity Risk Filter, also by the WWF. By furthering the ENCORE mapping with the Water Risk Filter, it establishes the basis for engagement and dialogue with companies that have sites exposed to water risk.

However, it should be noted that the availability and coverage of data is still a major obstacle in the main spread utilization. Although the data is limited, this shouldn't stop organizations from deepening their analysis. There is a dataset available for high-risk sectors, which can serve as a first step.

Active Ownership Case

Working to establish a human-rights centred architecture for Artificial Intelligence

Photo: Istock

For several years, Storebrand has been working with digital rights as one of its focus areas, including issues such as the ethics of artificial intelligence (AI) technologies. Through this experience, we have found that it is often most productive for investors to engage them through collective initiatives. This is based on the broad, complex and far-reaching range of the issues, along with the scale and influence of the companies that must be engaged in order to have a reasonable chance of making an impact.

New phase begun in 2024

Since September 2022, members of the World Benchmarking Alliance's (WBA's) Ethical AI Collective Impact Coalition have been engaging companies assessed by the WBA's Digital Inclusion Benchmark on ethical AI, focussing initially on companies that did not yet have publicly available ethical AI principles.

In February 2024, the second phase of the Collective Impact Coalition for Ethical AI was launched, supported by investors such as Storebrand Asset Management. In total the investors involved represent over US$ $8.5 trillion in assets under management.

In the current phase, we in the WBA AI initiative are encouraging companies to implement policies and mechanisms to ensure the ethical development and application of AI, guided by respect for human rights and the principle of leaving no one behind.

Progress in latest assessment

The latest assessment by the WBA in 2024 showed that of the 200 largest digital companies, 71 companies, a third of them, have AI principles in place, up from 52 companies a year ago. More than half of the principles established include human rights considerations, also a positive finding.

To a degree, companies made progress on some dimensions. The development of comprehensive ethical AI documents showed notable growth. Sixty-six companies had AI principles that they developed themselves (as opposed to endorsing third-party principles), and 60 of those companies had released standalone documents outlining their commitments.

That said, progress in this area has been slower than expected and needed. While the number of companies with ethical AI principles grew, the portion of those that defined and included explicit human rights considerations remained relatively small, and many companies hadn't integrated these considerations into their AI frameworks. Of the 71 companies that had ethical AI principles, only 29 actually publicly disclosed how they implemented these principles.

Other findings from the assessment included a steady, but slow, growth in the number of companies with relevant internal governance structures, such as ethical AI committees, that would help convert conceptual commitments into tangible action in operation.

Of most concern is the mere 16 companies that actually conducted human rights impact assessments (HRIAs) in 2024. This points to huge risks, given that new regulations such as the EU Artificial Intelligence Act, require Fundamental Rights Impact Assessments (FRIAs) for high-risk AI systems, from 2026 onward.

What's next?

While these commitments can be viewed as a positive step, much remains undone. The next challenge is to track how companies implement these principles. Many companies' reporting on their AI operations lacks transparency, making it difficult to assess whether they are truly living up to their ethical AI commitments.

Through the Collective Impact Coalition for Ethical AI, we will also be continuing to push companies to move beyond symbolic statements, to show real progress in operationalizing their AI principles. One major obstacle in this regard is the lack of comprehensive, clear guidelines for conducting HRIAs in the context of AI systems. Developing these guidelines is therefore an urgent next step.

These steps, along with national-level legislation by countries, are needed to secure ethical AI becomes a reality, and we will be working towards getting them in place.

Active Ownership Case

Collaborating among investors on Conflict Affected and High-Risk Areas (CAHRA)

Human rights is one of Storebrand AM's prioritized engagement themes for the period 2024-2026.
Recent years have seen a steady increase in the number, duration, and intensity of conflicts globally, with associated human rights violations, which companies might be exposed to responsibility for. The scope and severity of this potential risk exposure has been increased by new EU due diligence regulation, and requirements for companies to align themselves with UN Guiding Principles and OECD Guidelines.

As a result, investors are expressing growing interest in, and seek guidance on, strengthening their stewardship activities related to their portfolio exposure to Conflict Affected and High-Risk Areas (CAHRA).

In this context, Storebrand is working together with the Investor Alliance for Human Rights, Heartland Initiative, and Peace Nexus and a select group of investors to develop and pilot a process for identifying, analyzing, prioritizing, and managing portfolio risk linked to business operations and relationships in CAHRA by engaging with companies in the Information and Communication Technology (ICT) and renewables sectors, as they are considered high-risk sectors for this theme .

The initiative began in the second half of 2023, with lead investors contacting companies to explain the project. During 2024, lead investors have been engaging with companies in calls including support investors as well as the supporting organisations. The final company calls are scheduled for the beginning of 2025, when a report summarizing findings and recommendations will be published.

Overall, the ultimate goals of the initiative are to:
• prevent and mitigate harms to rightsholders
• minimize negative impacts on conflict dynamics
• address salient human rights and material risks

Ultimately, the initiative is aimed at being mutually beneficial for investors and companies.

Participating investors will gain insights by exploring evolving and potential best practice on enhanced human rights due diligence among ICT and renewable energy leaders. These insights will be useful to us in own stewardship activities and to use to advance the level and quality of due diligence practices among other portfolio companies with exposure to CAHRA.

Participating companies also benefit. The dialogues are taking place under Chatham House rules, in which participants are empowered to utilize and share learnings, without personally identifying which participants contributed what information. As such, the project represents an opportunity for company staff to frankly — and collaboratively — discuss the challenges concerning policy, practice, and governance related to CAHRA-based risks to inform investor expectations and shape future dialogues.

Furthermore, in light of the global scope of participating investors, the project is an opportunity to roll up several parallel tracks of potential investor dialogues on human rights in CAHRA, into a single set of conversations. Finally, these conversations represent an opportunity for the companies to showcase to leading shareholders their efforts to prevent and mitigate CAHRA-related risks.

Voting

One of the methods we use for carrying out our responsibilities as a shareholder, is by exercising voting rights. We strive to exercise these voting rights aiming to maximise long term value creation, and in alignment with principles we have stated in our sustainable investment policies.

Based on our engagement and voting policy, responsibility for voting is delegated to the Risk & Ownership team, with input from the responsible fund manager, to determine how to exercise the voting rights in accordance with our policies. Voting rights are exercised using a digital proxy voting system, or in some cases through attendance at shareholder meetings. We take the following topics to be of particular importance when exercising our shareholder vote:

- Insufficient information before a general meeting
- Absence of a majority of independent board members or independent management committees (remuneration, nomination, and audit committees)
- If the Company considers that the board of directors and/or board members do not meet the requirements for sufficient competence and knowledge
- Existence of mechanisms for preventing takeovers (poison pills, etc.) that counteract shareholders' final decision-making power in these matters
- Unnecessary or indefensible changes in capital structure. The Company supports the principle of one share = one vote
- Existence of remuneration structures for senior executives leading to conflicts of interest between management and shareholders
- Unsatisfactory stewardship of climate, environment, fair labour practices, non-discrimination, and the protection of human rights.

To maximize the impact of our votes, we strategically target:

- Our top 1000 global holdings
- Our 100 largest holdings in key markets: Norway and Sweden
- Companies in our SFDR Article 9 funds and our range of Plus funds
- Companies targeted by ESG engagement initiatives that we are part of, including those addressing human rights and climate issues
- Oil and gas sector companies
- Meetings with environmental or social resolutions on the agenda

We utilize the services of the independent proxy voting service provider ISS, which supports us in meeting preparation and offers research-based voting recommendations. The proxy provider all practicalities regarding registration of our votes at general meetings and produces comprehensive information about the individual portfolio companies. The proxy provider presents the agendas of the meetings with research on all resolutions and recommendations on how fund managers should vote. Voting conduct is nevertheless governed by Storebrand AM's common voting policy and is always based on what is in the interest of the funds and of the unit holders. Storebrand has chosen ISS' Sustainability Policy as default voting policy, as it is closely aligned with the principles set down in our Proxy Voting Guideline. In 2024 we voted in accordance with recommendations of the ISS Sustainability Policy in 99.8% of cases.

The fund manager reviews the partnership with proxy provider and evaluates the quality and efficiency of the services provided. All Storebrand AM's funds have a depositary that is subject to supervision and which, in addition to the proxy provider, provides information relating to the general meetings of the portfolio companies in the Company's funds.

We regularly monitor ESG-relevant votes cast, through checking votes on high-profile companies, all votes on environmental and social shareholder resolutions, as well as extracting quarterly voting statistics. For example, we manually go through voting records to select "most significant votes" on ESG issues, and in that process, we check that votes have been approved and properly registered. Any errors are raised with ISS to identify causes and avoid repetition.

With regards to fixed income rights, we maintain close dialogue with issuers. We do this to leverage our stewardship role when relevant; and we have a realistic possibility to influence and potentially amend terms and

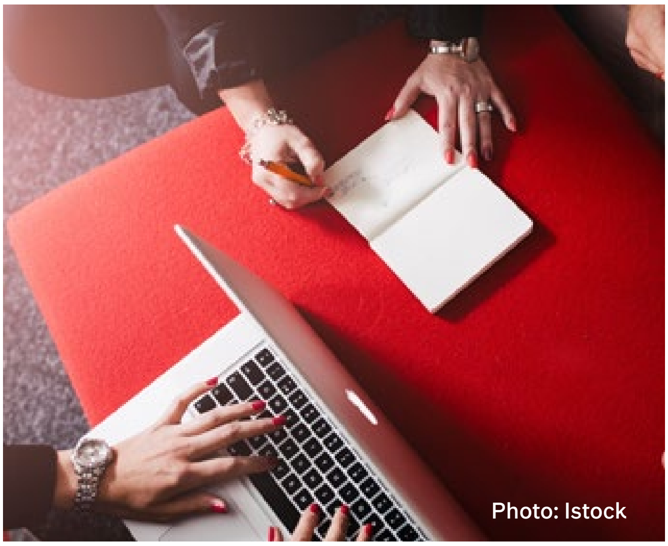


Photo: Istock

conditions in alignment with sustainability objectives. While we have not so far executed such amendments, we possess the capability to do so. We maintain the capacity to seek access to information provided in trust deeds, although we have not done so yet. We are ready to leverage this access when relevant to our stewardship responsibilities, enhancing our ability to integrate sustainability considerations into investment decisions. We review prospectuses and transaction documents when deemed relevant to ensure alignment with our stewardship objectives.

Exercising our voting rights at general meetings is key to fulfilling our responsibility as a responsible investor. As of 2024, we included all oil and gas companies in the portfolio on our priority voting list, to ensure that we use our voting rights to support transition plans for this sector.

Voting summary 2024

In 2024, we voted at 2072 company meetings, which amounts to 41.5 per cent of 4988 votable meetings. The meetings that we voted at correspond to 92 per cent of our total equity investments, up from 90 per cent in 2023. We voted at meetings held in a total of 53 countries. We voted most frequently in the US; at 536 meetings, followed by Japan, at 192 meetings.

As an escalation measure in cases where regular dialogue does not achieve the desired results, Storebrand may file shareholder resolutions at company meetings, usually in collaboration with other shareholders. At AGMs in 2024, we co-filed resolutions on Alphabet Inc., Amazon.com and Meta. We also co-filed a proposal for the annual meeting of Bunge Global but withdrew the proposal after achieving a satisfactory compromise with company management. 89.5 per cent of our voting in 2023 was in line with company management, while we voted against management's recommendations in 10.5 per cent of cases. Among other things, we voted against the re-election of board members in companies with poor corporate governance, lack of diversity on the board or where we considered the board to fail to manage ESG-related risks.It is generally very difficult to achieve a voting majority against management's recommendation, and in 2024 this occurred in only 66 cases. However, even if majority is not achieved, a significant minority vote against management's recommendations can still lead to positive change in company practice over time, as it gives a clear signal of shareholder concerns.

Votes on environmental and social proposals

We voted on 522 proposals in 2024 falling in the environmental and/or social categories. See the table below a full overview. A total of 101 proposals were climate-related, where we voted against management in 68 cases (67 per cent), showing our commitment to promote decarbonization aligned with the targets of the Paris Agreement.

23 proposals were related to nature and biodiversity, including deforestation, deep sea mining, recycling and reporting on nature risk. We voted against management in 22 instances.

We voted on 272 social-related proposals, with 100 pertaining to human rights, labour practices, discrimination, and digital rights and safety. We opposed management in 78 of these 100 votes.

Voting key figures

All our votes are published online at
[VDS Dashboard (issgovernance.com)]

	Votable	Voted	Percentage voted
Number of general meetings voted	2,072	4,988	41.5%
Number of items voted	27,342	56,351	48.5%
Number of votes on shareholder proposals	896	1,346	66.6%

Alignment with management recommendations	Percentage
Votes with management	89.6%
Votes against management	10.5%

Alignment with ISS Sustainability Policy	Percentage
Votes with ISS Sustainability Policy	99.8%
Votes against ISS Sustainability Policy	0.3%

Top 10 countries voted in

Country	Votable meetings	Voted meetings	Percentage voted
USA	536	718	74.7%
Japan	192	339	56.6%
China	165	981	16.8%
Sweden	103	410	25.1%
Norway	96	142	67.6%
India	81	368	22.0%
United Kingdom	80	118	67.8%
Canada	68	100	68.0%
Brazil	58	145	40.0%
South Korea	57	188	30.3%

Shareholder proposals

	Proposals	No. of votes aligned with recommendations of company management	% of votes aligned with recommendations of company management	No. of votes aligned with ISS policy	% of votes aligned with ISS policy	ESG Flag
Audit Related	1,567	1,559	99 %	1,566	100 %	G
Capitalization	1,874	1,649	88 %	1,868	100 %	G
Company Articles	511	457	89 %	511	100 %	G
Compensation	3,489	2,904	83 %	3,483	100 %	G
Corporate Governance	50	12	24 %	50	100 %	G
Director Election	12,265	11,047	90%	12,241	100%	G
Director Related	3,137	2,827	90 %	3,083	98 %	G
E&S Blended	132	96	73%	131	99%	ES
Environmental	118	43	36%	115	97%	ES
Miscellaneous	223	203	91%	221	99%	G
Non-Routine Business	274	250	91%	274	100%	G
Routine Business	3,256	3,143	97%	3,236	99%	G
Social	272	113	42%	270	99%	S
Strategic Transactions	195	155	79%	195	100%	G
Takeover Related	148	140	95%	148	100%	G

Shareholder proposal categories

Environmental and social votes	ESG Pillar	Proponent	No. of proposals voted	No. voted with management	% voted with mgmt
Environmental - Management Climate-Related Proposal	E	Management	5	4	80 %
Environmental - Reporting on Climate Transition Plan	E	Management	12	8	67 %
Environmental - Phase Out Nuclear Facilities	E	Shareholder	3	3	100 %
Environmental - Report on Environmental Policies	E	Shareholder	1	0	0 %
Environmental - Community -Environment Impact	E	Shareholder	13	2	15 %
Environmental - Report on Climate Change	E	Shareholder	12	0	0 %
Environmental - GHG Emissions	E	Shareholder	17	0	0 %
Environmental - Climate Change Action	E	Shareholder	1	1	100 %
Environmental - Restrict Spending on Climate Change-Related Analysis or Actions	E	Shareholder	14	14	100 %
Environmental - Proposals Requesting Non-Binding Advisory Vote On Climate Action Plan	E	Shareholder	9	0	0 %
Environmental - Recycling	E	Shareholder	10	0	0 %
Environmental - Miscellaneous Proposal - Environmental	E	Shareholder	5	5	100 %
Environmental - Disclosure of Fossil Fuel Financing	E	Shareholder	8	0	0 %
Environmental - Restriction of Fossil Fuel Financing	E	Shareholder	8	6	75 %
E&S Blended - Accept/Approve Corporate Social Responsibility Report	E, S	Management	53	53	100 %
E&S Blended - Establish Environmental/Social Issue Board Committee	E, S	Shareholder	5	3	60 %
E&S Blended - Require Environmental/Social Issue Qualifications for Director Nominees	E, S	Shareholder	4	0	0 %

Environmental and social votes	ESG Pillar	Proponent	No. of proposals voted	No. voted with management	% voted with mgmt
E&S Blended - Link Executive Pay to Social Criteria	E, S	Shareholder	3	0	0 %
E&S Blended - Product Toxicity and Safety	E, S	Shareholder	7	1	14 %
E&S Blended - Sustainability Activities and Action	E, S	Shareholder	1	0	0 %
E&S Blended - Miscellaneous -- Environmental & Social Counterproposal	E, S	Shareholder	30	30	100 %
E&S Blended - Miscellaneous Proposal -- Environmental & Social	E, S	Shareholder	14	9	64 %
E&S Blended - Climate Change Lobbying	E, S	Shareholder	11	0	0 %
E&S Blended - Report on "Just Transition"	E, S	Shareholder	4	0	0 %
Social - Approve Charitable Donations	S	Management	16	12	75 %
Social - Approve Political Donations	S	Management	56	56	100 %
Social - Black Economic Empowerment(BEE) Transactions(SouthAfrica)	S	Management	3	3	100 %
Social - Board Diversity	S	Shareholder	1	0	0 %
Social - Human Rights Risk Assessment	S	Shareholder	13	2	15 %
Social - Improve Human Rights Standards or Policies	S	Shareholder	13	1	8 %
Social - Operations in High Risk Countries	S	Shareholder	14	8	57 %
Social - Data Security, Privacy, and Internet Issues	S	Shareholder	2	0	0 %
Social - Racial Equity and/or Civil Rights Audit	S	Shareholder	3	0	0 %
Social - Miscellaneous Proposal - Social	S	Shareholder	24	5	21 %
Social - Political Spending Congruency	S	Shareholder	8	1	13 %
Social - Report on Pay Disparity	S	Shareholder	2	2	100 %
Social - Prepare Tobacco-Related Report	S	Shareholder	2	2	100 %
Social - Avoid Support of Abortion-Related Activities	S	Shareholder	2	2	100 %
Social - Facility Safety	S	Shareholder	4	0	0 %
Social - Weapons - Related	S	Shareholder	1	0	0 %
Social - Review Drug Pricing or Distribution	S	Shareholder	2	0	0 %
Social - Reduce Tobacco Harm to Health	S	Shareholder	1	0	0 %
Social - Prepare Report on Health Care Reform	S	Shareholder	7	1	14 %
Social - Charitable Contributions	S	Shareholder	8	8	100 %
Social - Political Contributions Disclosure	S	Shareholder	19	2	11 %
Social - Political Lobbying Disclosure	S	Shareholder	19	0	0 %
Social - Political Activities and Action	S	Shareholder	2	1	50 %
Social - Report on EEO	S	Shareholder	13	0	0 %
Social - Labor Issues - Discrimination and Miscellaneous	S	Shareholder	8	0	0 %
Social - Gender Pay Gap	S	Shareholder	15	1	7 %
Social - Income Inequality	S	Shareholder	1	1	100 %
Social - Workplace Sexual Harassment	S	Shareholder	1	0	0 %
Social - Animal Welfare	S	Shareholder	12	5	42 %

Voting case:

Using shareholder proposals to escalate climate engagement with Nippon Steel

Photo: Istock

Engaging with the biggest emitters in our portfolio is one of our priority engagement themes for the 2024-26 period. This effort is a key part of our work towards meeting our commitment to reduce the climate emissions intensity of our portfolios in the short and medium term, on the way to our goal of having net-zero aligned portfolios by 2025. During 2024, we have been taking a more vigorous approach using shareholder proposals as a tool for, where deemed necessary, escalating engagements with companies on climate-related issues.

This year, following a multiyear engagement with Nippon Steel of Japan, with a focus on reducing climate emissions intensity, we escalated our engagement by supporting three proposed climate-related shareholder resolutions at Nippon Steel's Annual General Meeting (AGM).

Escalation through shareholder resolutions

For some time now, we had been in dialogue with the major Japanese steelmaker, Nippon Steel, as part of our focus on reducing the climate emissions intensity of the top emitters in our portfolios. This engagement continued during the second quarter of 2024 when we decided to escalate our engagement, through an ongoing collaboration with a larger investor group.

Following the collaborative engagement, we supported and voted in favour of three proposed climate-related shareholder resolutions at Nippon Steel's Annual General Meeting (AGM). The proposals were filed following engagement with the company by a group of institutional investors collectively representing US$ 4.98 trillion of assets under management. All three proposals were supported by Amundi, Nordea Asset Management and Storebrand AM.

Results at Nippon Steel AGM

The three resolutions were:

- 27.98% of shareholders voted in support of a proposal filed by Legal & General Investment Management (LGIM) and the Australasian Centre for Corporate Responsibility (ACCR), asking for improved disclosure of climate-related lobbying activities.
- 23.01% of shareholders voted in support of a proposal filed by Corporate Action Japan (CAJ) and ACCR asking for remuneration to be linked to the company's GHG emissions reduction targets.
- 21.48% voted in support of a proposal filed by CAJ and ACCR asking NSC to set and disclose short and medium-term greenhouse gas (GHG) emissions reduction targets aligned to the goals of the Paris Agreement for scope 1, 2 and 3 emissions, along with disclosure of planned capex for decarbonisation investments.

The resolutions received backing of between a third and a fifth of the shareholders, including delivering the largest ever vote in support of a climate lobbying resolution in Japan.

The voting results underlined to the management of Nippon Steel the shareholders' clear and growing desire for the company to implement a more ambitious, cohesive and transparent climate strategy. We are reviewing the company's response to the demonstration of shareholder concern and will decide how to continue our engagement efforts with them on the issues that we have tabled.

Voting case:

Shareholder resolution at Meta AGM

Human rights is one of Storebrand AM's prioritized engagement themes. With violent conflicts on the rise worldwide, digital platforms have been one of the arenas in which hate speech and incitements to violence have been on the rise. As a result, we have been engaging companies in our portfolios to ensure that they have in place, and are implementing, policies to address the risks that their products and services could be contributing to or enabling such harms.

During the second quarter of 2024, at the Meta AGM, shareholders voted on a human rights resolution that we had co-filed in December 2023. AkademikerPension filed of the resolution, with Storebrand and Amundi as co-filers.

Unfortunately, the resolution did not receive a majority of the votes, as it was formally opposed by company management and Meta Co-Founder, Chaiman and CEO Mark Zuckerberg controls a significant portion of the voting rights at the company, due to its dual-class share structure.

Seeking transparency on human rights harms of Meta's services

The resolution requested that Meta Platforms Inc. ("Meta") should issue a report to its shareholders regarding the effectiveness of measures it is taking to prevent and mitigate human rights risks in its five largest non-US markets (based on number of users) enabled by its Instagram and Facebook platforms, came up for voting during the company's AGM.

By providing the report, Meta can address the persistent human rights risks which can and have had a negative impact on brand value and, indirectly, on its advertising revenue, as well as on diversified investment portfolios as viewed through a universal ownership lens.

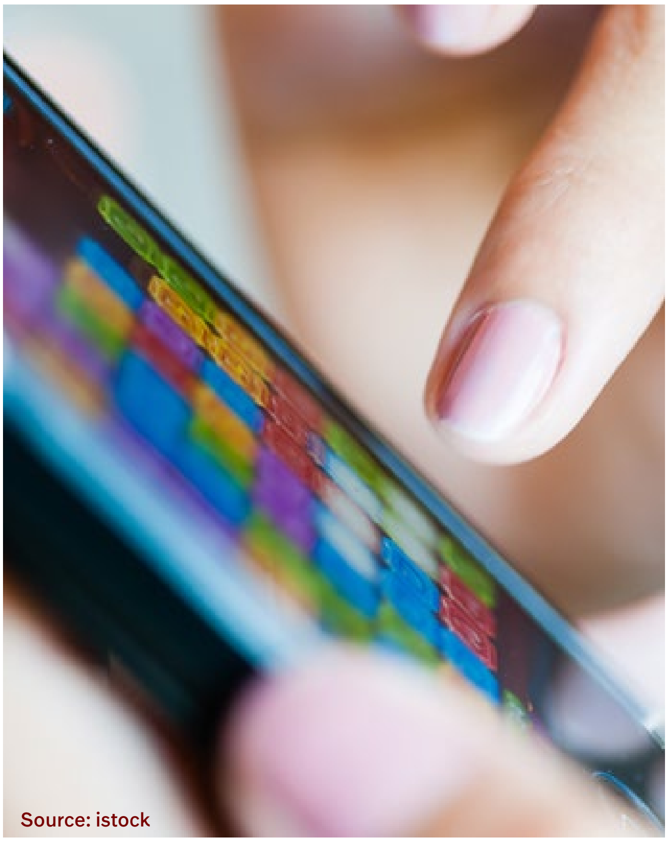
The issues that we are seeking a report on, include topics such as proliferation of hate speech, disinformation, and incitement to violence. The dissemination of hatred that incites discrimination, hostility or violence, are actions that violate international human rights standards. Where content moderation systems have failed to effectively detect divisive content in non-English languages, there has been an associated increase in hate speech, disinformation, and incitement to violence.

Meta's stakeholders and the public have repeatedly raised significant concerns regarding what appears to be an obvious lack of proportionate investment in content moderation resources and expertise in Meta's global majority markets.

Proponents suggest that the report include data on the number of content moderators fluent in local languages in Instagram and Facebook's five largest non-US markets based on number of users and an assessment by external, independent, and qualified experts of the effectiveness of Meta's measures taken to meaningfully manage hateful content, disinformation, and incitement to violence on those platforms.

Engagement to continue

Although the shareholder resolution did not surmount the voting hurdle at the Meta AGM, it contributed to affirming the significant level concerns held by a significant block of shareholders. We believe the shareholder resolution will therefore serve a meaningful milestone point to build on, as we continue our ongoing engagement with Meta on these critical issues.


Source: istock

Companies that operate digital platforms are increasingly facing concerns about their products and services being involved in harms to human rights

Exclusion

All our holdings are continuously screened by using data from various third-party data providers. As part of the exclusion process, our investment universe is monitored daily for potential conduct-based breaches, and screened quarterly to assess if companies are in breach of any of our criterion.

Exclusion summary 2024

As of 31 December 2024: 333 companies were excluded from all our investment portfolios; 667 additional companies were excluded from certain of our funds, based on extra criteria; and 2 companies were on our observation list.

Some examples of exclusions we made in 2024 were:

- Øyfjellet Wind Investment AS, due to breaches of Indigenous People's human rights in Norway
- International Business Machines Corporation (IBM), based on risk of involvement in violations of human rights in Palestine
- Palantir Technologies, based on risk of involvement in violations of human rights in Palestine
- PDD Holdings Inc, the parent company of retailer Temu, based on risk related to product safety that are considered very severe and systematic across multiple countries as well as risk of links to forced labour in Xinjiang, China.
- Sumitomo Chemical Co. Ltd, based on our application of the precautionary principle regarding significant harm to nature from pesticide products
- Bolloré SE and Compagnie de l'Odet SE (Cie de l'Odet), due to serious and systematic breaches of human rights in plantation operations in Cameroon.


Photo: Istock

Exclusion key figures 2024

Storebrand Exclusion List

This list details exclusions that apply to all our products, based on our extensive exclusion process that involves both internal and external data, and evaluations conducted by subject matter experts. Excluded companies are removed from Storebrand's investment universe, which is an investment ecosystem that consists of over 4000 companies.

Storebrand exclusion list extra criteria

This list details additional exclusions that only apply to selected funds and saving profiles. Storebrand's extra criteria build upon the Storebrand Standard for sustainable investments. More information on the methodology behind these exclusions, on our website.

Companies excluded by Storebrand, as of 31st December 2024

Category	Total Excluded
Environment	23
Corruption and financial crime	9
Human Rights and International law	65
Tobacco	28
Cannabis	0
Controversial weapons	41
Climate–Coal	125
Climate–Oil sands	14
Climate–Lobbying	4
Arctic drilling	0
Deep-sea mining	1
Marine/riverine tailings disposal	4
Deforestation	14
Cannabis	0
State-controlled companies	23
Total	**333***
(Observation list)	2

Storebrand Extended Exclusion List

Category	Total Excluded
Alcohol	80
Adult entertainment	-
Weapons	66
Gambling	38
Fossil fuels	495
Total number companies excluded	**667***

*Some companies are excluded on the basis of several criteria. Storebrand also does not invest in companies that have been excluded by Norges Bank (the central bank of Norway) from the Government Pension Fund — Global. We also exclude government bonds and state-owned entities from 33 countries that are systematically corrupt, systematically suppress basic social and political rights, or that are subject to EU sanctions and UN Security Council sanctions.

Exclusion case:

Øyfjellet Wind Investment AS excluded due to breaches of Indigenous People's human rights

Human rights is one of Storebrand AM's prioritized engagement themes for the period 2024-2026. In recent years this issue has become a factor in many instances related to the establishment of energy production facilities, driven by national goals for energy security and renewable energy targets in the net-zero transition.

In 2024, after an observation period of nearly two years, Storebrand has concluded that Øyfjellet Wind Park entailed an unacceptable risk of contributing to human rights violations against the members of Jillen-Njaarke reindeer herding district, who are Sami Indigenous people. Storebrand therefore excluded the bond issuer, Øyfjellet Wind Investment AS, from its investment universe, for breach of the human rights criterion of Storebrand AM's Exclusion policy. At the same time, Eolus Vind AB was removed from our observation list, as the company was no longer involved in Øyfjellet Wind Park.

Companies involved in Øyfjellet Wind Park

Øyfjellet Wind Park consists of 72 wind turbines and an extensive network of access roads in a concession area of 40 square kilometres in a mountain area in Vefsn, Nordland. The project has 400 MW installed capacity and projected annual energy production is 1320 GWh.

Øyfjellet Wind Park was developed and built by Eolus Vind AB, but the project company Øyfjellet Wind AS was in 2019 sold by Eolus Vind to Aquila Capital, a private investment and asset development company. Øyfjellet Wind Park was put into operation in September 2022, and in April 2023 Øyfjellet Wind AS took over the wind park from Eolus Vind. The parties agreed that Øyfjellet Wind AS would also assume responsibility for operating the wind park, thus ending Eolus Vind AB's involvement in the project. Øyfjellet Wind AS is a wholly owned subsidiary of Øyfjellet Wind Investment AS, which is primarily a financing vehicle and a holding company with no other assets than the shares in Øyfjellet Wind AS.

Impact on Indigenous peoples' rights

Based on the precedent set by Norway's Supreme Court in the Fosen case in 2021, it is our opinion that the construction of Øyfjellet Wind Park has caused a violation of the right of Sami reindeer herders to enjoy their own culture, protected by Article 27 of the International Covenant on Civil and Political Rights (ICCPR), - this constituting a breach of Storebrand AM's Exclusion Policy.

As, in our opinion, sufficient measures have not been taken to mitigate the human rights impact, we see there is a risk of a continual and future breach of our Exclusion Policy. Øyfjellet Wind Park exacerbates the significant cumulative impacts from other interventions in the reindeer herding district, including roads, railway, agriculture and hydropower, causing a high risk of passing the threshold for a violation of article 27 of ICCPR. The high vulnerability of the Southern Sami culture, and the importance of reindeer herding for the survival of this culture and the Southern Sami language, was an important element of the Norwegian Supreme Court's decision in the Fosen case, and the same applies for Øyfjellet Wind Park.

In our assessment, the impact of Øyfjellet Wind Park causes significant harm to the ability to continue traditional reindeer husbandry in the area. The presence of wind turbines prevents the traditional use of an established reindeer migration route to and from a winter grazing area upon which the district depends. The wind park also negatively affects grazing areas normally used during spring and autumn migration. Traditional reindeer husbandry requires flexibility to account for natural variability like weather and grazing conditions, presence of predators, and the reindeer's instincts.

While reindeer husbandry has adopted use of new technology in recent decades, natural migration is still the central element of this traditional production form, which is protected by Art. 27 of ICCPR. The fact that it may be possible to force the reindeer herd through the project area, does not in our opinion prevent a breach of the right to exercise reindeer husbandry in accordance with traditional practices of Southern Sami culture. In our opinion, the plan for mitigating measures adopted by the Ministry of Energy on 8th March 2024, is unlikely to avoid a breach of Article 27 of ICCPR.

In addition to the direct impacts of Øyfjellet Wind Park, it is our opinion that the project was developed and built without the Free, Prior and Informed Consent of the affected Indigenous Sami community of Jillen-Njaarke District, and that insufficient measures have been taken to remedy this situation by seeking the consent of members of Jillen-Njaarke District to mitigating actions.

Exclusion case:

Palantir Technologies: Excluded based on risk of involved in violations of human rights in Palestine

During the third quarter of 2024, we excluded Palantir Technologies Inc. (Palantir) from our investments due its sales of products and services to Israel for use in occupied Palestinian territories (oPt). This follows an official recommendation issued by the Norwegian government on March 7, 2024, warning Norwegian businesses that engaging in any economic or financial activity in the illegal Israeli settlements could put them at risk of contributing to violations of international humanitarian law and human rights.


Photo: Istock

Big data giant

Publicly listed in the USA, where it is headquartered, Palantir is a technology company that specializes in tools and services for large-scale data analysis. Palantir's services are primarily organized around large-scale software platforms, including offerings on security and surveillance. Palantir provides security and surveillance AI-based tools to commercial businesses, as well as government civil administration, military and intelligence agencies.

Human rights violations in Palestine

Our analysis indicated that Palantir provides products and services, including AI-based predictive policing systems, to Israeli military and security forces to support the surveillance of Palestinians in the West Bank and Gaza of the occupied Palestinian territories. By doing so, the company is assisting Israel's government in its efforts to arrest Palestinians in the oPt and maintaining its occupation regime there.

The AI database used by the Israeli authorities, with Palantir's involvement, has been constructed from sources such as license plate readers, law enforcement databases, facial recognition cameras, public records, email providers, employment records, school and medical records, credit card reports, bank statements, mental health diagnoses, business partnerships, family relationships, prison visitations, and social media postings.

The Palantir predictive policing system used in the oPt is based not on actions, but rather on making projections from statistical profiling information, which claim to predict individuals are likely to launch "lone wolf terrorist" attacks, and pre-emptively facilitating their arrests. According to the UN and human rights organisations, Israeli authorities have a history of incarcerating of Palestinians without charge or trial — through their systematic use of administrative detention. It is Storebrand AM's understanding that the company's offerings are exacerbating the Israeli authorities' activities.

As Storebrand previously indicated from our ongoing screenings of conflict areas, the occupied territory of Palestine has seen significant conflict for several decades, with violent conflict rising significantly in the last couple of years running up to the breakout of war in Gaza in October 2023. Since that time, credible assessments find the existing regime of violations of human rights has ramped up in the oPt. The Israeli authorities have reportedly carried out mass arrests and detentions of Palestinians. Thousands have been arrested in the Israeli-occupied Palestinian territories and in Israel, based on alleged militant activity, offensive social media postings, or arbitrarily. Several recent reports indicate mistreatment and torture of Palestinian prisoners in government custody.

Storebrand contacted the company in April 2024 for the first time. Palantir did not reply to any of our requests for information regarding this matter. Follow-up requests have also not been responded to by the company.

Our work on the issue of human rights and Conflict-Affected High-Risk Areas (CAHRA) is central to our Sustainable Investment Policies, and is one of our prioritized engagement areas for 2024-2026.


Photo: Istock

Sustainable investments team

A dedicated team of sustainability professionals

Storebrand manages sustainability risks through the coordinated efforts of our risk and ownership team, in collaboration with our investment managers. The team is dedicated to integrating environmental, social and governance (ESG) risks into our analysis of companies and management of investment portfolios.

The dedicated resources on the team work closely with our portfolio managers and leadership, to implement our strategies and standards for investment.

Kamil Zabielski

Head of Sustainable Investment

Zabielski, who joined our sustainable investments team in 2021, was previously Head of Sustainability at the Norwegian Export credit Agency (GIEK), and advisor at the Council of the Ethics for the Norwegian Government Pension Fund — Global. His specializations include human rights/ labour rights, conducting due diligence of companies, and evaluating environmental and social risks and impacts of projects. He has an L.LM. in International Law and an M. Phil in Human Rights Law from the University of Oslo.

Tulia Machado-Helland

Head of Human Rights and Senior Sustainability Analyst

Machado-Helland, who joined our sustainable investments team in 2008, leads our work on human rights, labour rights and Conflict Affected and High Risk Areas (CAHRA). She is responsible for Storebrand's active ownership on social issues, as well as with overlapping environmental issues. Previously, she has worked on the Council on Ethics for the Norwegian Government Pension Fund — Global, the Ministry of Finance in Norway and as an attorney in the US. She holds a Juris Doctor's Degree, a Texas State Attorney license, and has a master's degree in International Relations and Development.

Emine Isciel

Head of Climate and Environment

Isciel, who joined our sustainable investments team in 2018, leads our work on climate and environment and our company engagement. Previously, she worked for the Norwegian Ministry of Climate and Environment, on multilateral environmental agreements, advising the government on sustainability policies and strategies and leading the implementation of the SDGs. Isciel has worked for the United Nations and provided technical advice and content to the SDGs. She holds an M.A. in Political Science from the University of Oslo and has studied at University of Cape Town, New York University and Harvard Extension School.

Vemund Olsen
Senior Sustainability Analyst

Olsen joined our sustainable investments team in 2021. He was previously Special Adviser for Responsible Finance at Rainforest Foundation Norway, where he engaged with global financial institutions on management of risks arising from deforestation, climate change, biodiversity loss and human rights violations. Previously, Olsen has worked with the United Nations High Commissioner for Refugees in Venezuela and with human rights organizations in Colombia. He has an M. Phil in Human Rights Law from the University of Oslo.

Victoria Lidén
Senior Sustainability Analyst

Lidén, who joined our sustainable investments team in 2021, is based in Stockholm and works with ESG analysis and active ownership, with a focus on the Swedish/Nordic market. On behalf of Storebrand Fonder AB, she is also a member of corporate board nomination committees. Prior to joining Storebrand, Victoria has 8 years of experience in sustainability within the financial industry. She holds a B.Sc. in Business Administration and Economics from Stockholm University, including studies at National University of Singapore. In addition, she has studied sustainable development at CSR Sweden and Stockholm Resilience Centre.

Frédéric Landré
Sustainability Analyst

Landré, who joined our sustainable investments team in 2023, has extensive experience in analyzing issuers' ESG profiles and green frameworks. Prior to joining Storebrand, Landré was with the London Stock Exchange Group, where he worked with quantitative analysis and integration of financial and ESG data. He has an M.Sc. in Business Administration from Linköping University, with a major in finance.

Sanjin Damjanovic
Group Management Trainee

Damjanovic has experience in the banking and consultancy industry. He has a B.Sc in Business Administration from BI Norwegian Business School, and an M.Sc. in Economics and Business administration from the Norwegian School of Economics (NHH) with a major in financial economics and focus on sustainable finance and impact investing in private markets. He also has a CEMS Master's degree in International Management from the Norwegian School of Economics and the London School of Economics and Political Science (LSE). Prior to joining Storebrand, Sanjin worked as an intern and part-time employee at DNB Asset Management with Responsible Investments.

Find out more about our work and offerings

Storebrand Asset Management
Storebrand Asset Management AS, a part of the Storebrand Group, is a leader in the Nordic markets and a pioneer in sustainable investments, with a growing footprint in select European markets. We operate a multi-boutique asset management group, managing approximately NOK 1400 billion of assets for Nordic and international clients.

Find out more about our work and offerings

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Important information: This is a marketing communication, and this document is intended for institutional investors. Alternative investment funds are only eligible for professional investors. Except otherwise stated, the source of all information is Storebrand Asset Management AS, as of the date of publication.

Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. Future fund performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future.

Storebrand Asset Management AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds. Storebrand Asset Management AS is part of the Storebrand Group. No offer to purchase shares can be made or accepted prior to receipt by the offeree of the fund's prospectus and KIID and the completion of all appropriate documentation.

For all fund documentation including the KIID, the Prospectus, the Annual Report and Half Year Report, unit holder information and the prices of the units, please refer tohttps://www.storebrand.com/sam/uk/asset-management. No offer to purchase shares can be made or accepted in countries where a fund is not authorized for marketing. Investors' rights to complain and certain information on redress mechanisms are made available to investors pursuant to our complaints handling policy and procedure. The summary of investor rights in English is available here: https://www.storebrand.com/sam/uk/asset-management. Storebrand Asset Management AS may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

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