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A publication by Storebrand Asset Management

Sustainable Investment Review / 2nd Quarter 2025 **Sustainable Investment Review** / 2nd Quarter 2025

Storebrand

In this issue

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A principled approach

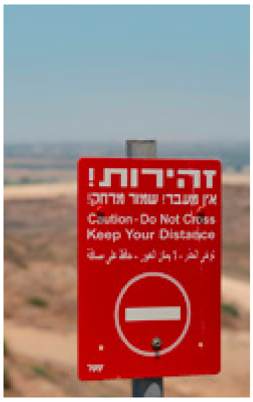
With sustainable investing under pressure in an increasingly volatile global context, many of the events of the past quarter show that it's never been more important to rely on the strong foundation of sticking to clear principles in support of a long-term view.

In this edition of our quarterly Sustainable Investment Review, we are pleased to feature a perspective on taking principled approach to investment, expressed by our Chief Investment Officer **Dagfin Norum**. Interviewed by Nordsip's Economics Editor Felipe Albuquerque, Norum lays out a clear case for why and how sustainability is integrated into our fiduciary duty.

As we noted in our special focus on conflict risk in the Q1 2025 edition of this publication, the Israel-Palestine conflict is one of several that is raging on, resulting in a horrific level of violations of human rights of civilians. With this has arisen for investors a vastly heightened risk of potential links to these violations. We therefore provide in our section on active ownership, a further status update on our ongoing assessments of conflict risk in our portfolios.

Still on the theme of a principled approach, the global challenge of transitioning to a net-zero economy requires that investors demand consistency in the actions of the companies they invest in, including how they engage with policymakers. Following a long process of engagement, we unfortunately came to the conclusion in the past quarter that Toyota, the world's largest automaker, was not sufficiently transparent about contradictions between the commitments communicated in its net zero plans, and the direction of its climate lobby activities. As a consequence, we excluded Toyota from investment and divested in our stake in the company.

Detailed descriptions of these cases, and more, including data on our engagement and voting activity, are available to explore in this issue.



Photos: Unsplash

"events of the past quarter show that it's never been more important to rely on the strong foundation of sticking to clear principles in support of a long-term view."

Kamil Zabielski,
Head of Sustainable Investment

Danish reflections on the future of sustainability

This May, following a dizzying first five months of the year, with twists and turns in the markets and the macro environment, Storebrand AM hosted its annual Danish investor seminar in Copenhagen. The event featured a variety of speakers addressing contemporary issues, such as international relations and sustainable investments.

Former Minister of Climate, Energy and Gender Equality in Denmark and current Director of Think Tank EUROPA, **Lykke Friis**, addressed the current backlash sustainability has faced in Europe, in the wake of a dramatic shift towards rearmament across the entire continent. Despite the current tragic turmoil, she hoped we would see a renewed policy focus on sustainability in the future, in contrast to the current situation where international conflicts are pulling away attention from sustainability challenges.

↑ **Lykke Friis** addressing the participants at the seminar.

At the event, spanning three days, Storebrand's private equity arm, Cubera hosted the Danish private equity firm Axcel, which is one of the sourcing partners for Cubera's secondary strategies. Axcel's Co-Managing Partner, Christian Schmidt-Jacobsen, along with their Head of Sustainability **Sara Hempel** presented Axcel's view on the future of ESG from the perspective of a primary private equity investor. Additionally, Hempel addressed developments in the approach to active ownership of the companies. Among her key points, she argued that "blind" support for ESG based solely on for instance commitments is gone, and will be substituted by a lower number, but of higher quality, sustainability efforts in the future.

Kasper Hansen, Managing Partner of the infrastructure investment manager AIP Management, which Storebrand AM is the majority owner of, addressed political developments in the United States. Among his conclusions was that that the Nordics will increasingly become a more interesting region for investments, due to what he viewed as its relative stability compared to many regions in the world.

Naturally, a central question from the participants was the future of sustainability amid the geopolitical turmoil. Subsequent to this, the financing of net zero initiatives was also in focus, which, for instance, Lykke Friis highlighted as one of the future issues European politicians must deal with.

In spite of the turmoil that was a backdrop of the seminar, one message that seemed to persist among the speakers was the positive outlook for sustainability going onwards — thoughts that align with Storebrand AM's house view, which CEO Jan Erik Saugestad addressed in our previous Sustainable Investment Review for Q1 2025. "Standing firm: despite the ups and downs, the case for sustainable investment remains stronger than ever".

Events

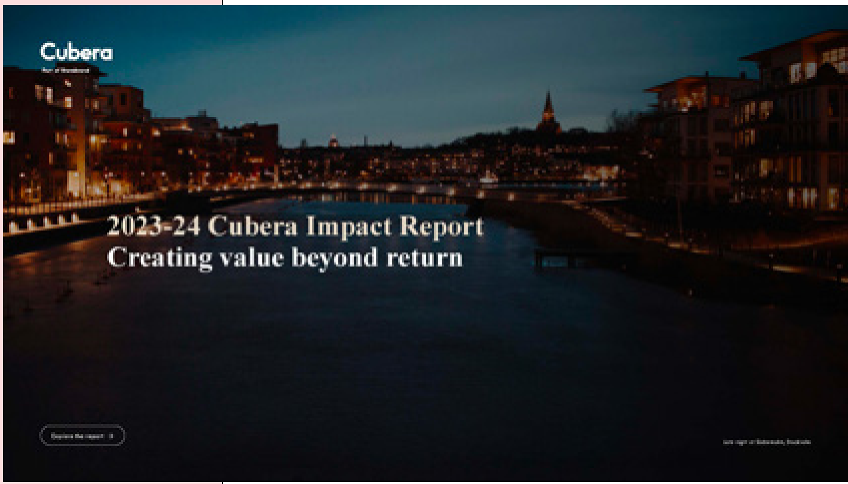
Storebrand shares pilot experience at TNFD seminar

The Taskforce on Nature-related Financial Disclosures (TNFD) has begun piloting its draft guidance on nature transition plans, engaging with corporates and financial institutions to refine the framework before its final release.

This follows a public consultation on the draft guidance, which concluded in February 2025. The piloting program aims to gather practical insights into how organizations can develop and disclose these plans, which outline how they will address nature-related risks and opportunities in line with the Global Biodiversity Framework. The insights gained from the consultation and piloting program will be incorporated into the final TNFD guidance on nature transition plans, which is expected in late 2025.

In May earlier this year, **Emine Isciel** shared Storebrand's experience of putting the draft guidance into practice, in a webinar organized by the TNFD secretariat. Interest from companies and the financial sector was strong, as reflected in the nearly 2000 registered attendees for the webinar, which was titled "Nature transition plans: TNFD progress update".

The Storebrand pilot addresses key impact drivers associated with transition minerals (land use change, pollution, water and ghg emission) focusing on the following five hard commodities such nickel, cobalt, manganese, copper and lithium. The aim of the plan is to improve business practices for targeted investees by mitigating their nature risk. In addition, it will enable Storebrand to improve monitoring for key biodiversity indicators to assess effectiveness of mitigation strategies, identify transition companies within the sector and identify no go zones for high-risk ecosystems.



Publication

New Cubera Impact Report

In May, Storebrand AM's private equity boutique published its latest annual impact report, covering Cubera Impact I's progress in addressing environmental and social challenges through scalable, commercial solutions. The fund, which currently contains 36 companies, includes themes such as decarbonization, circularity and sustainable food systems. Measurement and data availability has risen significantly from the last report and material positive outcomes are becoming visible. Learn more in the 2023–24 Cubera Impact Report.

Recognition

Storebrand listed in Time's "World's Most Sustainable Companies"

In June Storebrand was honored to be listed, at 89th and ranked highest among Norwegian companies, when TIME and data firm Statista partnered to rank the world's 500 most sustainable companies in 2025. The rankings are based on companies' public commitment to, and progress toward, sustainability targets during the calendar year of 2023 (the most recent year for which complete data i available).

↑ Emine Isciel

Event

Storebrand at London Climate Action Week

London Climate Action Week 2025 convened tens of thousands of attendees, at the halfway point between COP29 and COP30. Climate resilience, transition finance and nature were key themes that are generating momentum for increasing climate action.

Storebrand AM was represented at the event with Senior Sustainability Analyst **Vemund Olsen** and Head of Climate and Environment **Emine Isciel** both present.

London Climate Action Week (LCAW) is an annual series of events that helps us understand the direction of travel in the run-up to COP30, the UN Climate Conference in Brazil this November. LCAW was founded in 2019 and despite some recent market deceleration on sustainability, the week gained momentum this year, with Reuters reporting that the event more than doubled in size from 2024, drawing more than 45,000 attendees across more than 700 events.

Multiple stakeholders convened during the week to discuss finance, corporate action, policy, innovation, carbon markets, nature, and other key sustainability topics. While there is always a strong emphasis on climate finance, this year the themes of climate resilience, nature and transition finance gained prominence.

During the week, there were several key discussions to help advance these topics including the Institutional Investors Group on Climate Change (IIGCC) Summit, showcasing investor action towards financing the transition in a changing world. A pioneering new resource designed to help investors identify, assess, and manage physical climate risks across their portfolios was launched during the week. It is the first investor-focused framework to provide practical, actionable tools for addressing physical climate risks, filling gaps left by current due diligence practices — often lacking methodologies, data, and disclosures. It also offers investors a structured and practical approach to consider in developing climate adaptation and resilience (A&R) plans. The framework is underpinned by the Physical Climate Risk Assessment Methodology (PCRAM), a four-step process that supports investors in identifying physical climate risks, understanding their materiality, exploring adaptation options, and analyzing the best way forward for decision-making.

Another issue that was discussed at several events was deforestation. During a roundtable organized by Tropical Forest Alliance, members of the Investor Policy Dialogue on Deforestation (IPDD), of which Storebrand is co-chair, participated in a panel on the interlinkages between policy and finance in tackling deforestation, together with government representatives from Brazil, Norway and the UK. In addition to presenting the IPDD's work on policy engagement with authorities, the panel discussed innovative initiatives for scaling finance for agricultural transition.

Members of the IPDD and Finance Sector Deforestation Action (FSDA), also held meetings during LCAW with the secretariat of the Tropical Forest Forever facility (TFFF), an innovative initiative to leverage the fixed income market to raise funding for the conservation of tropical forests from public and private sources. The TFFF is expected to be launched at COP 30, and the investor members of IPDD and FSDA provided input to the design of the facility, focusing on sponsor capital requirements and reputational risks, market tranche structure and investor incentives, investment criteria and exclusion policies as well as transparency and governance.

Nature played a central role during LCAW and the world's first book about Nature Positive was launched. Published by Routledge Earthscan, Becoming Nature Positive: Transitioning to a Safe and Just Future provides a deep dive into how the Nature Positive global goal came to be, why it matters — and what it will take to achieve it across business, finance, governance and society — written by a diverse range of nature leaders. The book is the result of a truly collaborative approach among the ten co-authors of chapters plus over 20 additional contributors, all extraordinary thought leaders from a diverse range of organizations in the global nature positive movement. During the event, the authors delved into what nature positive means, and how it sets out the journey to secure a safe and just future for people and nature, followed by a conversation between representatives from financial institutions, during which we shared lessons learned from our own journey at Storebrand AM.

"Nature played a central role during LCAW and the world's first book about Nature Positive was launched."

Learn more about the book and order a copy here.

Solutions

Storebrand Global Index

Q&A with **Lars Qvigstad Sørensen**, Senior Portfolio Manager, Storebrand

What is the fund's objective and who is it suitable for?

The fund is part of our passive range which aims to provide index-near returns at low cost but with enhanced sustainability characteristics versus the markets they track. These funds are popular amongst institutional and private clients seeking index-like returns but with improved ESG characteristics by avoiding exposure to certain types of companies.

Storebrand Global Index tracks the MSCI World Index but applies Storebrand's exclusion list which removes companies from the investment universe based on their unsustainable conduct, products or business practices. Once these stocks are excluded, we then optimise the portfolio to replicate the return-profile of the index as closely as possible by minimising tracking error.

When did the fund launch and how has it performed?

The fund was launched in December 2005, and I took over running the portfolio in 2017. It has steadily grown over its 20-year history and now has nearly €4 billion AUM, mainly from Nordic clients but increasingly from investors across mainland Europe — the fund received marketing permission in France in May 2025.

The fund has successfully delivered on its investment objective, generating returns broadly in line with the MSCI World Index over different time periods (e.g. 1, 3, 5, 10 years and since inception) with low tracking error (0.4% over 1 and 3 years).

What are the fund's sustainability credentials?

Storebrand Global Index is classified as Article 8 under SFDR, meaning that it is considered to promote environmental or social characteristics. The fund has 3 globes based on the Morningstar Sustainability Rating. It also has marginally higher exposure to green investments than the benchmark, with 2.0% of assets invested in companies classified as such by the Climate Investment Coalition (CIC) versus 1.8% for the MSCI World Index.

On internal metrics, the fund measures 7/10 using Storebrand's sustainability score, versus 5/10 for the MSCI World Index. This assesses sustainability-related risks and opportunities, based on the underlying portfolio companies. It also scores 84 for carbon intensity, versus 108 for the benchmark. This measures emissions in tonnes of CO_2 relative to earnings in Euro, with a lower score reflecting lower carbon intensity.

Can you explain the fund's investment process?

In simple terms, the fund follows a two-step process. First, we apply Storebrand's exclusion screen which removes around 130 of the 1,395 companies in the MSCI World Index investment universe. Second, we then use MSCI Barra to minimise tracking error. In practical terms this means that we adjust the weightings of the remaining stocks to replicate the benchmark return as closely as possible within the constraints imposed by the exclusion screen in step one.

Storebrand's exclusion list applies firm-wide and is updated quarterly. It is also very extensive (currently over 300 companies globally are excluded from our investment universe), using both internal and external data as well as evaluations conducted by field experts. Exclusions are either norm-based or product and activity-based:

1. Norm-based: Companies in breach of human rights, labour and international laws, involved in corruption and financial crime, or serious environmental and climate damage. State-owned and controlled companies in countries lacking elementary institutions to prevent corruption, fulfil basic social and political rights, and contribute to maintaining international peace and security are also excluded as well as those involved in controversial weapons.

2. Product and activity-based: Tobacco, recreational cannabis, oil sand, arctic drilling, deep-sea mining, marine tailing disposal, coal-related activities, lobbying against the goals of the Paris Agreement and Global Biodiversity Framework, operations in biodiversity–sensitive areas, 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.

The fund applies the Storebrand exclusion list as part of its investment process so companies we consider unsustainable are excluded from our investment universe. More information, including the full list of excluded companies, is available on our website.

What is the MSCI Barra tool and how does it optimise the portfolio?

The MSCI Barra risk model ensures that the portfolio has the required sustainability characteristics with as low tracking error as possible by targeting the same factor exposures as the benchmark. I was actually part of the team responsible for maintaining and developing Barra factor models in a previous role at MSCI and we use it across all of Storebrand's index-tracking, optimised and factor strategies which have combined AUM of around $45 billion.

> The tool works to replicate the performance of excluded stocks by using a basket of alternatives that have similar risk-return profiles in order to minimise the portfolio tracking error.

The tool works to replicate the performance of excluded stocks by using a basket of alternatives that have similar risk-return profiles in order to minimise the portfolio tracking error. For example, tobacco companies such as British American Tobacco and Philip Morris International are excluded and replaced by a basket of consumer staples stocks with similar characteristics, such as Pepsico, Brown-Forman, Monster Bev, Unilever and Molson Coors Beverage which are then typically overweight positions in the fund versus the benchmark.

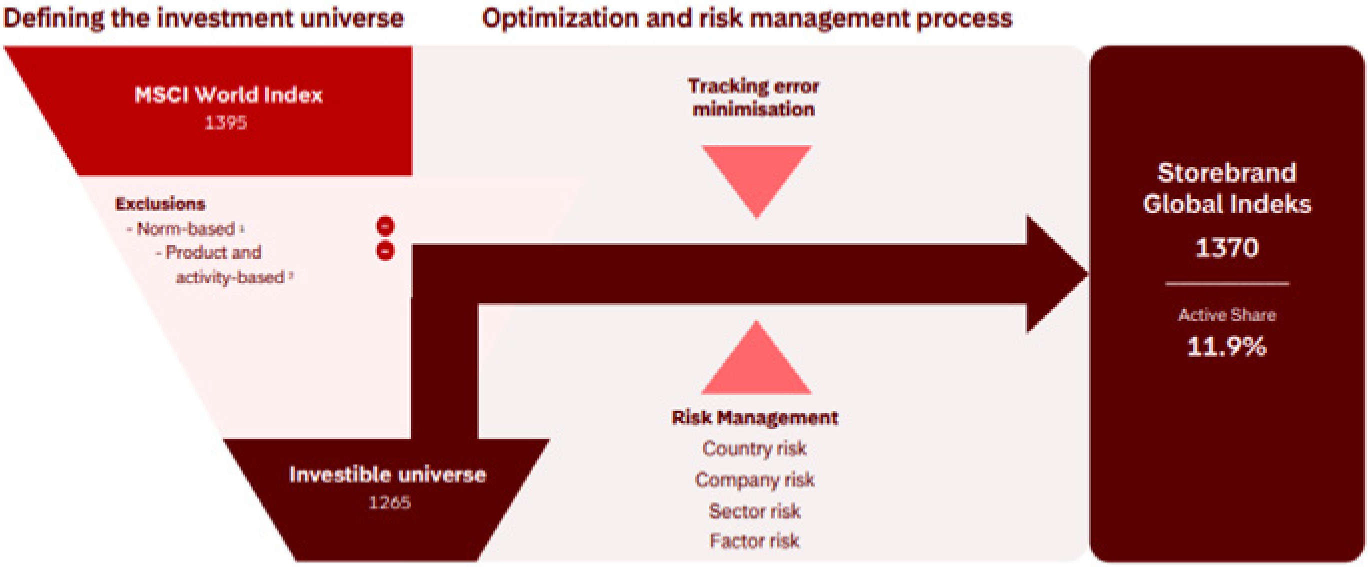
What do you see as the most attractive attributes of this fund?

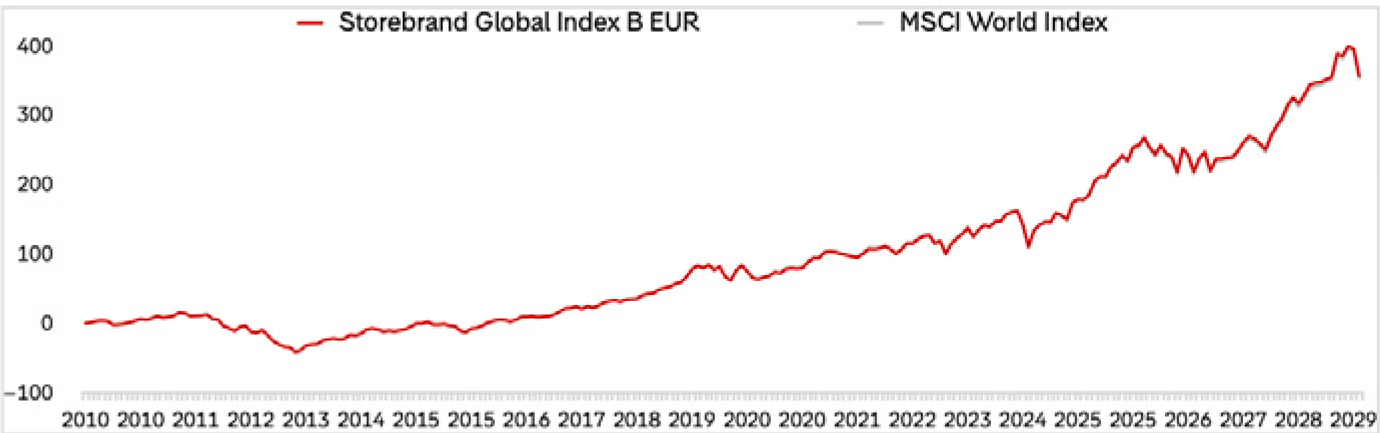
There are lots but here are my top three! First, the fund has an established 20-year track-record of delivering index-near returns with low tracking error over different time periods — the performance chart below since inception illustrates how closely the fund has followed the benchmark.

Second, the fund has a higher degree of sustainability than the MSCI World Index it tracks. As well as Storebrand's strict exclusion list, clients benefit from our company engagement activities. Our sustainable investment team is in dialogue with a large number of companies each year, seeking to influence them to move in a more sustainable direction for the benefit of shareholders and other stakeholders.

Third, it provides this in a fully transparent and low-cost strategy with management fees starting from as low as 0.09% for some share classes. I believe that these three points should be appealing to investors.

The investment process can be illustrated as follows:





Source: Storebrand, in EUR net of fees as at 31/03/2025.

Sustainability as an integrated part of our fiduciary duty

Despite the turmoil, the risks and opportunities related to sustainability issues remain valuable investment considerations, argues Storebrand Asset Management's CIO, **Dagfin Norum**

Key findings

- Optimism down slightly across the sector
- Indications of continued export marketing efforts by Chinese companies
- Rates of renewables development vary widely across regions
- Grid balancing tech up on the agenda in highly developed regions

At a time when the EU's Omnibus legislation is in danger of sacrificing sustainability for the sake of efficiency and the current US government is pursuing an anti-ESG agenda, it is easy to lose faith and fear the worst. For Dagfin Norum, CIO and Head of Fixed Income at Storebrand Asset Management, however, the ongoing pushback is only the latest iteration of what he sees as a pendulum that swings back and forth towards and away from sustainability.

Despite the turmoil, the risks and opportunities related to environmental, social and governance (ESG) issues remain valuable investment considerations, and fixed income continues to play a critical role in the evolution of sustainable investment. However, companies need to understand how sustainable investors approach green bonds and the issues that need to be addressed in order to be acknowledged as credible sustainable investments.

ESG Never Dies

"Is ESG an empty and shallow promise? Definitely not," says Norum. "ESG keeps on being declared dead, but it never really dies. Our focus lies on our fiduciary duty and delivering the best possible risk-adjusted returns for our clients. Integration of ESG factors into the investment process contributes to our ability to fulfil that duty, so I find it difficult to argue against ESG from that point of view. ESG provides us with more information, which allows us to gain a better understanding of our investments", Norum continues.

Norum concede that there has been some regulatory overreach. However, it is crucial that the EU's sustainable investment efforts not be watered down either. "It is possible that EU regulations and reporting requirements may have gone too far. It is very demanding and resource-intensive, both for investee companies as well as for us investors. Decision makers must find a path towards a better balance," he adds.

Green Bond Fund: From niche to mainstream

Storebrand has been a fixture of fixed income markets for a decade. It recently marked the tenth anniversary of the launch of its commercial green bond fund, the world's first, inspired by the World Bank's 2008 inaugural issuance in this market. Since its inception in 2015, the fund has grown to SEK 11 billion (US$ 1.1 billion) in AUM, Sweden's largest, and outperformed its benchmark with more than 5% over five years as of May. The fund backs projects like energy-efficient housing, bike lanes, and train links. It has also expanded to areas such as aluminium recycling, electric trucks, and supply chain decarbonization. Real estate remains central, with green bonds supporting the sector's vital role in the energy transition.

"Global sustainable bond issuance has surged past US$1 trillion annually, with cumulative green bond volumes reaching US$ 3.5 trillion by end-2024. The market now spans many sectors, supported by frameworks like the ICMA's Green Bond Principles and the European Green Bond Standard, enhancing transparency and reducing the risk for greenwashing," Norum notes.

"As sustainability becomes embedded in mainstream investing, dedicated green bond funds may fade, but their legacy of driving transparency and climate-conscious finance will remain. Green bond funds have contributed to the transition and also laid the groundwork for a more environmentally conscious fixed income market. We remain steadfast on both our approach and commitment to sustainable investments", Norum continues.

Sustainable Fixed Income in Storebrand

Storebrand AM manages NOK 1442 billion in assets as of the first quarter of 2025, of which 31 percent corresponds to fixed income investments. The main channel through which Storebrand AM invests in sustainable fixed income instruments is through green bonds across all portfolios. However, the Norwegian asset manager also runs the dedicated **Storebrand Green Bond Fund**, which is classified as an Article 9 fund under the EU's Sustainable Finance Disclosures Regulation (SFDR). The fund was valued at SEK 11.1 billion at the end of May 2025.

Given Storebrand AM's interest in sustainable fixed income, Norum argues that borrowers will benefit from understanding Storebrand's preferences. "We have looked into sustainability bonds, social bonds and sustainability-linked bonds, but most of our focus remains on green bonds, where there are more clearly defined

and established standards from the ICMA as well as the EU Green Bond Standard. We find it better to invest in sustainable assets that have more standardisation than in those that do not,"

Potential bond issuers should also bear in mind Storebrand's approach and the tools it uses when considering potential investments. "It's crucial that our fixed income investments have credible decarbonisation targets. This includes a 2050 net-zero goal but also intermediate goals and transition plans that allow us to assess the credibility of those commitments. These cannot be mere window dressing. We need to see that the company has taken the time to think about these issues," Norum says.

"Our preferred tool for assessing the effectiveness of our engagements is to track the progress on the use of proceeds reported by the borrowers. This is also why we prefer to have bonds issued with a narrower scope. It makes it easier to assess the success of the bond. Our focus is on the company reports and following all the sources of information, not least of which, the third-party opinions. Given the breadth of bonds in our portfolios and their distribution over various jurisdictions, we simply do not have the capacity to have the on-the-ground presence necessary to actively check every single company and project ourselves," Norum continues.

Fixed income investors, due to the nature of the bond market, are in the privileged position of encountering companies frequently, as they come to the market to seek funding. "These regular interactions allow us to have real discussions with companies and inform them of what we are looking for. For instance, our investee companies will know that we prefer green bonds with a narrow scope of use of proceeds. This makes it easier for us to follow up on and see what the funds are going towards," Norum explains. He notes that Storebrand recently had active dialogues with two different companies in Sweden helping them develop their green bond framework ahead of them coming to the market.

Storebrand's Sustainability Analysis

These regular interactions give Storebrand AM the opportunity to engage more deeply with investee companies, but these dialogues must be supported by strong analytical tools. To conduct its engagement efforts, Storebrand has had to develop its own approach to ESG integration and how it incorporates these factors into its investment analysis.

"We believe that integrating ESG factors into the actual analysis and the portfolio management will, over time, ultimately contribute to enhancing risk-adjusted returns. To this end, we have a risk and ownership team that works quite closely with the investment side of our business," Norum says.

Underlying it all, there is one tool that stands out above all others, according to Norum. "On the sustainability side, we have our own overall ESG score. We apply this ESG score to our investment universe, and it is included in our credit analysis. It influences the fundamental risk assessment, but it is also pertinent to the relative value consideration. The Score is also useful to avoid sustainability controversies," he explains.

"The ESG Score sits at the centre of a range of other tools that allow us to build an assessment of our investments. Beyond this ESG score, we do qualitative assessment of the data points we have on the issuers, and for green bonds we assess the credibility of the green bond frameworks underlying our investments and seek to ensure their alignment with ICMA bond principles," Norum adds.

How to Spot Sustainability Risks and Opportunities

Underneath its ESG score, Storebrand has specific metrics that it focuses on to understand the risks and opportunities present in different companies. "When we are building our internal sustainability rating, we divide it into two parts: the sustainability risk and the sustainability opportunity. This allows us to consider whether companies are most at risk, but also which are best positioned to deal with environmental and transition issues," Norum explains.

"Our assessment of the risk is fundamentally informed by our in-house tools combined with the best information available. Data scarcity is always a problem, but we try to mitigate these limitations by purchasing it from several third-party data providers, which we combine to create the best possible view of the ESG risk underlying the portfolio," Norum explains. "Beyond that, we can also interact with individual companies and request more information or clarifications and conduct our own analysis both quantitative and qualitative," he adds.

Despite the extra hurdles facing investors, Norum argues that private credit markets, to some extent, can be more transparent than their public counterparts. "Private credit investors, by virtue of the market, tend to engage with smaller companies. We run most of our private credit investments through external managers. When we select those managers, we focus on their awareness, their experience, their existing portfolios and whether this matches what they have been saying," Norum argues. "Requiring ESG disclosures can be useful in private markets in general as they can push us to seek out more information directly from the company on a board-to-board basis, which will be harder, but possible to obtain. In that sense, and despite the more pervasive absence of data in private markets, one can make the argument that private markets can be even more transparent, given the right of engagement," he notes.

Returning to the construction of Storebrand's internal sustainability rating, Norum notes that the sustainability opportunities provided by any given company focus on the business's revenue sources and whether the business is positioned to navigate the transition. "We want to find companies that have the best long-term prospects to navigate the upcoming changes. This tends to be easier for us to assess since we tend to be able to access this information from the companies," Norum continues.

"We make these assessments available to portfolio managers. If there is a very low ESG score, a portfolio manager would have to have a conversation with the Risk and Ownership Team, which could lead to the issuer being punished in the quantitative screening of issuers. If all the financial parameters are the same, low ESG-rated issuers will fall in our ranking. We'll then go for the highest ESG score," Norum concludes.

Note

This is a version of a feature interview authored by Nordsip Economics Editor Felipe Albuquerque and previously published **on the Nordsip website** in August 2025.

Storebrand Portfolio Managers Nader Hakimi Fard and Philip Ripman in Munich at Intersolar

Field report

Riding the solar coaster

This year's Intersolar Europe conference revealed many interesting developments, despite the sector experiencing a predictable near-term lull

Text: **Nader Hakimi Fard, Portfolio Manager**

About Intersolar Europe
Intersolar Europe is part of “The smarter E Europe”, Europe’s Largest Alliance of Exhibitions for the Energy Industry. This alliance includes four major events: Intersolar Europe, ees Europe, Power-2Drive Europe, and EM-Power Europe. The smarter E Europe focuses on integrated energy solutions and attracts over 2,737 exhibitors and more than 100,000 visitors

If you're keen on the global solar sector, the Intersolar Europe event in Munich is a must-visit. It offers comprehensive insights into markets, technologies, and financing for photovoltaic (PV) projects. Attendees include project developers and planners, Engineering, Procurement, and Construction (EPC) contractors, installers and system integrators, manufacturers and suppliers, distributors, energy consultants, energy utilities, investors and analysts, as well as architects and energy planners.

We attended this year’s conference, spending a full day and a half exploring the event and attending meetings, to gain a deeper understanding of the solar and broader renewable energy sectors.

A sector constantly in flux

The solar industry, often dubbed the "solar coaster," is well-acquainted with market turbulence. Despite robust global growth exceeding many industry forecasts over the years, the sector's stock market performance has been notably volatile, swinging widely between optimism and despair. Recently, factors such as inflation, higher interest rates, policy uncertainty, and oversupply have led many investors to lose confidence in the sector.

Anecdotally, some attendees at this year’s edition of Intersolar Europe mentioned that the event used to attract more visitors and even featured performances by global artists, reflecting the optimism that once surrounded the sector. While we haven't confirmed this information, it might suggest a sentiment that things were better in the past. Additionally, if large exhibition stands are any indication of dominance, Chinese companies certainly stood out.

What we learned at this year’s event

From our meetings, several key insights emerged. Firstly, the development of renewables varies significantly by region. In Europe, utility-scale renewables (wind and solar) are progressing robustly, while residential solar is still in recovery mode. In the US, uncertainty remains high due to the pending clarification around the Inflation Reduction Act (IRA).

Key takeaways

- Optimism down slightly across the sector
- Indications of continued export marketing efforts by Chinese companies
- Rates of renewables development vary widely across regions
- Grid balancing tech up on the agenda in highly developed regions

Solar Power

- Global PV Installations: Reached 597 GW DC, growing by 33%. Although this is a slowdown from the previous year's 85% growth, it remains a strong development.

- Solar accounted for 81% of all renewable capacity added worldwide while its share of overall electricity generation rose to 7%, nearly doubling in three years.

- China's Dominance: With 329 GW installed, China holds the largest share, more than double the capacity of all other top 10 solar markets combined.

- The solar industry is still facing an oversupply situation, with production capacities reaching roughly twice the current level of demand for polysilicon, wafers, cells, and modules. As a result, the price of solar modules further decreased in 2024.

- Cumulative Installations: Totalled 2.2 TW last year, with China holding 44%, the EU 18% (down from 20% in 2023), and the Americas 16%. The solar fleet doubled from 1 TW to 2 TW in just two years while it took 70 years to reach the first terawatt.

- Future Projections: SolarPower Europe expects market growth to soften in 2025, with installations projected at 548 GW (low case), 655 GW (base case), and 774 GW (high case), representing -8%, +10%, and +30% year-over-year growth, respectively. This is due to rising curtailment and grid challenges in more advanced markets.

- Chinese Market Slowdown: Expected in 2025 and 2026 due to policy changes which raise uncertainty for projects connected to the grid after June 1, 2025, transitioning from Feed-in Tariff (FiT) to a market-based pricing system.

- Post-2026 Growth: After a stagnant 2026, installations will grow again, reaching 10-14% from 2027-2029 and potentially surpassing 1 TW by 2029 in the high scenario.

- EU-27 Market: Anticipated to remain largely flat at 65.8 GW (+0.7%). By 2029, global annual PV installations are expected to reach 930 GW.

- Solar PV is projected to account for 65% of the renewable capacity needed to meet the COP28 Dubai goal to triple renewable energy capacity to 11 TW by 2030.

Battery Energy Storage Systems (BESS)

- EU Installations: Reached 21.9 GWh in FY24, totalling 61.1 GWh. Germany, Italy, and the UK account for 70% of the market. The annual growth rate slowed down to 15% after three consecutive years of doubling newly added capacity.

- Future Growth: Annual BESS installations are expected to grow by 36% year-over-year to 29.7 GWh in 2025 in the medium scenario, reaching 118 GWh by 2029. This would represent a size five times larger than 2024.

- Sector Trends: The residential sector is slowing down, while the utility sector is expected to drive growth.

- EU Targets: No specific targets for BESS installations have been set. Simplifying grid connections could unleash installation potential.

In countries with high renewable energy penetration like Germany and Spain, discussions have centred on grid balancing solutions, especially after the recent blackout in the Iberian Peninsula, the cause of which remains unknown. While Battery Energy Storage Solutions (BESS) are improving and becoming more affordable, feedback from our meetings highlighted the need for more education from grid operators to governments and the public.

In terms of technology, major manufacturers are currently focusing on Tunnel Oxide Passivated Contact (TOPCon) and Heterojunction Technology (HJT). Other technologies, such as Perovskite, face stability issues. Although Perovskite modules have good efficiency, they struggle with material instability and higher costs, making them uncompetitive.

Additionally, degradation remains a significant problem. Perovskite + glass cells show promise but need a few more years to become competitive. Interdigitated Back Contact (IBC) cells offer only slight efficiency improvements compared to TOPCon, so manufacturers prefer to stick with TOPCon and HJT for now.

Global market outlook

We had the opportunity to meet with SolarPower Europe and discuss the key takeaways from their recently released Global Market Outlook for Solar Power 2025–2029 and European Market Outlook for Battery Storage 2025–2029 during the conference. See a summary of the main points in the column to the left.

Water Tech for Smarter Citizens

How Xylem's water management solution is making an impact at Manchester City and around the football industry

Text: **Sunniva Bratt Slette, Portfolio Manager, Storebrand**

Are you a fan of football? Fans and players alike tend to prefer a soft, green pitch: it provides the best possible conditions for a great game. A portfolio company in two of team Solutions' funds has brought to market a smart solution that applies rainwater and reused water to create a perfectly green football pitch.

Every drop counts

Extreme weather patterns, featuring too much or too little rain, are an increasingly common experience in countries around the world. Consequently, prices have soared in periods of drought, and the strain on public water sources has increased.

The football industry is one sector where the impact has been marked, as keeping a football pitch green requires up to 23 000 litres of water each day. Applying resource management tactics, like watering football pitches at night, can save 85 percent of water, compared to daytime watering. This is due to the lower rates of water evaporation at nighttime[1]. Driven by the need to both safeguard this valuable resource – water – and to manage costs, football clubs worldwide are now aware of water efficiency issues.

Man City signs Xylem

In the UK, the Manchester City Football Club has taken the step to optimize its pitch maintenance by applying cutting edge water management technology. Last week, the club launched a new system in partnership with Xylem, a leading smart water tech company. Xylem has been a long-term position in both Storebrand Smart Cities and Storebrand Global Solutions.

The club uses Xylem's digital water platform "Xylem Vue" to monitor and predict how to best distribute the water for optimized irrigation. Manchester City's home ground Etihad Stadium has saved fifty million litres of water by using rainwater and water recycling for irrigation instead of public potable water. The club's target is to use 100 percent of rainwater by summer next year[2].

Premium player in water tech

Xylem has a global presence, with over 23 000 employees, customers in over 150 countries, and revenues of USD 8.6 billion[3].

With a slightly pricier valuation relative to peers, Xylem can be characterized as a quality company that has the ability to find beneficial business opportunities. With its stable increase in top line revenue, a gross margin around 37 percent and annually increasing Earnings Per Share (EPS), the firm seems to surf an important wave of the "access to clean water" megatrend.

An example is **Xylem's acquisition of the water giant Evoqua Water Technologies** in May 2023, in an all-stock deal worth USD 7.5 billion[4]. The **cost synergies and innovation benefits following the Evoqua merger** seems to have helped Xylem fight the global uncertainties headwinds of trade wars and tariffs, so far in 2025. While the transaction faced some opposition for being overpriced, it did place Xylem on the throne as the world's largest water tech company.

The combination of size, sound corporate governance, innovation, expertise and experience can help Xylem weather hefty storms — and show how the grass can be greener, in more ways than one, on the football pitch.

About Xylem Vue

A full suite of digital solutions that helps solve challenges such as reducing water loss and costs, increasing energy efficiency and asset reliability, and boosting operational resilience. Xylem Vue combines smart and connected technologies, intelligent systems and services, integrating and managing all data from any source in a single platform, for a complete view of water and wastewater networks.

References

[1] Access Irrigation, **Watering a Football Pitch - Access Irrigation**

[2] Businesswire (22.05.25), **Manchester City Puts Smart Water Tech in Play on the Pitch**

[3] Xylem, **Xylem at a Glance | Xylem US**

[4] Reuters, **Xylem to buy Evoqua in $7.5 bln deal to tap water demand | Reuters**

Photo: Unsplash

Active Ownership

Photo: Unsplash

Updates

Update on Israel-related investments

Ongoing assessments within our process of mitigating risks of involvement in violations of human rights

At Storebrand, we have been working with sustainable investment for 30 years, with clear principles, guidelines and processes for ensuring that we avoid involvement with companies that are in breach of basic norms for human rights, and international law.

We manage risks related to conflicts, such as the one ongoing with Israel and Palestine, through continuous due diligence on human rights in all our portfolios. Our approach is mainly based on the standards of international human rights and humanitarian law, as well as application of ESG risk data (including country risk, industry risk and company risk ratings). In addition, we align our investment policies with the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Responsible Business Conduct for Multinational Enterprises and for Institutional Investors; human rights due diligence as outlined in the Norwegian Transparency Act; and the official assessments of the United Nations, European Union and the international Court of Justice (ICJ).

An important part of our process is close cooperation between our Risk and Ownership team and our portfolio managers. The fund managers can invest in any companies that we have not excluded, as long the companies are within their defined investment mandate. However, our portfolio managers are also assigned the responsibility of evaluating whether their investments are in line with our sustainability standards, and contact our Risk & Ownership team if doubts arise.

Focus on risks of OPT since 2009

Storebrand has been working with the consequences of Israel's long-term occupation of Palestinian territories (OPT) since 2009. Ever since then, the occupation has had consequences for the companies we invest in.

To date, we have excluded 26 companies based on our assessment that their products or services directly or indirectly contribute to the Israeli authorities being able to continue their occupation of Palestine. Among the companies we have excluded on this basis are IBM and Palantir Technologies, which we excluded last year.

Of the 16 companies which the Norwegian Ministry of Finance has referred to, in an official letter in April, we were invested in, and are in dialogue with, 4 of them as of 30th June 2025.

Further ongoing review of Israeli holdings

We are currently conducting another round of reviewing our investment in Israeli companies, which comprises of holdings in 10 companies with a total value NOK 730 million. We will communicate during the next few months on any further decisions that may be made, following the review process.

Learn more about how we work with human rights in high-risk conflict areas, on pages 8-29 of our previous Sustainable Investment Review for Q1 2025

Setting corporate human rights expectations

Storebrand AM allies with investor group to issue letter to companies on human rights policies and practices in conflict areas.

According to analysis from the Armed Conflict Location & Event Data (ACLED), the world experienced a 40% rise in violent intra- and inter-state conflicts from 2020 to 2023. This vastly heightens the risks of companies causing, contributing to, or being directly linked with gross human rights abuses are heightened in Conflict-Affected and High-Risk Areas (CAHRA).

From the investor perspective, this also raises concerns as to whether their portfolio companies are taking all the necessary steps to ensure that they are not involved with adverse impacts on human rights through their own activities or as a result of their business relationships with other parties.

Investor response

These and similar issues motivated Storebrand to gather for collective action with a group of shareholders that rallied this May. The group assembled 23 shareholders, asset managers, and financial industry international stakeholders representing more than 980 billion euros in assets under management and the French Sustainable Investment Forum (FIR). It was supported in this initiative by the International Federation for Human Rights (FIDH) and expertise of several NGOs and foundations.

In concrete terms, the investors warned that in such contexts, respect for internationally recognized human rights and international humanitarian law (IHL) can only be guaranteed by a set of reinforced and proactive heightened human rights due diligence measures on the part of companies.

Expectations outlined

Together the group jointly presented detailed expectations for companies to adopt and implement comprehensive policies and processes, in relation to their exposure to CAHRA, that respect both internationally recognised human rights and IHL, and are consistent with all applicable regulations, principles and guidance.

Needling Inditex on Cambodian labour standards

Storebrand AM and group of shareholders call on the global fast fashion giant to provide answers on Cambodian labour issues

In July, Storebrand AM was part of a group of financial institutions that together formally called on the Board of Directors of the global retail giant Industria de Diseño Textil, S.A., popularly known as Inditex, to be transparent on several issues surrounding its handling of supply chain due diligence and living wages in Cambodia.

Inditex is a Spanish multinational clothing company and the world's largest fast fashion group, operating retail brands such as Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, and Zara Home. It operates over 7,200 stores in 93 markets worldwide.

Engaging Inditex on Cambodia

Since 2018, the group of Investors, including Storebrand AM, has been engaging with Inditex on supply chain due diligence and living wages. During this time, the company has committed to ensuring that workers in the supply chain earn a living wage as part of its 'Workers at the Centre' strategy. However, the group has concerns about Inditex's failure to meet its commitment to collective bargaining and its lack of transparency on the issue, such as is the case in Cambodia.

Cambodia has a significant garment manufacturing industry that is dominated by foreign owners, is mainly export-driven and is deeply integrated in global supply chains. However, the country is also characterised by having a significant portion of its population living below the poverty line, with low levels of education, creating a large pool of unskilled, low-cost workers that are highly vulnerable.

Therefore, we have collectively issued a joint call to Inditex to answer a targeted set of questions on the issues, and take specific actions to provide transparency on them.

Human rights engagement theme

Human rights is one of Storebrand AM's prioritized engagement themes for the period 2024-26. In order to promote respect for human rights and tackle both company specific and systematic risks, we are prioritising three areas of human rights within our engagements during the period: reducing inequalities and just transition; conflict and high-risk areas; digital rights. As part of these engagements with companies, we are working towards achieving two main social targets:

1. Substantial alignment with the United Nations (UN) Guiding Principles on Business and Human Rights

2. Living wages acknowledged for target sectors

Learn more about our expectations in the investor letter

Learn more about Storebrand AM's engagement theme on Human Rights

Photo: Steven Kamenar, Unsplash

Engaging Swedish Forestry Companies on Certification

Constructive dialogue in an ongoing engagement on nature and biodiversity

As part of our focus on nature, Storebrand maintains regular dialogue with several Nordic forestry companies to promote biodiversity and sustainable forestry practices. In April, Sweden's — and Europe's — largest private forest owner, SCA, announced that it would pause certification of its Swedish forestry operations under the Forest Stewardship Council (FSC) standard from 1 June.

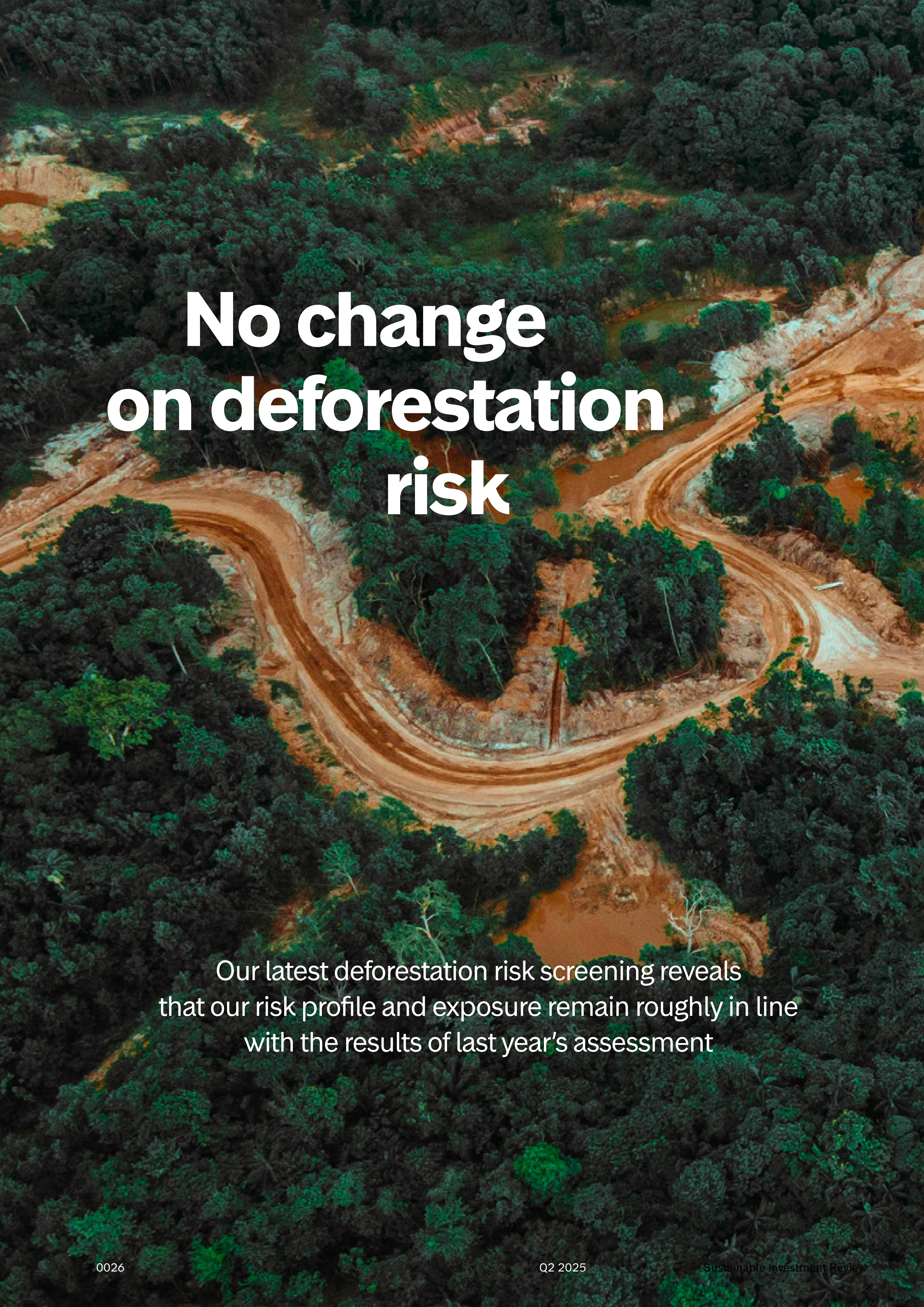
In its statement, SCA cited challenges with the Swedish FSC standard, claiming it limited access to timber. In an interview with the Swedish newspaper Dagens Nyheter, Storebrand Asset Management's CEO, **Jan Erik Saugestad**, emphasised that the FSC standard is a globally recognised benchmark, giving investors and customers confidence in the environmental and social practices of forestry operations. Saugestad stressed that FSC members can help shape national certification standards and encouraged SCA and other forestry companies to remain engaged within the FSC system rather than withdraw.

Storebrand reinforced this message through direct engagement with the management of SCA and Holmen, in collaboration with other Norwegian and Swedish investors. Discussions covered both the FSC-specific issues and broader topics, including:

- Securing Free, Prior and Informed Consent (FPIC) of Indigenous Peoples.
- Mitigating negative impacts on Sámi reindeer herding.
- Protecting old-growth forests.

These conversations were constructive, providing Storebrand with deeper insight into the challenges facing the forestry sector, while also enabling us to be clear about our expectations for continued FSC certification and respect for Indigenous Peoples' FPIC rights.

Following these engagements, SCA announced progress in its dialogue with the National Sámi Association (SSR) and FSC, resulting in a decision to postpone the planned pause in FSC certification. Storebrand sees this as a positive development and will continue to monitor the situation closely.



No change on deforestation risk

Our latest deforestation risk screening reveals that our risk profile and exposure remain roughly in line with the results of last year's assessment


Photo: Renaldo Matamoro, Unsplash

Text: **Vemund Olsen,**
Senior Sustainability Analyst

Storebrand AM's deforestation commitment

Our ambition is to have an investment portfolio that does not contribute to commodity-driven deforestation, by 2025.

We will not knowingly finance operations that are illegal, fail to protect high conservation value forests/land or violate the rights of workers and local people.

As shareholders, we commit to applying our influence and the tools at our disposal, to induce our portfolio companies to meet our expectations, and to operate in line with good international practices.

This policy applies to all relevant companies in our portfolios that are involved in production, trade, use or financing of forest-risk commodities, particularly palm oil, soy, timber, pulp and paper, cattle products, rubber, cacao and minerals. The policy covers upstream and downstream companies linked to forest-risk commodities through their operations, supply chains or financial services.

We have newly completed our latest annual round of screening our investment portfolios for deforestation risk, as of the end of April 2025. As expected, the overall results show little change in our exposure, compared to the analysis we conducted last year.

While the methodology for the analysis has remained the same, the degree of reliability of the analysis is now slightly better, as this year our data partner Forest IQ has increased the number of companies and made some improvements to the underlying data.

Focused on exposure to commodity-driven deforestation

Forests are critical ecosystems for the planet's climate and biodiversity. They play a vital role in maintaining the global carbon cycle, acting as carbon sinks, capturing and storing carbon dioxide. Forests may also contain up to 80 per cent of terrestrial species (WWF, 2023), and provide a range of other ecosystem services, including regulation of the water cycle.

Identifying operations with potential negative impacts on forest ecosystems is a priority for us. However, there is limited data available that links listed companies to deforestation and forest degradation in specific locations. As most tropical deforestation is driven by production of soft commodities like beef, palm oil, soy, timber, pulp and paper, rubber, coffee and cocoa, our approach has been to assess investee companies' exposure to these commodities through their operations, supply chains or financial relationships.

Using the Forest IQ dataset

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

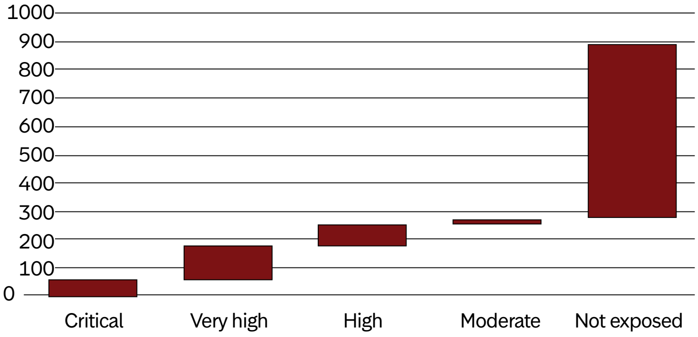
The Forest IQ data platform contains information on more than 2000 companies' exposure to commodity-driven deforestation and their efforts to eliminate deforestation, conversion and associated human rights violations from their operations, supply chains and financial relationships. It includes data from the following datasets: CDP, Deforestation Action Tracker, Forest 500, SEI York, Trase, ZSL SPOTT and RSPO.

The forest risk commodities currently covered in the Forest IQ dataset are:

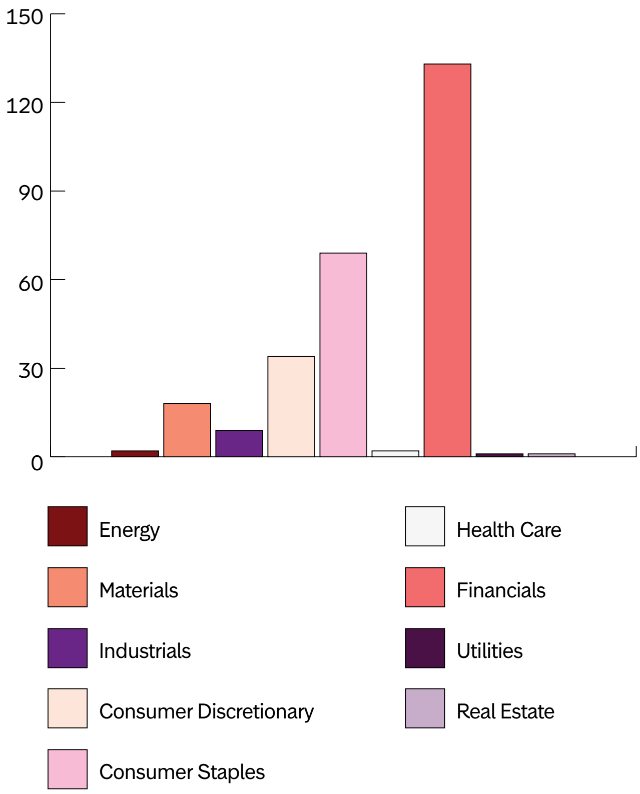
- palm oil
- soy
- beef
- leather
- timber
- pulp & paper
- natural rubber
- cocoa
- coffee
- gold
- coal

While the coverage in number of companies and commodities is expected to continue to grow, Forest IQ already covers the majority of companies and financial institutions in our investment universe with material exposure to risks arising from commodity-driven deforestation.

Based on Forest IQ, we have utilized several metrics to assess our deforestation exposure.



Metric 1
Number of companies in Storebrand's portfolios within each category of deforestation exposure



Metric 2
Sector distribution: Industry classification of companies in holdings with deforestation exposure

How exposed are we overall?

This metric assesses the level of exposure of our portfolio to companies potentially exposed to deforestation risk. Forest IQ places companies in different exposure categories, by estimating volume of commodities sourced or produced with potential risk of deforestation. (Financial institutions are assessed by estimating the amount of finance provided to companies with potential exposure to deforestation.) We track 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
- Moderate

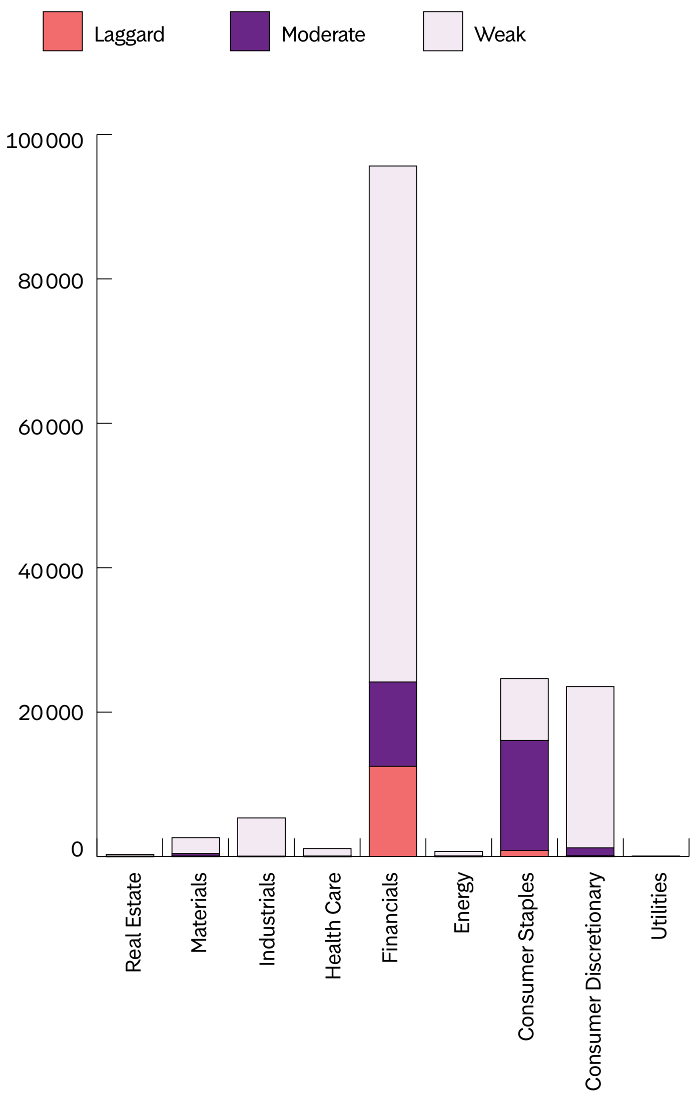
In total, Storebrand has identified investments in 889 companies covered by Forest IQ, of which 272 are in the categories considered to be of material risk. Our holdings in these 272 companies represent 13.2 per cent of our total assets invested in equity and corporate bonds. Our exposure is predominantly through downstream companies, such as food processors, retailers or financial institutions, which are exposed through their value chains or financial relationships rather than their direct operations.

What sectors make up most of our exposure?

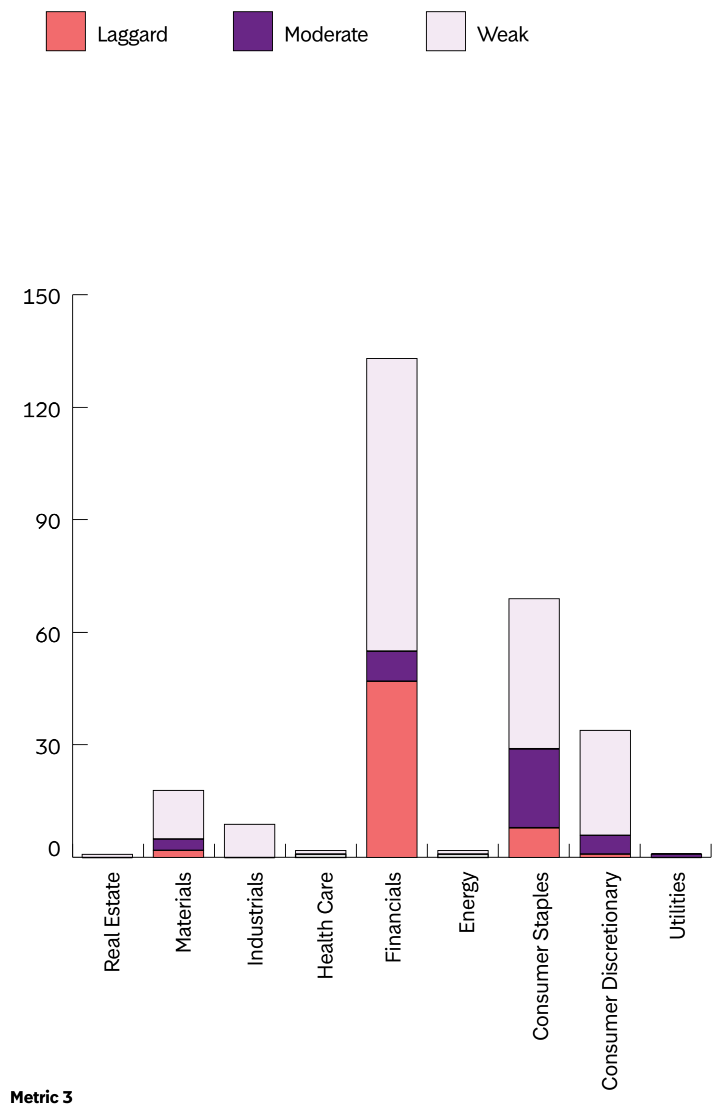
This metric analyses the distribution of companies identified under Metric 1, across various Global Industry Classification Standard (GICS) sectors, to identify which sectors in our portfolio are most exposed to deforestation risks.

By far, our largest exposure is to companies in the financial sector, such as banks, insurance companies and asset managers. This sector may be linked to deforestation risk through the companies they provide loans or other financial services to.

As the measures that companies in the financial sector can take to reduce risks arising from deforestation are very different from other sectors, investor engagement should be tailored specifically to the sector. For that reason, Storebrand contributed to developing a set of investor expectations for commercial and investment banks on deforestation, which were published by the Institutional Investor Group on Climate Change (IIGCC) and Finance Sector Deforestation Action (FSDA) in September 2024.



Investments exposed to deforestation by industry and deforestation management score (in MNOK)



Metric 3
Number of companies in holding exposed to deforestation by industry and deforestation management score

How do investee companies manage their deforestation risk?

Metric 3 evaluates how well companies manage deforestation risks, categorizing them into five performance tiers:

- Laggard
- Weak
- Moderate
- Advanced
- Leader

The categorization of category each company, is done by assessing the quality of their commitments, actions taken and progress reporting, according to a detailed set of criteria developed by Forest IQ.

For companies identified under Metric 1 as being exposed to risk, 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.

Assessment reflects the wide gap to desired performance

It should be noted that Forest IQ is a demanding standard, as shown by the fact that no companies in our portfolio score better than "moderate" — not even the companies that are widely recognized as best performers in their sectors.

To get a good understanding of companies' progress towards ending deforestation, it is better to compare their performance to the standard needed to fully eliminate deforestation risk, rather than compare them to the mean performance of companies.

The numbers show that the largest share of "laggard" companies in our portfolio is in the financial sector, including commercial and investment banks. This is expected, as the financial sector lags behind other sectors in adopting policies and commitments regarding deforestation. In order to drive progress in the sector, Storebrand is engaging several large banks through the collaborative initiative Finance Sector Deforestation Action (FSDA), and has contributed to develop best practice expectations for banks on deforestation.

What happens now?

Our Deforestation Policy from 2019 has the ambition of eliminating commodity-driven deforestation from our portfolios by the end of 2025. The policy includes four main lines of action:

- Assessment and disclosure of exposure to deforestation risk
- Company engagement and voting
- Engagement with policy-makers
- Exclusion of companies directly involved in deforestation (if engagement fails)

While we have achieved our internal activity targets for assessments, disclosure and engagements, it is clear that the world is not on track to meet the target of halting deforestation. To achieve that target, we need increased efforts from global society as a whole, including governments at all levels, businesses, investors, banks, civil society and local communities. That's why it's so important that the Global Stocktake (GST) positioned deforestation at the heart of climate action with the goal to halt and reverse deforestation by 2030.

Hundreds of companies are indirectly tied to deforestation risk through their supply chains — or loan books in the case of banks — and current data availability makes it impossible for investors to be 100 per cent certain that any of them are deforestation-free. Far too few investors have deforestation high on their agenda, and we need to make the issue more mainstream. At Storebrand we will continue to engage forcefully on the issue, beyond the initial target date of 2025, building on our experiences and dialogues since 2019. Today we have better understanding of company exposure; performance; and challenges; while companies now have a better understanding of our expectations.

The analysis we have presented here is used to inform our active ownership, including engaging with companies and voting at shareholder meetings. For example, we have identified 13 companies with "laggard" scores from Forest IQ, and communicated to the companies that we will vote against selected directors and/or financial statements if they do not improve their management of deforestation risk. We also support shareholder proposals asking for action against deforestation.

We continue to engage with companies in our portfolio that are involved in production, trade, use, or financing, of forest-risk soft commodities as well as mining. Our primary path for doing this is through the Finance Sector Deforestation Action (FSDA) initiative, gathering more than 30 financial institutions that have committed to using best efforts to end commodity-driven deforestation in their investment and lending portfolios.

In addition, we will continue to engage with policymakers in selected countries on deforestation, mainly through the collaborative initiative Investor Policy Dialogue on Deforestation (IPDD) where Storebrand is in the role of co-chair. Through our participation in the Institutional Investor Group on Climate Change (IIGCC), we are working to attract more investors to take action on deforestation, such as by including deforestation into guidance for climate and nature transition plans.

Note: It should be noted that currently available data does not allow attributing actual deforestation impact to individual companies, due to the lack of transparency of global supply chains of forest risk commodities.

What this analysis does is to estimate risk exposure and assess company performance to avoid deforestation, conversion and associated human rights abuses.

However, for high-risk producers and traders, we use Trase data to further drill down and identify deforestation risk, as measured in hectares of deforestation.

Trase data draws upon satellite data for deforestation, infrastructure maps and commodity trade and taxation data, linking supply chain companies to places of production.

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

As financial institutions' abilities to obtain critical geographic location data evolves, we will continue to map for the rest of our portfolio companies.

Engagement: Lobbying

Investor interest in climate risk is not waning

Text: **Emine Isciel, Head of Climate and Environment**

Look closely and you will see a tug of war between the political backlash on climate risk and increasing investor concerns. While the Oval Office railed against "climate extremism" earlier this year, the world's largest wealth fund quietly **updated** its model of the physical risks of climate change, finding that previous models "severely underestimated" the threat.

Against the grain of pushback against the European Green Deal, last month investors representing 150 businesses and more than €2.6tn in assets **called** on the EU to commit to reduce emissions by 90 per cent by 2040, guided by "competitive sustainability".

Meanwhile, research published last month likewise suggests the headlines shouting about a downgrading of sustainability are only part of the story. It **shows** that European companies are more positive in their climate lobbying than five years ago.

One of the main drivers behind this upbeat mood is a growing recognition among companies that strong climate policy aligns with long-term commercial interests. Ambitious regulations create a level playing field, reduce uncertainty and stimulate innovation, particularly in sectors tied to clean technologies.

In short, reports of investors and the companies in which they invest losing interest in climate risks are exaggerated.

Investors are driving transparency

Transparency on lobbying by companies and industry associations and their influence on climate policy is one area where investors, not governments or non-governmental organizations, are driving higher standards, as highlighted by the recent relaunch of the investor-led Global Standard on Responsible Climate **Lobbying**.

As a responsible global investor, Storebrand uses the standard in our conversations with companies to ensure their political engagements are transparent, accountable and reported in a consistent manner.

In a world where corporate reporting rules are under pressure to simplify, information on engagement with governments and policy might be seen as a "nice to have". But reporting reveals how a company is planning for the transition, whether its climate plans are coherent with its business model and any discrepancies between the company's transition plan and its policy engagement, with potential legal and reputational risks.

Systemic risks and opportunities also arise for large, diversified investors, who understand that a conducive climate policy environment is critical to delivering the returns of tomorrow.

As the **briefing** that Storebrand has recently published with four major institutional investors and the climate accountability think-tank InfluenceMap shows, in the related section here, interest in climate risk is not waning. Indeed, on the subject of lobbying, interest from investors and standard setters is deepening.

When companies lobby governments, they can create opportunities for their own net zero transition and that of the wider economy

Of seven disclosure regimes assessed last year by Oxford Net Zero, only one, the International Financial Reporting Standards, does not include an explicit requirement on lobbying disclosure.

Requirements for information on political engagement feature in the EU Corporate Sustainability Reporting Directive, and are as yet unaffected by the European Commission's proposed omnibus package. They also feature in the Transition Plan Taskforce framework, expected to form the basis for mandatory transition planning in the UK (due for consultation this month), and this week incorporated into IFRS guidance.

This recognizes policy action as a key assumption relevant to transition planning, but there is a strong case for more explicit IFRS guidance along the lines of what Richard Barker, board member of the International Sustainability Standards Board, said in response to a question about lobbying information as part of IFRS disclosures last year: "If it is material information for your investors, which it most likely is, that would be part of a disclosure requirement."

Public commitment, review positions and policy engagement

So, what exactly do investors want to see?

Companies can start by making a public commitment, albeit after serious board level consideration. Pursuing efforts towards restricting global warming to 1.5C, which remains the goal of the Paris Agreement, means aligning direct and indirect advocacy through industry associations. Simple tools such as InfluenceMap's science-based benchmarks help summarise the latest scientific policy advice.

Second, companies should review their positions, recognising any misalignments identified between the 1.5C goal and their lobbying activities. That includes lobbying activities undertaken by their industry associations, whose influence carries risks to a company's transition plan, reputation and bottom line, as well as opportunities.

Business alliances including RE100 have lobbied successfully for renewable energy incentives around the world, helping members such as Sony install solar panels at manufacturing plants in Thailand and Japan.

Finally, companies should disclose a comprehensive policy engagement review of their direct and indirect lobbying positions, activities and 1.5C alignment, providing transparency for investors and other stakeholders.

Since 2017, nearly 90 companies have published more than 200 of these reviews, and 2024 saw a surge in activity, with companies including Unilever and Enel demonstrating best practice in line with the Global Standard on Responsible Climate Lobbying.

Initial analysis of lobbying disclosure in CSRD reports by the We Mean Business Coalition is promising, with companies such as Ørsted identifying its positive, material impact on the company's prospects, enabling it to "contribute to the development of policies and legislation relating to the build-out of renewable energy".

Electoral trends aside, when companies lobby governments, they can create opportunities for their own net zero transition and that of the wider economy. From investors, they will continue to feel the tug.

Investors tell MEPs to hold firm on sustainable finance rules

In June, Storebrand AM, along with BNP Paribas Asset Management (France), Railpen (UK), AkademikerPension (Denmark), and the leading global think tank InfluenceMap, co-authored a briefing on climate policy engagement.

The purpose of the briefing is to make the case for requiring reporting on corporate climate policy engagement, in emerging mandatory disclosure regulations globally.

Emerging disclosure regulations take a range of different approaches, but three main frameworks dominate the emerging landscape: CSRD, transition planning and IFRS. Here we assess the extent to which each incorporates guidance on climate policy engagement, summarized in the table below (alongside voluntary standards for comparison). Although policy engagement is only explicitly addressed under some frameworks, full disclosure under each system, including IFRS, appears to entail reporting relevant information on policy engagement.

The following investor perspectives are covered in the briefing which you can find here:

- Investors' work to embed climate policy engagement in sustainability reporting initiatives and standards.
- The key elements investors expect to see in reporting and different disclosure frameworks.
- How policy engagement can be incorporated as regulators adopt mandatory disclosure regulations.

Investors tell MEPs to maintain strong EU sustainable finance rules

Storebrand signs Eurosif-organized joint investor letter emphasizing competitive value of sustainable finance framework and asking EU parliament to improve it rather than water it down

This June, Storebrand was signatory to a Eurosif-organized joint investor and company statement that showed broad support for preserving the core of the EU sustainable finance framework, and ensuring that proposed changes do not compromise its integrity and substance.

The group wrote to the members of the European Parliament amid proposed changes to the EU's Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the Corporate Sustainability Due Diligence Directive (CSDDD). In the letter, the signatories emphasised to the legislators that the various regulations on sustainability reporting, transition plans, climate targets, and corporate due diligence, provide a key foundation to achieve the EU's economic and sustainability goals, by promoting corporate transparency and responsible business conduct, which encourages the growth of companies that are more resilient, better prepared to manage sustainability related challenges and opportunities.

While the group expressed support for prioritising improvements to the implementation of the sustainable finance framework, it emphasized that regulatory simplification can be achieved without compromising the substance of sustainability rules or their significant benefits for businesses across the EU, via several specific recommendations:

- Simplifying the ESRS in a way that maintains the double materiality approach of the CSRD, covers environmental, social and governance topics, and ensures interoperability with international standards and frameworks (including ISSB, GRI and TNFD).
- Including companies with more than 500 employees in the scope of CSRD, in line with the scope of the Non-Financial Reporting Directive (NFRD) adopted a decade ago.
- Ensuring the value chain cap allows for the constructive exchange of sustainability information between investors and companies.
- Safeguarding the core elements of the CSDDD and maintaining risk-based corporate due diligence, in line with the UN Guiding Principles for Business and Human Rights and OECD Guidelines.
- Maintaining a requirement under CSDDD for companies to adopt climate transition plans, including science-based targets, with disclosures in line with CSRD. Clarify the requirement to "through best efforts, put into effect" these plans, making sure to explicitly reference an obligation of means, not an obligation of results.

Part of our engagement themes 2024–26

Our work on this investor statement regarding sustainability rules is linked to two of our prioritized engagement themes for the period 2024–26: policy dialogue and sustainability disclosure.

We actively engage with policymakers and stakeholders, in order 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 such as Finance for Biodiversity and IPDD.

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

Photo: Unsplash

Learn more in the Eurosif investor statement

Photo: DimanDiver/iStock

No green light for deep sea mining at ISA meeting

Recent negotiations on international law ended without agreement on code or approval for mining activity

2025 was a decisive year for the deep sea mining regime. Pressure is mounting on the International Seabed Authority (ISA) to adopt regulations for the commercial extraction of minerals while an increasing group of diverse actors, including 40 financial institutions, are calling for a moratorium.

Three types of mineral formations are found several thousand meters below the surface of the sea: manganese nodules, cobalt-rich ferromanganese crusts and polymetallic sulphides. All three contain metals, such as copper, cobalt and nickel, that are currently in high demand in technologies associated with the energy transition. So far, however, they have only been explored and not commercially mined.

Mining on the deep seabed is highly controversial, however, primarily due to its potential impacts on the environment. Recent negotiations on an international mining law by the members of the International Seabed Authority (ISA), which administers deep seabed resources beyond national jurisdiction, ended without an agreement on a mining code or a green light for deep-sea mining. Instead of approving commercial extraction, the recent meetings focused on the lack of scientific understanding of the deep-sea environment and the economic viability of such an industry.

Ahead of the ISA meeting, the Finance for Biodiversity (FfB) Foundation, in which Storebrand takes an active role, coordinated the publishing of the Global Financial Institutions Statement to Governments on Deep-Seabed Mining. In the statement, the group of 40 financial institutions representing over EUR 3.8 trillion of combined assets, including Storebrand AM, reiterated their call to national governments to protect the ocean and not go ahead with deep-seabed mining (DSM) until the environmental, social, and economic risks are comprehensively understood, and alternatives to deep-sea minerals have been fully explored.

Investors demand Tesla governance reforms

Storebrand and 11 other investors ask Tesla board to set AGM date and secure full work commitment from CEO Elon Musk, before compensation plan is approved

Following efforts from an investor group in July, including Storebrand AM, the board of Tesla finally scheduled an annual general meeting for the company. The group had sent a letter to the board urging the automaker to set a date for its annual shareholder meeting this year, citing legal obligations and growing governance concerns.

Tesla had been close to missing a legal deadline for scheduling this year's annual shareholder general meeting (AGM). Under the law in the US state of Texas where Tesla is incorporated, shareholders can ask a court to require the company to hold its annual meeting, if it had not done in the previous 13 months. In Tesla's case, the company had last held an annual shareholder meeting in in June 2024. Furthermore, in April the company had announced a delay in filing its annual proxy statement as the board had not decided on a date for the annual shareholder meeting.

The investor action on the AGM followed a related move at end of May, when a group of investors, including Storebrand AM, had issued a formal letter to the Chair of the carmaker Tesla's board of directors, Robyn Denholm, demanding corporate governance reforms. Among the demands from the investors was one demanding that Tesla CEO Elon Musk returns to working at least 40 hours per week for the company, before any new compensation plan is approved.

In the letter, the investors questioned the state of management and oversight at the company, noting, "The current crisis at Tesla puts into sharp focus the long-term problems at the company stemming from the CEO's absence, which is amplified by a Board that appears largely uninterested and unwilling to act in the best interest of all Tesla shareholders by demanding Mr. Musk's full-time attention on Tesla".

The letter, prompted by a variety of problems faced by the company, was signed by 12 institutional investors that together represent approximately US$ 950 billion in AuM, including Storebrand Asset Management, Akademiker Pension, AP Pension, and the New York City Comptroller.

Read the full set of demands in the investor letter to Tesla's Board chairperson.

Engagement data

Q2 2025

All engagement data presented here, represents unreviewed, unaudited year-to-date totals of engagements conducted, during the period from the beginning of the year until the end of the quarter being reported in. We use these rolling summaries of year-to-date data, because the nature of engagement activity involves engagement points that are not always predictable. Therefore, our engagement activity would not be properly represented, if we presented isolated snapshots of data limited to the periods within each quarter of the year.

1034 **Ongoing engagements**

2 **Completed engagements**

1036 **Total engagements**

344 **Engagements with active participation by Storebrand**

Engagement summary Q2 2025

During the second quarter, our number of engagements rose slightly to a total of 1034, of which we completed 2 of the engagements in the period. The mix of engagements was also roughly, the same, with 95 per cent of the total being proactive (addressing systemic issues rather than specific controversies).

Where we engaged

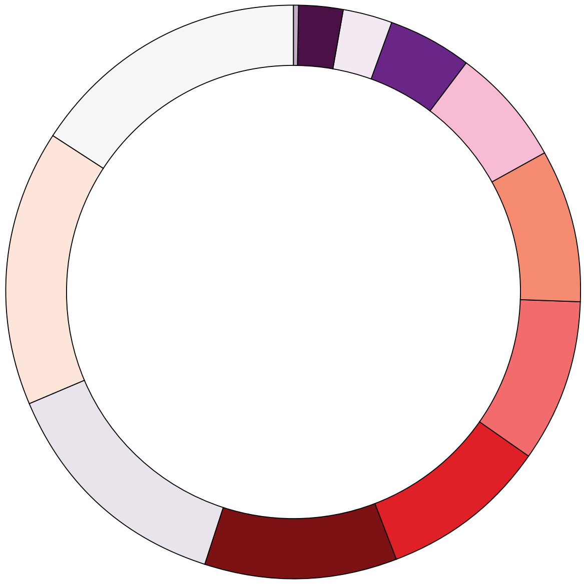
Top countries engaged in

Country	Number of engagements
United States	275
Japan	63
Germany	57
United Kingdom	45
France	45
Sweden	35
Norway	33
China	31
Switzerland	24
Brazil	23

Sectors engaged in

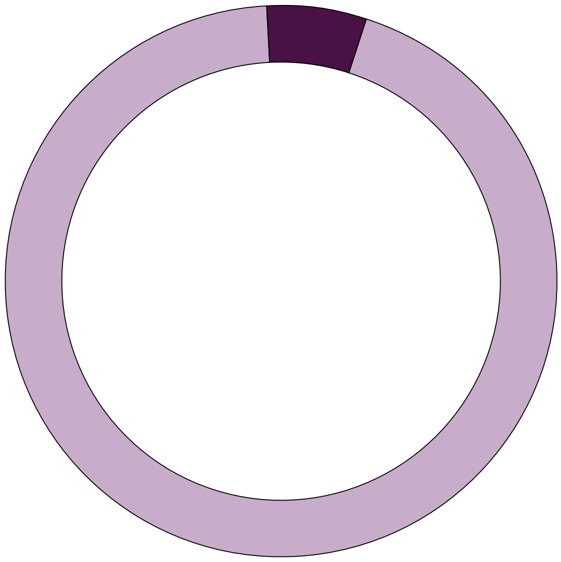
Sectors	Number of engagements
Other	164
Materials	159
Consumer Staples	142
Communication Service	111
Consumer Discretionary	97
Industrials	95
Information Technology	90
Energy	68
Utilities	49
Financial	28
Healthcare	27
Real Estate	4

Sectors engaged in



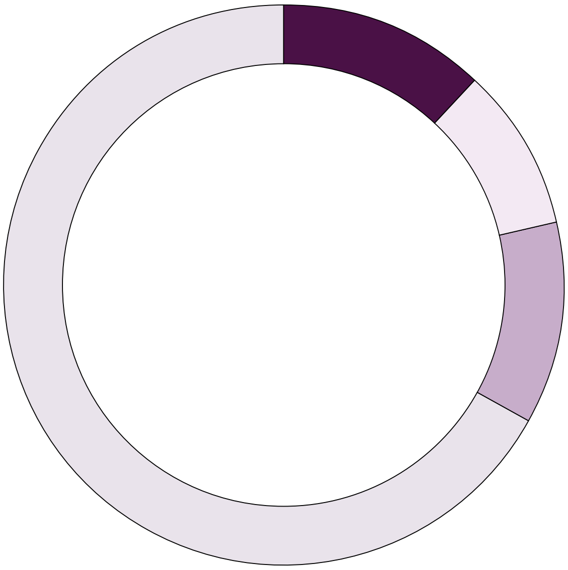
- 0.4 % Real Estate
- 2.6 % Healthcare
- 2.7 % Financial
- 4.7 % Utilities
- 6.6 % Energy
- 8.7 % Information Technology
- 9.2 % Industrials
- 9.4 % Consumer Discretionary
- 10.7 % Communication Services
- 13.7% Consumer Staples
- 15.4 % Materials
- 15.8 % Other

Reasons for engagement



- 5 % Reactive
- 95 % Proactive

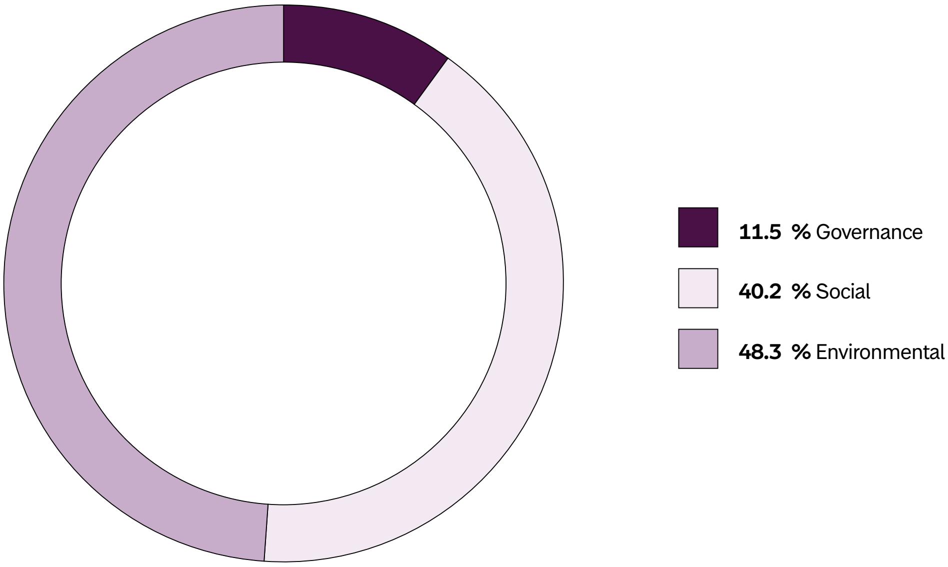
Format of engagements



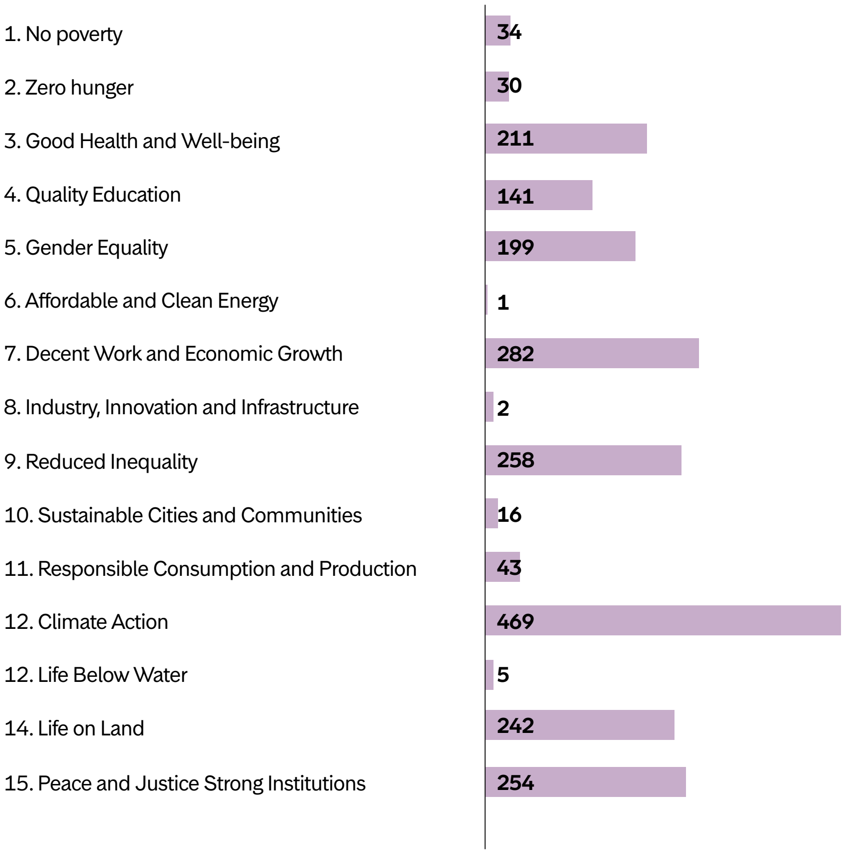
- 12.3 % Internal
- 9.6 % Collaborative (leading role)
- 11.7 % Collaborative (non leading role)
- 66.4 % Signatory only

Where we engaged

ESG categorizations of engagements



SDGs impacted by engagements



We take the viewpoint that all our engagement activities contribute to SDG 17, meaningful partnerships for goals.

Voting summary
Q2 2025

The second quarter of the year is the busiest period of what is known as "AGM season", the months when a majority of companies in our portfolio hold their annual shareholder meetings. Storebrand Asset Management (SAM) voted at 1325 company meetings during this second quarter of the year and a total of 1624 in the first half of 2025.

Most agenda items are related to corporate governance issues such as director elections, financial statements and audits. However, addressing environmental and social issues at company AGMs is an important part of our sustainable investment efforts, and it is our policy to vote at all meetings where such proposals are on the agenda.

Voting key figures
Q2 2025 only

Climate prominent on voting agenda

Climate change continues to be the main topic of voting items related to the environment, although the total number of climate-related proposals on the agenda dropped compared to the second quarter of last year. We voted on 57 climate-related agenda items during the second quarter, down from 76 in Q2 2024, including proposals asking companies to develop Paris-aligned transition plans and to disclose targets, efforts and progress towards reducing GHG emissions. We also supported proposals at the AGMs of 11 large banks to disclose their ratio of financing of fossil vs renewable energy. As part of our efforts to push for transition of the oil and gas industry, we voted against the climate transition plans of Santos and Equinor, which we consider not to be aligned with a 1.5-degree pathway. For the same reason, we voted against the re-election of directors responsible for climate risk management at BP, Shell, TotalEnergies, Occidental, Woodside, Santos and Valero Energy. We also continued our focus on climate lobbying, supporting four shareholder proposals asking companies to disclose their lobbying on climate policy.

As part of our engagement with companies that score poorly on climate and deforestation risk management, in certain cases we use the escalation measure of voting against company financial statements or relevant board directors. In Q2, we voted against nine such companies with regards to climate and five on deforestation.

Scrutiny of human rights in the financial and tech sectors

In the category of social proposals, we supported 11 proposals asking companies to undertake human rights risk assessments and report on results, including Equinor, Amazon.com and Alphabet. Five of these proposals sought disclosure on banks' efforts to address the risk of forced and child labour in their lending portfolios. Storebrand also voted in favour of six proposals asking companies to improve human rights standards and policies. This included asking banks like Citigroup and Wells Fargo to report on their efforts to respect Indigenous Peoples' rights, and a proposal asking Mondelez International for an independent assessment of its practices on freedom and association and collective bargaining. Another significant group of votes were eight proposals related to digital rights, child safety and use of external data in AI products at the AGMs of tech companies Meta Platforms, Alphabet Inc and Amazon.com.

Increase in anti-DEI proposals

Compared to the second quarter of 2024, we observed an increase from 27 to 37 so-called "environmental and social counterproposals", mainly aimed at getting companies to abandon policies on diversity, equity and inclusion (DEI) in their workforce. While the number of such anti-DEI proposals increases, it is encouraging to see that they obtain only marginal support from shareholders and that company management recommend voting against them. Storebrand supported management and voted against all 37 anti-DEI proposals this quarter.

To learn about our voting guidelines and see a live presentation of more voting data, visit our proxy voting dashboard.

General voting data

	Voted	Votable	Percentage voted
Number of general meetings voted	1,325	2,940	45.07 %
Number of items voted	19,287	40,965	47.08 %
Number of votes on shareholder proposals	611	890	68.65 %

Sources: Board Statistics Report, Vote Summary Report

Top countries voted in

	Voted meetings	Votable meetings	Percentage voted
USA	351	545	64.40%
China	124	401	30.92%
Japan	93	255	36.47%
Sweden	81	325	24.92%
Norway	80	101	79.21%
Taiwan	54	118	45.76%
Canada	53	88	60.23%
India	47	83	56.63%
Brazil	43	87	49.43%
Cayman Islands	42	147	28.57%
United Kingdom	42	71	59.15%
France	36	62	58.06%
Germany	32	57	56.14%
Netherlands	27	44	61.36%
Bermuda	20	40	50.00%
Thailand	17	37	45.95%
Indonesia	15	36	41.67%
Malaysia	14	27	51.85%
Switzerland	14	47	29.79%
Spain	13	21	61.90%
Mexico	11	32	34.38%
Ireland	10	17	58.82%

Percentages rounded off to nearest decimal

Source: Board Statistics Report

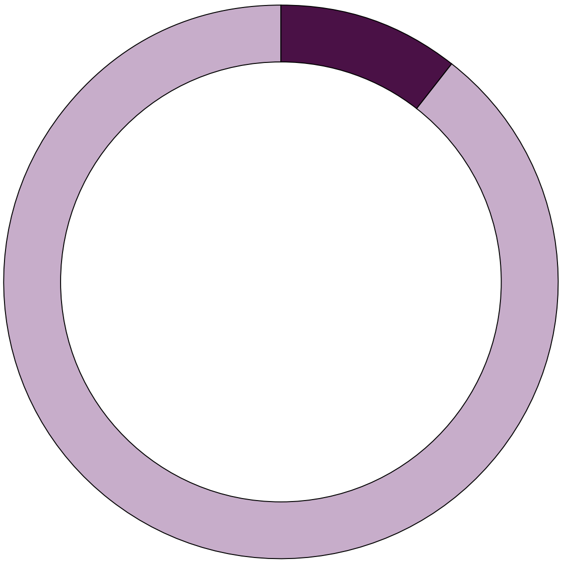
All voting data presented here represents quarterly totals, documenting the voting activity we conducted during Q2 2025 (the period 01/04/2025 to 30/06/2025).

Details of Environmental and Social Proposals

Proposal category	ESG Pillar	Proponent	Number of proposals voted	Number voted with management	% voted with management
Environmental — Management Climate-Related Proposal	E	Management	4	2	50 %
Environmental — Reporting on Climate Transition Plan	E	Management	5	3	60 %
Environmental — Report/Assess Environmental Impacts on Company and/or Communityg	E	Shareholder	8	0	0 %
Environmental — Report on Climate Change	E	Shareholder	5	0	0 %
Environmental — GHG Emissions	E	Shareholder	14	0	0 %
Environmental — Restrict Spending on Climate Change-Related Analysis or Actions	E	Shareholder	3	3	100 %
Environmental — Proposals Requesting Non-Binding Advisory Vote On Climate Action Plan	E	Shareholder	8	0	0 %
Environmental — Recycling	E	Shareholder	7	0	0 %
Environmental — Disclosure of Fossil Fuel Financing	E	Shareholder	11	0	0 %
Environmental — Restriction of Fossil Fuel Financing	E	Shareholder	1	1	100 %
Environmental — Report on "Just Transition"	E, S	Shareholder	2	0	100 %
E&S Blended — Accept/Approve Corporate Social Responsibility Report	E, S	Management	25	25	67 %
E&S Blended — Establish Environmental/Social Issue Board Committee	E, S	Shareholder	3	2	0 %
E&S Blended — Product Toxicity and Safety	E, S	Shareholder	3	0	100 %
E&S Blended — Miscellaneous — Environmental & Social Counterproposal	E, S	Shareholder	37	37	50 %
E&S Blended — Miscellaneous Proposal — Environmental & Social	E, S	Shareholder	2	1	0 %
E&S Blended — Climate Change Lobbying	E, S	Shareholder	4	0	0 %
Miscellaneous — Company-Specific — Governance-Related	E, S, G	Shareholder	3	3	100 %
Social — Approve Charitable Donations	S	Management	11	9	82 %
Social — Approve Political Donations	S	Management	31	31	100 %
Social — Black Economic Empowerment (BEE) Transactions (SouthAfrica)	S	Shareholder	1	1	100 %
Social — Human Rights Risk Assessment	S	Shareholder	10	0	0 %
Social — Improve Human Rights Standards or Policies	S	Shareholder	6	0	0 %
Social — Operations in High Risk Countries	S	Shareholder	2	0	0 %
Social — Data Security, Privacy, and Internet Issues	S	Shareholder	10	9	90 %
Social — Racial Equity and/or Civil Rights Audit	S	Shareholder	4	0	0 %
Social — Miscellaneous Proposal - Social	S	Shareholder	11	2	18 %
Social — Political Spending Congruency	S	Shareholder	1	0	0 %
Social — Report on Pay Disparity	S	Shareholder	2	2	100 %
Social — Prepare Tobacco-Related Report	S	Shareholder	1	1	0 %
Social — Facility Safety	S	Shareholder	2	0	0 %
Social — Prepare Report on Health Care Reform	S	Shareholder	4	0	0 %

Proposal category	ESG Pillar	Proponent	Number of proposals voted	Number voted with management	% voted with management
Social — Political Contributions Disclosure	S	Shareholder	11	0	0 %
Social — Political Lobbying Disclosure	S	Shareholder	3	0	11 %
Social — Report on EEO	S	Shareholder	9	1	100 %
Social — Labor Issues — Discrimination and Miscellaneous	S	Shareholder	2	0	0 %
Social — Animal Welfare	S	Shareholder	2	2	100 %
Compensation — Limit Executive Compensation	S, G	Shareholder	2	2	100 %
Compensation — Company-Specific — Compensation-Related	S, G	Shareholder	8	7	88 %
Total			**278**	**144**	**52 %**

Voting choices compared to management recommendations

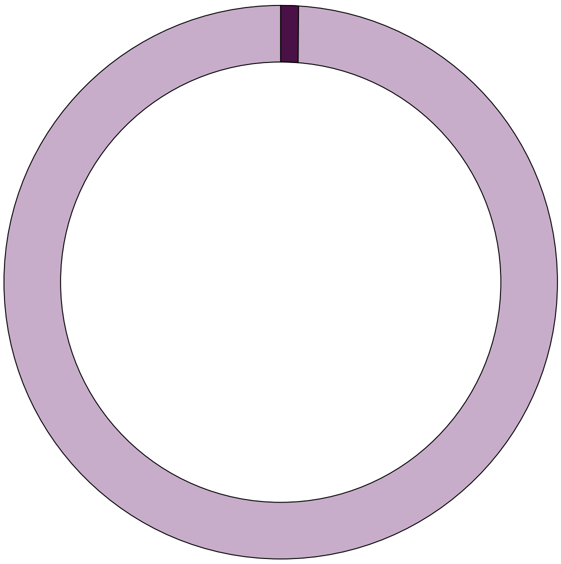


9 % Votes against management

91 % Votes with management

Source: Board Statistics Report

Voting choices compared to ISS recommendations



1 % Votes against ISS Sustainability Policy

99 % Votes with ISS Sustainability Policy

Source: Board Statistics Report

Overview of alignment on proposals

	Number of proposals voted	No. voted with mgmt	% voted with mgmt	Number voted with ISS Sustainability policy	% voted with Policy	ESG Flag
Audit Related	1258	1241	99 %	1255	100 %	G
Capitalization	1542	1378	89 %	1535	100 %	G
Company Articles	349	302	87 %	348	100 %	G
Compensation	2426	2044	84 %	2409	99 %	G
Corporate Governance	51	22	43 %	51	100 %	G
Director Election	8075	7475	93 %	7893	98 %	G
Director Related	2292	2133	93 %	2246	98 %	G
E&S Blended	74	65	88 %	74	100 %	ES
Environmental	68	9	13 %	68	100 %	E
Miscellaneous	111	98	88 %	111	100 %	G
Non-Routine Business	235	212	90 %	235	100 %	G
Routine Business	2503	2416	97 %	2495	100 %	G
Social	123	58	47 %	123	100 %	S
Strategic	145	113	78 %	145	100 %	G
Takeover Related	91	86	95 %	91	100 %	G

Source: ISS Report template "Statistical Issues Summary"

Exclu-sions

Exclusion key figures Q2 2025

Storebrand Exclusion List **Companies excluded by Storebrand, as of June 30, 2025**

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. See the full list of companies on the Storebrand Exclusion List, as of Q2 2025 here.

Category	Total excluded
Environment	24
Corruption and Financial Crime	10
Human Rights and International Law	68
Tobacco	26
Controversial weapons	44
Climate — Coal	112
Climate — Oil sands	10
Climate — Lobbying	6
Arctic drilling	0
Deep-sea mining	1
Marine/riverine tailings disposal	4
Deforestation	18
Cannabis	–
State-controlled companies	23
Total	321 *
Observation list	2

Storebrand exclusion list extra criteria

Storebrand's extra criteria build upon the Storebrand Standard for sustainable investments. The extra criteria will only apply to selected funds and saving profiles. See the full list of companies on our Storebrand Exclusion List Extra Criteria, as of Q2 2025 here.

Category	Total excluded
Alcohol	72
Adult entertainment	–
Weapons	67
Gambling	38
Fossil fuels (oil, coal, gas)**, PAB-aligned	492
Total number companies excluded	656 *

*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 from 33 countries that are systematically corrupt, systematically suppress basic social and political rights, or that are subject to EU sanctions and United Nations Security Council sanctions.

**Exceptions can be made for so-called transition companies involved in the generation, transmission, and distribution of electricity (i.e., the electric utilities sector) with exposure to fossil fuels, provided that they have a clear and credible transition plan towards renewable energy. For coal-related revenue from exploration mining, extraction, distribution or refining, the threshold is 1 %.

Learn more about how we manage exclusions in the updated **Storebrand Exclusion Policy** on our website

Photo: Colourbox

Update

Storebrand AM excludes Toyota

Global automaker failed to reform its practice of actively lobbying against climate regulations and policies

Storebrand Asset Management has excluded the global auto manufacturer Toyota Motor Corporation from investment, due to Toyota's persistent lobbying against climate-related regulation and policies; and its lack of transparency on the issues.

The exclusion of Toyota concludes a four-year long period of structured engagement with the company, and escalation of engagement, during which Toyota failed to materially reform its climate lobbying practices and transparency.

Announcing the exclusion, Kamil Zabielski, Head of Sustainable Investment, Storebrand Asset Management, noted: "This case illustrates the scale of the challenge in climate lobbying. It is a problem that is often underestimated by investors. How will governments and investors achieve the climate commitments that we have made, when companies are undermining this direction behind closed doors?"

Our climate commitment and position on lobbying

Storebrand AM has made a firm commitment to our investment portfolios having net-zero greenhouse gas (GHG) emissions by 2050 at the latest. 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).

Ambitious climate regulations are an important enabler for companies to align their commercial activities with science-based commitments and the Paris agreement targets. Such regulations create a level playing field for all competitors, reduce uncertainty and drive innovation.

Storebrand AM's position on lobbying, in the context of climate policy, is that 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.

"Transparency on lobbying by companies and by the third-party associations funded by companies, is therefore important information for investors such as us. Climate lobbying disclosures indicate the whether the company's business plans and commitments are in fact in line with its stated transition plan, and can expose potential reputational and legal risks.

Lobbying misaligned with science-based policy

A significant gap remains between the current plans and actions of many of the world's largest companies, and alignment with the pathways implied by national commitments to the goal of the Paris Agreement. In some situations, investors are not even able to properly assess the situation.

Toyota is the world's largest carmaker, in a critical sector for the net zero transition. Transportation is the third largest source of greenhouse gas (GHG) emissions globally, with global GHG emissions from road transport increasing by 15% from 2010 to 2019, and the majority of transport emissions coming from road vehicles.

Summary

- Storebrand excluded Toyota Motor Corporation from investment in Q2 2025
- Based on lobbying against climate regulations and policies
- Exclusion follows 4-year engagement, including attempt to raise shareholder resolution in 2023
- Storebrand sold off Toyota shares valued at NOK 850 million as of 31st May, 2025

However, analysis shows that global automakers have operated as powerful influencers against climate policies required to meet Paris Agreement goals for road transport: the majority of major automakers conduct global climate advocacy that is misaligned with science-based policy. Over time, Toyota has remained the worst performing in this analysis, continuing to lead automotive opposition to climate regulations in multiple regions. These activities contribute to systemic risk, with Toyota's lack of transparency over the activities compounding the risk by leaving investors unaware of materially critical activities that the company is undertaking.

Failure to meet expectations

Storebrand AM initiated a structured engagement with Toyota more than four years ago. In this engagement, we documented to Toyota our expectations to companies, that: when companies engage with public policy makers, they will support cost-effective policy measures to mitigate climate change and nature loss risks and support an orderly transition to a low carbon and nature positive economy. We believe that companies should be consistent in their policy engagement in all geographic regions and that they should ensure any engagement conducted on their behalf or with their support is aligned with our interest in a safe climate, in turn protecting the long-term value in our portfolios across all sectors and asset classes. In our dialogue with the company, we requested Toyota to disclose its climate policy engagement, in order to ensure that it supports an orderly transition to a low-carbon economy.

Despite some improved transparency, Toyota Motor Corp. (Toyota) has continued to actively lobby against climate-related regulation and policies. The company has opposed regulations that phase out internal combustion engine (ICE) vehicle sales; and has led negative lobbying efforts against policies to promote battery electric vehicles in numerous jurisdictions globally. In addition, the company continues to employ their industry associations, where they hold central positions, to aggressively push back on ambitious climate rules globally. This has continued during Storebrand AM's 4+ years period of dialogue and escalation of dialogue with Toyota on their climate lobbying activities.

Toyota's failure to meet these expectations eventually led to our co-filing a shareholder resolution at the company's Annual General Meeting in Q2 2023 AGM. There, Storebrand AM filed the first-ever climate-related shareholder resolution in the history of Toyota Motor Corporation, aiming to protect and enhance long-term shareholder value. However, due to the voting structure and procedures of the company, the resolution unfortunately did not succeed.

Toyota excluded in Q2 2025

Storebrand AM considers exclusion to be a last resort, and only applies this action only when it is clear that the company in question is not capable, or willing, to meet out investment standard.

Following the lengthy engagement and the lack of sufficient progress and indications that Toyota would not be likely to achieve the expectations we laid out, we decided to exclude the company from our investment universe, in accordance with our exclusion policy and our exclusion criteria for climate lobbying.

We have informed Toyota of our decision to conclude the engagement and of the sale of our position in the company. The exclusion, which was effective as of end-Q2 2025, involved the sale of shares in Toyota valued at NOK 850 million as of May 31st, 2025.

Furthermore, as is our standard practice with companies excluded due to breaches of our exclusion policy, we have outlined to Toyota Motor Company, the conditions under which the company could be considered for re-inclusion in our investment universe. In Toyota's case, these would be:

1. A third-party-disclosed report, and an elaboration of the methodology used to review Toyota's assessments and what constitutes alignment or misalignment and disclose whether the review finds an overall alignment on the positions reviewed.

2. Reporting on Toyota's engagement activities in all key markets, including markets such as the US, Europe, and Australia. We believe the assessment should apply to all relevant climate engagement across geographies.

3. Detailed review of its own climate policy engagement and report on how this aligns with a scientific pathway to meet the goals of the Paris Agreement.

References

Toyota climate lobbying dialogue stalls, 23-08-2022

Joint statement on Toyota AGM, 16-6-2023

Voting Case: Toyota Voting Escalation, Storebrand Asset Management Sustainable Investment Review Full Year 2023, page 65

Photo: Unsplash

Storebrand AM excludes Rio Tinto PLC and Rio Tinto Ltd

Decision based on deforestation impact of mining project in the Amazon

Storebrand Asset Management has excluded the companies Rio Tinto PLC and Rio Tinto Ltd (Rio Tinto Group) for breaching the deforestation criterion in Storebrand's Exclusion Policy.

The decision is based on Rio Tinto's participation in the joint venture Mineração Rio do Norte (MRN), which operates a bauxite mine in the Saracá-Taquera National Forest in the Brazilian Amazon and is planning to expand the mine with effect from 2026. The expansion of the mine is planned to cover around 100 square kilometres, of which approximately 64 percent would be completely deforested during the project's lifespan. The deforestation would contribute to loss and fragmentation of extensive areas of intact tropical rainforest, within one of the most important areas for biodiversity globally.

Rio Tinto is a global mining company with a dual-listed corporate structure, managed as a single economic unit. Rio Tinto PLC and Rio Tinto Ltd are listed on the stock exchanges in London and Australia, respectively. MRN is a joint venture between Rio Tinto (22 per cent), Glencore (45 per cent) and South32 Ltd (33 per cent). Storebrand generally considers all participants in a joint venture responsible for its business activities. Glencore and South32 are both already excluded from investment by Storebrand Asset Management, but deforestation is now added to the grounds for exclusion.

Announcing the exclusion, Vemund Olsen, Senior Sustainability Analyst, Storebrand Asset Management noted: "Deforestation causes systemic risk to the global economy and financial risk in our portfolios. Tropical rainforests provide ecosystem services which society and the economy depends on. Intact Amazon rainforest areas must be off-limits for mining activities, or else we risk pushing the Amazon beyond its tipping point."

Deforestation as part of Nature engagement theme

Our focus on deforestation is part of engagement theme on Nature. 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 the Science-Based Targets Network (SBTN) and the Taskforce on Nature-related Financial Risks (TNFD).

Storebrand's deforestation commitment

Storebrand's Deforestation Policy, issued in 2019, includes the ambition to eliminate commodity-driven deforestation from our investment 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.

Our main lines of action are screening for and disclosure of portfolio exposure to deforestation risk, engagement with companies to reduce deforestation in operations and supply chains, policy dialogue in favour of laws and regulations that protect forests, and exclusion of companies engaged in direct deforestation.

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

Summary

- Storebrand excluded Rio Tinto PLC and Rio Tinto Ltd (Rio Tinto Group) from investment in Q2
- Based on breach of deforestation criterion in Storebrand's Exclusion Policy
- Related to bauxite mining project in Brazilian Amazon
- Storebrand AM sold off shares valued at NOK 195 million as of 31st May, 2025

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.

Exclusion is used as a last resort, when companies are unwilling or unable to take necessary steps to cease or avoid deforestation.

Olsen also noted at the time of the exclusion that: "A major factor in our decision was that the mine area scheduled for deforestation is located in currently intact, old growth, highly biodiverse rainforest. MRN's expansion of the mine will result in the deforestation and degradation of one of the most biodiverse areas on Earth, not only in the mining area but also in the surrounding forest. This would have massive negative impacts on biodiversity, probably including many species not yet described by science. While engagement is our preferred tool as an investor, in this case it makes no sense to engage on the quality of restoration efforts, when we know that it may take hundreds of years to restore these areas to their original state, if that is at all possible. The only valid goal of engagement would be to convince the companies to refrain from expanding the mine into intact forests."

Exclusion based on deforestation from mine expansion

Storebrand considers MRN's mine expansion project in the Saracá-Taquera National Forest (STNF) to be a clear breach of Storebrand's deforestation exclusion criterion. The project entails large-scale clearing of intact and highly biodiverse tropical rainforest, which counteracts the Kunming-Montreal Global Biodiversity Framework's target of reducing the loss of areas of particular importance to biodiversity. Storebrand holds the view that the only way to prevent irreparable damage to this high conservation value rainforest ecosystem would be to refrain from expanding mining operations.

While MRN has plans in place for replanting deforested areas after mining is complete, it is our opinion that the restoration program is unlikely to succeed in restoring this globally important ecosystem to anything like its original state. While rehabilitation can be a positive initiative in already degraded areas, it is not adequate to mitigate the damage caused by the clearing of intact old growth rainforest.

Background

In November last year, the Council on Ethics for Norway's Government Pension Fund Global (GPFG) **recommended the exclusion of Rio Tinto** from investment by the GPFG, due to an unacceptable risk that the company contributes to severe environmental damage. While the board of Norges Bank decided to not follow the Council's recommendation to exclude, instead asking Norges Bank Investment management (NBIM) to engage Rio Tinto through active ownership, Storebrand Asset Management agrees with the Council on Ethics' assessment of the case and its recommendation to exclude Rio Tinto PLC and Rio Tinto Ltd.

Company response

Storebrand contacted Rio Tinto in May 2025 to ask for the company's opinion on the recommendation by the Council on Ethics, expressing concern about the severe impact on intact tropical rainforest expansion of the mining area will have, and asking for confirmation of whether MRN plans to move ahead with the project. Rio Tinto confirmed the expansion plans, and pointed to MRN's reforestation plans as a satisfactory mitigation of the project's environmental impact.

As explained above, Storebrand does not consider rehabilitation to be sufficient mitigation of the environmental damage caused by this project. To be removed from Storebrand's exclusion list, Rio Tinto should commit to using its influence within the MRN Joint Venture to halt any further deforestation in the STNF, or exit the Joint Venture.

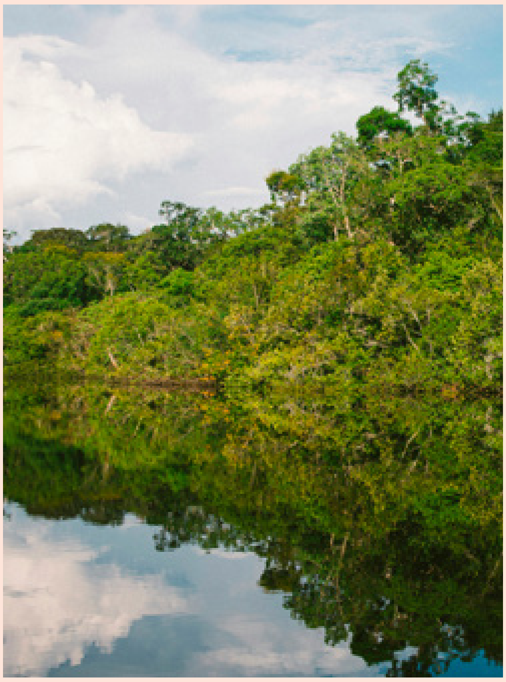


Photo: Unsplash

References

Storebrand Asset Management Deforestation Policy, Updated 20th, October 2023

Government Pension Fund Global, Council on Ethics Recommendation on Rio Tinto PLC and Rio Tinto Ltd 11th May, 2025

Team

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 Guarantee Agency (GIEK – now Eksfin), 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.

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, Isciel worked for the Norwegian Ministry Climate and Environment, on multi-lateral environmental agreements, advising the government on sustainability policies and strategies and leading the implementation of the world Sustainable Development Goals (SDGs). Isciel has worked for the United Nations and provided technical advice and content to the SDGs. She holds an MA in Political Science from the University of Oslo and has studied at the University of Cape Town, New York University and the Harvard Extension School.

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 nominationcommittees. Prior to joining Storebrand, Victoria has 7 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 the Stockholm Resilience Centre.

Tulia Machado-Helland

Head of Human Rights and Senior Sustainability Analyst

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.

Vemund Olsen

Senior Sustainability Analyst

Olsen joined our sustainable investments team in 2021. He was previously Special Adviser for Responsible Finance at the 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.

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 a M.Sc. in Business Administration from Linköping University, with a major in finance.

Tara Kawkabishad: the quest for solutions

A trainee's perspective on sustainable investment at Storebrand AM

Storebrand re-introduces its corporate management trainee program. In this interview, Tara Kawkabishad, one of the first participants, shares her insights into life at Storebrand, the challenges of solutions investment, and her quest to find opportunities to drive meaningful change though working in finance.

Welcome Tara. You joined Storebrand after finishing a degree at NHH Norwegian School of Economics, where you had a very prestigious scholarship – can you please tell us a bit more about that?

During my master's degree studies at NHH, I explored the maritime sector through both my thesis and a course called "Commodity Trading and Transport", which gave me a deeper understanding of the shipping industry's role in global value chains. My thesis[1] focused on seafarer attrition and marine insurance, which helped me see how operational risks and workforce dynamics can influence financial outcomes in complex industries. Based on this. I was also honoured to receive a scholarship from the Norwegian Shipowners' Association in recognition of this work.

This was a deep dive in a particular area, but it's of very practical relevance in investment: when researching a company, it's important to look at the full picture—not just what the company produces, but how it brings its products to market. If a company is globally exposed, the way it transports its goods can have a significant impact, both financially and environmentally. Understanding this part of the value chain helps give a more complete view of the business model and whether the company can truly be considered a scalable and sustainable solution provider.

It's a little while now into your time at Storebrand - what led you to make the choice to come onboard?

I've always had a deep passion for finance and sustainability. I find it fascinating how financial tools and strategies can be used to create value and drive innovation. At the same time, I care deeply about sustainability and finding solutions that contribute to a better society. For me, it's not just about returns, but about the direction in which capital is moving the world.

When I learned more about Storebrand, it became clear that this is a company that truly excels at combining financial expertise with a strong commitment to responsible investment. They're not just participating in the market; they're shaping it in a way that aligns with long-term societal and environmental goals. That made the decision to join Storebrand an easy one.

So where has your journey in the Storebrand group's corporate management trainee program taken you so far, in terms of getting experience across different areas of the company?

My first rotation was in our Investment Control and Analytics team, where I gained a solid foundation in the operational side of asset management.

In my current rotation with the Solutions Team, I've had the opportunity to dive much deeper into the core of investment management. I've learned how investment decisions are made, not just from a financial perspective, but also through a thematic lens. One of the most valuable lessons has been understanding how to identify companies that qualify as 'solution companies', those that actively contribute to solving global challenges, and how to assess their scalability and financial strength within a portfolio.

This experience has also sharpened my ability to think critically about how sustainability themes are integrated into investment strategies. Being part of a portfolio management team has given me a front-row seat to how ideas are developed, challenged, and refined, both through data and dialogue. It's been a steep learning curve, but incredibly rewarding to see how strategic thinking, financial analysis, and impact considerations come together in real investment decisions.

Could you tell us more about your current role in the Solutions team?

I feel incredibly grateful to be working alongside such skilled and experienced colleagues in the Solutions Team.

My role involves a range of responsibilities, all of which are grounded in company research and thematic investment work. I contribute to identifying companies that align with specific sustainability themes, and this research supports several key tasks. For instance, I've been developing thematic one-pagers on selected portfolio companies — materials that are used in client communication to explain how each company contributes to a broader theme, while also highlighting their financial fundamentals.

I'm also currently writing a whitepaper on the circular economy, where I explore how this theme is evolving and how it translates

"It's been a steep learning curve, but incredibly rewarding to see how strategic thinking, financial analysis, and impact considerations come together in real investment decisions."

into investable opportunities. In addition, I support the team by applying my coding skills, particularly in Python, to assist with internal models and data analysis.

What ties all of this together is the focus on understanding what makes a company a true solution provider. That means evaluating not only its thematic relevance, but also its scalability, financial strength, and long-term potential. Much of this work happens in close dialogue with the portfolio managers, which has given me valuable insight into how thematic ideas are shaped into real investment strategies.

At first glance, what stands out to you as the biggest challenges and opportunities in this area of investment?

One of the biggest challenges is that there's rarely a perfect company that solves a global problem in a clean, straightforward way. Real-world solutions are often complex, and investing in them requires navigating trade-offs, between impact and scalability, between innovation and financial stability, and sometimes even between short-term performance and long-term potential.

That said, this complexity is also what makes the work so meaningful. The opportunity lies in identifying companies that are genuinely contributing to positive change, even if they're not perfect. It's about understanding the nuances, how a company's core business aligns with a sustainability theme, how scalable its solution is, and whether it can deliver both impact and financial value over time.

You recently published some insights on the EU Clean Industrial Deal - have you been analysing other aspects of EU regulation?

Yes, alongside my work on the EU Clean Industrial Deal, I've also explored broader EU policy developments such as the REPowerEU Plan and Germany's infrastructure package. These frameworks have provided useful insight into how regulation is evolving to support energy security, industrial competitiveness, and the green transition.

In particular, energy security has been a recurring theme. According to the International Energy Agency (IEA), energy security refers to the uninterrupted availability of energy sources at an affordable price, both in the short term, responding to sudden changes in supply and demand, and in the long term, ensuring timely investments to meet future energy needs[2]. Through this work, I've gained a broader understanding of how policy can influence investment flows, shape value chains, and create new opportunities for companies operating in Europe.

In what ways do you think this particular rotation in the corporate management trainee program will prepare you for addressing the evolving needs of clients and the company?

This rotation has given me a deeper understanding of how thematic investment strategies are developed and communicated, both internally and to clients. Working closely with highly skilled portfolio managers has helped me see how client needs, sustainability themes, and financial performance are integrated into real investment decisions.

I've also had the opportunity to contribute to research, regulatory analysis, and client-facing materials, which has strengthened my ability to translate complex topics into clear insights. I believe this will be important as clients look for more tailored, transparent, and impact-driven investment solutions.

Overall, I'm very grateful for this rotation, as it's helped me build a broader perspective on how to align client needs with the company's strategic goals, in a rapidly changing market landscape.

Related content

Energy Security: The Key to Europe's Sustainable Future?
https://www.storebrand.com/sam/uk/asset-management/insights/solutions-spotlight-blog/solutions-spotlight-folder/Energy-Security-The-Key-to-Europes-Sustainable-Future

Global Solutions whitepapers
https://www.storebrand.com/sam/uk/asset-management/insights/whitepapers

Active Solutions
https://www.storebrand.com/sam/no/asset-management/offerings/equity-funds/active-solutions

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[1] Seafarer Attrition and Marine Insurance Claims; Kawkabishad, Tara; Kuchroo, Prav Kowshik ; https://openaccess.nhh.no/nhh-xmlui/handle/11250/3158944

[2] Energy Security – Topics - IEA

In the media

Photo: Unsplash

Roundup

In the media

Kan ansvarlige investeringer virkelig gjøre en forskjell – eller er det bare en myte? (Can responsible investments really make a difference – or is it just a myth?)

I Loopen Podcast, 7 May 2025

In a panel discussion hosted by Deloitte on its Norwegian-language podcast I Loopen, Storebrand AM Senior Sustainability Analyst Vemund Olsen joins peers from KLP and Norges Bank Investment Management, to explore questions around navigating the complex landscape of responsible investment, in a period marked by climate crisis, war and global macro changes.

Norska finansjättarnas hårda kritik mot svenska skogsbolagen: "Låt skogen vara ifred" (Norwegian finance giants' criticism of Swedish foresty companies: "Leave the forest alone")

Dagens Nyheter, 8 May 2025

In an interview with Swedish newspaper Dagens Nyheter, Storebrand AM CEO Jan Erik Saugestad commented on the intention of Swedish forestry companies SCA and Holmen to cease FSC-certification of their Swedish forestry operations. Saugestad argued that the Forestry Stewardship Council (FSC) is widely recognized as the leading standard for sustainable forestry, and that ceasing certification would reduce confidence among clients and investors that forests are managed sustainably.

Storebrand AM says it is "well positioned" for flight from US assets

AM Watch, 8 May 2025

AM Watch features an extensive interview with Storebrand AM CEO Jan Erik Saugestad, who notes that consolidation and growth, along with cost efficiency and scalability, will remain a key theme for most asset managers in 2025. Saugestad also emphasises that the underlying challenges such as climate change and biodiversity loss, remain real and pertinent investment factors.

Kaster ut flere selskaper enn Oljefondet (Excluded more companies than the Oil Fund)

Klassekampen, 19 May 2025

A major Norwegian daily newspaper assesses the Norwegian sovereign wealth fund's exclusion decisions on companies that are contributing to the Israeli occupation of Palestine. When compared with similar decisions made by Storebrand and another Norwegian financial company, the findings reveal that both companies have excluded more companies on such grounds. The article concludes by questioning whether the Oil Fund should make its ethical guidelines stricter than is currently the case.

ESG round-up: Investors outline expectations on human rights in conflict-affected areas

Responsible Investor, 21 May 2025

This news update highlights the recent collaboration by a group of 20 investors, including Storebrand AM, which set out expectations for companies to adopt and implement human rights policies and practices in Conflict-affected and high-risk Areas (CAHRA).

Big read: Are Investors cutting down on deforestation in portfolios?

Responsible Investor, 21 May 2025

On World Biodiversity Day, Responsible Investor reviewed the status on investor commitment and engagement efforts, data challenges and the impact of the EUDR. The analysis includes comments from Storebrand AM's Senior Sustainability Analyst Vemund Olsen, who emphasises that making best efforts on eliminating deforestation from portfolios requires a commitment to continued engagement even beyond the 2025, which the Financial Sector Deforestation Action (FSDA) investor group had initially staked out as a target date for achieving the goal.

Investor interest in climate risk is not waning

FT Sustainable views, 25 June 2025

An op-ed penned by Storebrand Head of Climate and Environment Emine Isciel points out that despite the attention given to the political backlash on sustainability, investors are more concerned than ever about climate risks, and are driving a push for higher standards of disclosure; on climate risk and on corporate policy engagement and lobbying.

Storebrand dumps holdings in Toyota – points out lobbying

Aktuell Hållbarhet, 11 July 2025

Bonnier's Business Sustainability magazine reports on Storebrand AM's excluding the carmaker Toyota from investment, based on the company's lobbying against climate regulations and policies, and its lack of transparency on the issues.

Uncertainty and 'bad signal': Investors react to EUDR rollback risk

Responsible Investor, 23 July 2025

A review of investor concerns over moves to simplify the EU Deforestation Regulation (EUDR), as well as the possible inclusion of the rules in the Omnibus planned by the European Commission. Vemund Olsen, Senior Sustainability Analyst at Storebrand AM, is quoted noting our concern about the recent developments and suggestions regarding the directive, and emphasizing our belief that the EU should uphold the EUDR's high standards and avoid eroding its credibility and effectiveness.

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