Sustainable Investment Review Q3 2023

Storebrand Asset Management

BLE IN

11 Climate Action
Jan Erik Saugestad on how disclosures can boost investment

12 Climate Action
Emine Isciel previews expectations for COP 28

28 Active Ownership
Nature Action 100 begins engagement process

42 Team
Ellen G. Andersen reflects on managing the Equal Opportunities fund

S

In this issue

3 Foreword
Kamil Zabielski

4 In brief
Events and awards

In focus / Climate action

7 Summary
Why climate action matters

8 Update
Jan Erik Saugestad on Storebrand's nature and climate targets

10 Opinion
Buzzing bees join Wall Street Bulls and Bears

12 Opinion
Emine Isciel on private capital for a net zero and climate resilient world

13 Opinion
Regional insights into how Store-brand's clients view climate investments

Solutions

21 Opinion
Sunniva Bratt Slette on cracking the clean air code

24 Event reporting
The Solutions team meets NKT

26 Opinion
Anna Jönsson questions why the financial industry failing to attract more female managers

Active Ownership

28 Update
Letters sent to 100 companies on nature and biodiversity loss

30 Roundup
Updates on deep-sea mining, a new PRI collaboration and Finance for Biodiversity

31 Engagement data
Engagement key figures Q3 2023

34 Voting data
Voting key figures Q3 2023

Exclusions

39 Update
Key figures and exclusions

Team

42 Interview
Portfolio Manager Ellen G. Andersen reflects on her experiences for far with the Equal Opportunities Fund

Roundup

45 Media
Storebrand Asset Management in the news

46 Looking ahead
Preview of selected upcoming sustainability events

In focus / Climate action

Stepping up the pace on meeting targets and commitments

Rising urgency for action on climate

We're once again being reminded of the climate challenge that we all face. The UN research institute UNU-EHS has just published Interconnected Disaster Risks, a new report that lays out the severity of several climate related threats that we face. The report grimly outlines the current situation, namely that we are on course to hit several potential environmental tipping points.

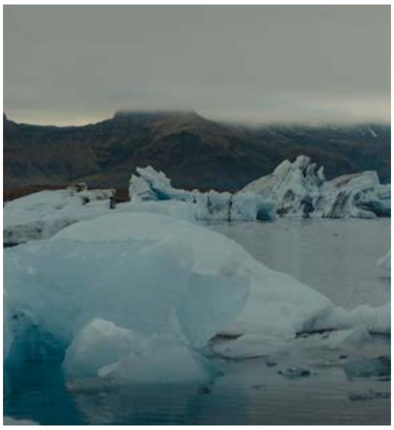
With that backdrop, we take some time in this edition of our Sustainable Investment Review to examine the need for, and the role of the finance sector, in taking action on climate change. As our CEO **Jan Erik Saugestad** emphasizes in presenting our climate report, the transparency of our efforts is important. Responsible investors will also get a boost from the latest guidance on corporate disclosures on nature, he notes.

The upcoming COP28 climate talks take on a heighted level of importance. Our Head of climate **Emine Isciel** previews the issues for us. We also take some time to gather views around various regions on how clients view climate investments.

Our Solutions team provides perspectives on investment in companies that offer solutions which contribute to the achievement of the UN SDGs. Included among these is a trip report from a site visit to a Swedish company that is benefitting from the focus on expanding renewable energy production.

Elsewhere, we celebrate recognition received by our Real Estate and Emerging Markets Plus funds, and take a look at our participation in several sustainability events. And last but not least, we offer updates on our active ownership and exclusions activities.

You'll find these and many more updates on our sustainable investment activities in this edition. We hope you'll find it interesting and informative!



"The report grimly outlines the current situation, namely that we are on course to hit several potential environmental tipping points."

Kamil Zabielski,
Head of Sustainable Investment

In brief

Event

ESG state of affairs

In September, SAM CEO Jan Erik Saugestad participated in a panel discussion at Position Green's launch event for its ESG100 report, which ranked the 100 biggest companies in Denmark, Norway, and Sweden, based on their ESG data and disclosure health. Storebrand was awarded an A score on its ESG reporting, ranking it 12th highest of the 100 companies evaluated.

Saugestad took part in the panel session "Going green: Norway vs. U.S.," alongside the CEO of Pareto Securities, Christian Jomaas and the U.S. Ambassador to Norway Marc B. Nathanson. The discussion centered on the differences in the regulatory and political environments of the U.S. and Norway regarding ESG in investment; and the effects of U.S. Inflation Reduction Act for the U.S. and Norway.

There was a shared perception that despite a backlash, ESG would remain a part of the US investment landscape. There was also a consensus on the need to act on imperfect data to work towards ESG goals while encouraging the refinement of data and methodologies.

Read the full ESG100 report

→ Jan Erik Saugestad in a panel discussion with Marc B. Nathanson, US Ambassador to Norway, and Christian Jomaas, the CEO of Pareto Securities

Recognition

Morningstar top ranked

In Morningstar's most recent "Fund Family 100" analysis, Storebrand Fonder in Sweden was ranked first in the category for percentage of Article 8 and 9 funds, with satisfactory results in all other categories. In this analysis, Morningstar evaluates fund management companies and their parent organizations on criteria such as capacity management, risk management, talent recruitment and retention, incentive policies, with the objective of identifying companies with genuine management culture focused on long-term perspective.

GRESB property sector leader

Storebrand was awarded "Sector Leader" status for the Norwegian fund Storebrand Eiendomsfond Norge KS (SEN) and the Swedish fund SPP Fastigheter AB, in the 2023 GRESB Real Estate Assessment for the Standing Investments Benchmark. The funds were ranked first and second respectively among 311 portfolios globally in the category "Diversified /Non-listed/Core". Storebrand's two other real estate portfolios also received high scores and 5-star ratings, meaning they are among the top 20 per cent. GRESB is an investor-driven benchmark within real estate and infrastructure, covering ESG factors in on the property management and performance dimensions.

First private equity sustainability report

Cubera, our private equity boutique, recently published its **sustainability report**. The report details how Cubera works with ESG across its four investment strategies, as well as quantified data on gender and climate indicators. Cubera's carbon footprinting results show that the carbon investment intensity of Cubera's portfolio (26.6 tCO2e/$1mm) is considerably lower than that of the MSCI Europe index (129.1t/$1mm).

Events

Climate Week NYC Roundup

Storebrand Asset Management was represented at New York Climate Week by Emine Isciel, Head of Climate and Environment. Isciel participated in the launch event for the TNFD's final recommendations, which mark a turning point for nature-related disclosures in the financial sector.

As part of the Climate Week programming, Isciel also participated in a panel discussion on deforestation, sharing Storebrand's ongoing work with companies and governments to address deforestation-related risks and opportunities. In a context where deforestation accounts for at least 10% of global GHG emissions, we believe it is important to work with our peers to raise awareness on deforestation risks and encourage transparency on the part of companies and financial institutions.

European Business and Nature Summit

Storebrand Asset Management´s CEO Jan Erik Saugestad recently participated in the opening high-level policy and business dialogue at the European Business and Nature Summit in Milan. Saugestad represented the **Finance for Biodiversity** (FfB) Alliance, announcing onstage the arrival of 14 new FfB signatories, bringing the number of financial institutions formally committed to the FfB to 153 members. Saugestad also explained why biodiversity is financially material to investors, and that regulation on disclosure and management of nature risk is crucial for the financial sector. He also detailed Storebrand's strategy for assessing and reducing the impacts of our investments on nature and biodiversity.

Event

Future of ESG Data

Senior Portfolio Manager **Lars Qvigestad Sørensen** of Storebrand featured in a panel segment of Environmental Finance magazine's "Future of ESG Data EMEA 2023" event in London this October.

The panel, titled " Exploring the data challenges associated with supply chains and Scope 3 emissions", included Lennart Hermans, Head of Environmental Research at Osmosis Investment Management as well as experts from the sustainability data tech companies Clarity AI and ICE.

Sørensen shared Storebrand's experiences in this area. The panel focused on the data challenges associated with supply chains and Scope 3 emissions.

Some of the questions covered in the discussion included:

- The data gaps in supply chains; tools and metrics being developed to address these gaps; and the best efforts being made in the meantime
- How supply chain monitoring be can improved, to support data capture and ESG reporting
- Sharing best practices and challenges in Scope 3 emissions disclosure reporting: the data is currently available; and what must happen to improve the quality and reliability of data.

In focus / Climate action

CLIM

Stepping up the pace on meeting targets and commitments

Climate Action

↑ Decarbonization efforts will be central to climate action.

With the **COP28 climate change conference** just around the corner, we dive in to explore the role of finance in enabling transformative action on climate change.

For several decades, countries have met annually at the COP climate change conferences, to work together on responding to the threat of climate change: by identifying climate measures, setting targets, and assigning responsibilities. The COP conferences have a cascading effect, setting the stage for each country to implement national policies that influence how all sectors in society, including finance, can help solve climate change. The 21st of these COP conferences resulted in the landmark "Paris Agreement", where the nations set a target of limiting global warming to no more than 1.5°C.

At the upcoming COP28 conference in to be held in Dubai, UAE, the stakes have never been higher. Going into the conference, the latest studies show that the world is **exceeding planetary boundaries and failing to take action** on the climate crisis. Globally, we are also **falling short** on metrics such as the UN Sustainable Development Goals (SDGs) that encompass climate action as well as the social and human development commitments that are crucial for enabling action on the climate transition.

Central to climate action, will be decarbonization efforts. As U.N Secretary General **described the situation** while addressing the U.N. General Assembly in September, "...the move from fossil fuels to renewables is happening — but we are decades behind."

Another key piece in the climate action puzzle involves the efforts to halt and reverse nature loss and deforestation. During more than a decade of engagement on this issue, our experience at Storebrand is that it is a complex and systemic one, requiring the engagement of a critical mass of participants across sectors, from governments to NGOs, investors and corporations for attaining tangible, significant effect. We have made significant commitments in this area. As noted in our recent progress report on climate and nature, a June 2023 evaluation ranked Storebrand among the top in compliance with the commitments of the Finance for Biodiversity pledge.

However, there is no viable path to meeting the 1.5°C target without implementing social actions that ease the transition for people. This "just transition" to a net zero economy requires coordination and collaboration between sectors to reallocate jobs and ensure that social rights and nature are structurally preserved within climate action initiatives.

So, in this edition, ahead of the COP28 conference, we seek to explore the gaps in climate action, and detail the role that sustainable finance can play to help bridge these gaps, and demonstrate the actions that Storebrand is taking in this area. We also pinpoint some of the key decisions to be made at COP28, assess the likely outcomes, and review the potential implications from an investment perspective.

Storebrand report on nature and climate targets

When I joined Storebrand Asset Management in 1999, we were an early mover on sustainable invest-ment. We established the first sustainability team in 1995 and be-came a founding signatory of the Principles for Responsible Investment in 2006. In 2020, we co-created the Investor Policy Dialogue on Deforestation involving 90 investors with more than USD 10 trillion in assets under management. Last year, we represented Finance for Biodiversity in the negotiations at CBD COP 15 in Montreal.

We have been at the vanguard of a movement that is now redefining the practice of investing.

Sustainable investments used to be a space for NGOs and investors like us with strong commitments and long-term perspectives, but we have experienced a growing commitment to sustainable investments over the past years despite some setbacks.

We are committed to helping our clients achieve strong risk-adjusted returns and we believe integration of sustainability data and perspectives will help us do so. Through this, as a responsible shareholder and investor, we will also contribute to a better world and a more sustainable future. More than ever, we are determined to play our role in transition: decarbonising the economy, protecting biodiversity and supporting inclusive growth. These strong convictions permeate our strategic plan for the coming years and will allow us to pursue our objective of generating long-term sustainable investment returns for our clients.

Commitments must equate to action. The effects and continued support of our work may be limited if we cannot track progress. Our clients deserve transparency and clarity about how their capital is invested and what we achieve. For this reason, we have developed our first progress report on nature and climate to document our progress against our commitments. And while we are proud of the progress we have made in delivering more sustainable investment, we are aware that there is still a long way to go.

Jan Erik Saugestad
CEO Storebrand
Asset Management

↓ Storebrand Asset Management measures its perfomance relative to several climate and nature targets

Key commitments

Dimension	Commitment	2023	2025	2027	2030	2040	2050
1 Solutions	15% of AUM in solutions		●				
2 Emissions	Reduce portfolio emissions by 32%		●				
	Net Zero emissions						●
3 Science-based targets	42% of portfolio aligned with SBTi			●			
	100% of portfolio aligned with SBTi					●	
4 Biodiversity	Assess nature risk and set biodiversity targets		●				
5 Deforestation	Zero commodity-driven deforestation		●				

→ Visit our document library to [download our September 2023 Progress Report on Nature and Climate]

Buzzing bees join Wall Street Bulls and Bears

Text / Jan Erik Saugestad

TNFD progress on nature disclosures are a critical step forward towards solving biodiversity loss and climate challenge

Jan Erik Saugestad
CEO Storebrand
Asset Management

"The natural system is our most important and most valuable asset class. Yet we don't assign a value to it. We take its services and rely on it for free. We don't pay for those services, and we don't invest in it. This is where the problem lies."

— David Craig, TNFD Co-Chair

The launch of the final version of the Taskforce on Nature-related Financial Disclosures (TNFD) framework at the New York Stock Exchange during Climate Week NYC this September, has been undoubtedly a landmark moment for our industry and beyond. Biodiversity loss has been a breakthrough topic this year in within our sector, after what has been a long battle for many of us advocating for the issue.
But now, this issue is increasingly being understood to rank alongside climate change — and to be intrinsically linked to solving it -as areas of significant systemic risk for investors.

Four organizations initially partnered to create the TNFD: Global Canopy, the United Nations Development Programme (UNDP), the United Nations Environment Programme Finance Initiative (UNEPFI) and the World Wildlife Fund (WWF). Since September 2020, 74 members, including Storebrand, formed an Informal Working Group (IWG) in order to prepare the launch of the TNFD. This move arose from an urgent need to recognize that nature underpins the global economy — and that our economies are embedded within nature, not external to it. The purpose of TNFD is to establish a foundation for consistent and comparable assessment and reporting on nature by businesses worldwide.

The recommendations are modelled on climate disclosure guidelines developed by a separate task force in 2017, and are consistent with global sustainability standards of the International Sustainability Standards Board (ISSB), as well as the impact materiality approach used by the Global Reporting Initiative. They also align with Target 15 reporting requirements under the Global Biodiversity Framework approved last December in Montreal. The TNFD recommendations are consistent with emerging global standards, and take a materiality approach that allows companies to simultaneously understand how their activities are affecting the loss of biodiversity, as well as how that loss can create economic risk for their businesses.

While climate disclosure revolves around a shared standard for measuring and reducing carbon emissions, the Greenhouse Gas Protocol, and a single metric of CO2 equivalent per ton, nature reporting can cover a multitude of topics that have no commonly used measurement standards. More than 2,000 nature-related metrics are in use today, according to TNFD. But these have been compiled down to 14 core metrics (nine on dependencies and impacts and five on risks and opportunities) that apply to all sectors. In addition, the TNFD is developing core sector-specific metrics and additional disclosure metrics for flexibility. Materiality, both single and double, is at the core of the TNFD's work.

Unlike climate, nature is a much more local phenomenon, making it easier to see the relationship between cause and effect and who is responsible for it, such as usage of the water table, farming the land, and natural resource extraction on land and sea.

The road ahead

Only 5 per cent of the nearly 400 companies analysed last year by the World Benchmarking Alliance understood their impact on nature. Worse yet, fewer than 1 per cent knew how much their operations depended on nature. The framework's launch is expected to spark widespread adoption across multiple industry sectors, aligning corporate financial strategies with environmental sustainability and reinforcing the importance of nature in the global economy. Based on a survey of current TNFD Forum members, 70 percent said they are ready to start disclosing nature-related issues by FY2025 or earlier, with an initial emphasis on governance factors.

We encourage businesses to take action now, as it is only a matter of time before these recommendations become requirements, as we are seeing with the TCFD. The European Corporate Sustainability Reporting Directive for Biodiversity and Ecosystems requires similar disclosures from 2025 (based on 2024). An estimated 60,000 businesses will be affected globally.

→ The new TNFD Recommendations can be downloaded at the TNFD website.

Money matters

Will COP 28 yield the policy commitments to unlock further private capital for a net zero and climate resilient world?

Emine Isciel
Head of Climate and Environment

"...we must switch gear from summits to solutions, aligning with the Paris Agreement has become a business case for most financial institutions ...."

If you want to understand the state of the world's climate efforts, follow the money. Only about 16% of climate finance needs are currently being met. To achieve net zero, a study by the Rockefeller Foundation and BCG in 2022 noted that public and private sector entities across the globe will need approximately US $3.8 trillion in annual investment flows through 2025. Yet, only a fraction of this capital is currently being deployed.

As it is often the case at every single COP, discussions and negotiations on climate finance are likely to be centre stage. Climate success requires that every dollar pulls in the same direction. We are not seeing this consistency.

Article 2.1(C) of the Paris Agreement calls for countries to make all "finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development." In other words, it calls for both private and public dollars to align with climate action. The Kunming-Montreal framework for biodiversity, moves in the same direction as Article 2.1(C) of the Paris Agreement. It calls on governments to set conditions that make sure business and finance "progressively reduce negative impacts on biodiversity, [and] increase positive impacts".

Eight years later, a strategy that aligns global financial flows with these goals is still needed. As we must switch gear from summits to solutions, aligning with the Paris Agreement has become a business case for most financial institutions. This endeavour involves taking into consideration the upcoming risks and opportunities which underpin climate change.

Understanding of climate risk in the financial system has advanced in recent years. Significant developments have included the creation in 2017 of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) to develop common approaches on climate-related risk management; the release, also in 2017, of disclosure recommendations by the Task Force on Climate-related Financial Disclosures (TCFD); and the 2022 publication of guidance on net zero transition plans by the Glasgow Financial Alliance for Net Zero (GFANZ). Many central banks, from China to South Africa to Mexico, are developing their own climate investment guidance, along with taxonomies defining the features of net zero-consistent assets.

Financial institutions are joining a growing number of initiatives to align their lending and investment flows with the Paris Agreement goals. Individual institutions from all over the world, including Storebrand Asset Management, are measuring climate impact, and have set climate alignment targets playing an important role in driving this alignment through the tools of capital allocation and engagement.

However, voluntary actions will show initial momentum but will not be sufficient to make financial flows consistent with climate action. The challenge is to scale up funding at the speed and scale which is needed. For this to occur, effective policies and regulatory certainty in line with limiting global warming to no more than 1.5° C, are essential for accelerating and scaling up private capital flows needed for a climate resilient, net-zero transition.

We have the potential to unlock further private capital for a net zero and climate resilient world by 2050. For such capital flows to occur, clear political signals from COP 28 — and regulatory certainty — is needed. Without major reform of the current financial system, it will be impossible to adequately build new zero-carbon energy, food, and transport systems.

Perspectives

Regional insights into how Storebrand's clients view climate investments

Sweden:

Anna Jönsson

CEO Storebrand Asset Management Sweden

Anna Jönsson has been recently appointed the CEO of the Swedish branch of Storebrand Asset Management. A certified Financial Analyst (CFA), Anna has worked in a number of roles in financial institutions. Here are her thoughts on the different client perspectives on climate investments.

How do your clients view climate-related investments?

This varies quite a lot depending on the type of clients. Public organisations such as municipalities, civic councils and workers unions have had climate as a central part of their investment strategy for almost ten years. They often wish to align their portfolio holdings with their climate ambitions in their own organizations.
Other client segments want to be universal owners or sometimes they can be more closely aligned with the fossil fuel sector. This is a bit more challenging but through robust scenario analysis and climate risk management around stranded assets and other factors, we are generally able to move their climate ambitions forward.

Are there specific segments that clients find more — or less — appealing, in different markets?

In Sweden it has become somewhat of a standard to not invest in the fossil fuel industry and focus on companies with solutions to the climate challenge. Clients are generally looking for better numbers around taxonomy alignment, as a means of measuring green solutions companies.

The past year has seen increased attention in transition companies, as there is a consensus around the necessity of transition in all sectors and a desire on part of our clients to be part of this. However, the general view is somewhat divided. Transition companies can be challenging to define and there is no industry standard yet — and we see clients fearing that they may make newspaper headlines because of an investment they made with good intentions but ends up being problematic.

What are some of the challenges that clients say they face in climate investments?

Shortly, measuring and reporting. In my experience, our clients want to do well by not financing the fossil fuel industry while contributing to the solution of climate challenges. With relatively little reliable data, it is challenging to make investment decisions and review these choices, evaluating whether our investments contributed in the way we hoped.

Another challenge is the trade-offs between creating a robust portfolio and making active decisions around climate, since the potentially promising niche strategies also tend to be quite volatile. In 2023 we were ranked number one overall by institutional clients in Sweden. This is a first for us, after being ranked second for three consecutive years, and we are excited to keep up this new level of performance in the future.

What are some of the success stories and what seems to be the common factor for these successes?

A success story is the launch of our Plus family of funds. These were established in 2016 as a joint endeavour between a Swedish municipality and us with some input from Naturskyddsföreningen, the Swedish Society for Nature Conservation. The outcome was the creation of equity funds betting on the fulfilment of the Paris Agreement while being passive on risk and return. Eight years later, we run six different strategies in four domiciles, which has proven to be part of the solution for clients that want core equity strategies that are active on climate.

If your clients could create a product from scratch, what would they want to have?

Well, if they have a great idea, I really hope they come to us with their ideas! Successful product development is a joint effort between our clients, us and sometimes other organisations as was the case with the Plus funds mentioned above. I often tell our clients to remember that they can have great impact this way. Generally, the ideas I hear today is more sustainable corporate credit funds as well as more sustainable alternative products like infrastructure or PE.

United Kingdom:

Lauren Juliff

Climate and Sustainability Lead, UK

Lauren Juliff is the UK Climate and Sustainability Lead. She has been in the asset management industry for more than twenty years, and understands the sector's sustainability journey, as well as the needs of institutional investors. Below is what she believes UK institutional clients need when it comes to climate investments.

How do your clients view climate-related investments?

Our clients have recognised that climate change is a financially material risk to their investments, affecting their ability to pay pensions to their beneficiaries. The UK regulator has compelled institutions to consider and manage ESG risks, specifically climate, and requires investors to report in line with TCFD.

We have been able to support investors on their journey to better understanding and mitigating climate-related investment risks in their portfolios as well as seizing the opportunities climate change mitigation presents.

Are there specific segments that clients find more — or less—appealing?

We find that clients are interested in the potential opportunities presented by solutions to climate change, but investor regulations focus heavily on decarbonisation metrics, as opposed to increasing green revenues — and this can be counterproductive to 'Paris alignment'. We also find that clients are beginning to recognise the failings of climate aware index funds, such as Paris-aligned benchmarks (PABs) and are seeking more sophisticated, risk managed solutions.

What are some of the challenges that clients say they face in climate investments?

Our latest research has focused on the requirement for clients to report Scope 3 emissions and some of the challenges this presents. In particular, it can lead to a misrepresentation of risk in certain areas, such as climate solutions investments, if so called 'Scope 4' emissions (avoided emissions) are not considered.

Clients are also challenged with higher reported emissions in emerging markets. We are currently writing a whitepaper about the fact that the Paris alignment principle of "common but differentiated responsibilities" for rich vs poorer nations are not represented in portfolio decarbonisation strategies. Emerging markets can present a breeding ground for climate solutions investments which are often missed when decarbonisation is the main objective.

What are some of the success stories and what seems to be the common factor for these successes?

We have been fortunate to win a number of awards lately for our work on climate aware investing. The common factor in these awards is the management and delivery of our climate aware equity fund range, the 'Plus Funds'. Our strategies are differentiated in the way they are managed by a climate specialist who understands climate science, policy and - importantly — the impacts of climate data in portfolio construction.

Another common factor has been our ability to help clients with understanding climate risk and data challenges through our whitepapers and presentations at events. We think it's crucial to continue researching and writing about climate-related investment risk, and to feed our research back to investors, regulators and policymakers. The main success story for us, though, has been maintaining and continuing to expand our international client base through a difficult period for climate aware portfolios, while fossil investments have been outperforming. It shows that our clients understand and appreciate our long-term focus and the approach we take to delivering Paris aligned portfolios.

If your clients could create a product from scratch, what would they want to have?

Our clients need to pay pensions, so fiduciary duty is key. This is why they choose Storebrand — we are focused on financially material risks presented by E, S and G, and we have developed products that meet specific client needs. I think ultimately our clients want to deliver strong returns to their beneficiaries without negative impacts to the environment or society — it's a challenge, and there are certainly no perfectly sustainable portfolios in that regard, but we do our best to understand the risks, be transparent and evolve the approach over time.

Finland:

Teresa Platan

Director Institutional Clients, Nordic Distribution

Teresa Platan is the director for institutional clients in Nordic distribution and she is based in Finland. Her previous experience, on the asset owner side, as well as her board membership in Finsif, gives her a strong grasp on the needs and desires of Storebrand's clients. She shares these much-needed insights on the Finnish investor scene below.

How do your clients view climate-related investments?

Many investors have set carbon neutral targets for their portfolios. The most ambitious ones, a few universities, target to be net zero by 2030. Others have set 2035 or 2045 as a target and some state their ambition is to decarbonize their investment portfolio in line with a society-wide timeframe. For many investors, setting a carbon neutrality target and defining a climate strategy was a first step.

Now we are seeing concrete action, many investors are currently in the process of reviewing especially their passive portfolios from a sustainability and climate perspective. The aim is to increase sustainability benefits and decrease climate risk, demonstrated especially through the carbon intensity of their passive investments. Investors with less exposure to passive investments, often highly environmentally-focused family offices or foundations, are again looking for ways to contribute to the climate transition by investing in companies generating climate solutions, on the listed side and on the private side.

We also see many clients specifically mentioning climate in their responsible investment principals or guidelines. Climate and how climate risks are integrated into the investment process are becoming important manager selection criteria. Most investors nowadays require carbon footprint reporting. The same awareness goes for biodiversity and its crucial role in halting climate change as well. Investors are increasingly starting to talk about biodiversity but are challenged by its complexity and lack of data.

Are there specific segments that clients find more — or less — appealing, in different markets?

In Finland there are differences between investors on how they approach exclusions of fossil fuels. There are those who wish to exclude all fossil fuels, but there are also many investors who exclude only the most polluting and controversial fossil fuels, like coal and oil sands. Many investors feel change is driven by engagement rather than exclusions and want to push for transition. Hence, many have preferred strategies with less exclusions. However, the sentiment has been changing, probably both due to carbon neutrality targets, but also due to a growing understanding of climate risks and tools like the science-based targets initiative. The Science-Based

Targets Initiative is appreciated by investors, as it can help them channel their investments to companies that are committed to transition and away from those that are lagging on this.

Clients are also approaching climate investment more broadly in all asset classes. They require a significant climate focus in asset classes like real estate, infrastructure, and some real assets like forest. Pure thematic funds like renewable energy funds seem to perhaps be less appealing due to the thematic risk concentration and hence high volatility.

What are some of the challenges that clients say they face in climate investments?

In general, increased risk concentration and less diversification are some of the challenges. On the passive side, the amount of climate indices and their differing methodologies are confusing. There, we find that broad exclusions lead to high tracking error or factor tilts in the portfolios, and they are not preferred. Additionally, calculating the carbon emissions of alternative investments is very challenging, which also leads to challenges of aggregating carbon data on the entire portfolio level.

Most recently, the awareness of biodiversity — and with that, the challenges of incorporating biodiversity into the equation — is growing.

What are some of the success stories and what seems to be the common factor for these successes?

Clients seem to prefer well diversified strategies which give exposure to market like risk and return characteristics while at the same time excluding the worst emitters and including the best climate solutions companies. Clients also appear to increasingly value engagement activities and prefer asset managers who have a truly active ownership strategy and are actively pushing for transition.

If your clients could create a product from scratch, what would they want to have?

On the passive side, it would probably be a strategy which commits to decarbonizing in line with or faster than the Paris agreement, with a simple and clear investment process and the ability to adapt to new climate data. Still, for many, diversification along with market like risk and return characteristics are very important.

There have also been talks about carbon offsetting investments, such as forest investments. However, many are aware of the limitations of carbon offsetting.

International:

Spiros Alan Stathacopoulos

Executive Director – International Business Development

Spiros Alan Stathacopoulus is Storebrand Asset Management's executive director for international business development and works on extending Storebrand's reach into new markets. Working daily with a variety of markets, Alan commands a strong overview of what clients in different countries ask for when it comes to climate investments. Here are a few points he shares with us.

What countries are your clients based in, and how do they view climate-related investments?

Storebrand has a strong presence in the Nordics, with offices in Oslo, Stavanger, Stockholm, Copenhagen and Helsinki. Our client base is also European, and we offer solutions to our clients both from Oslo (the international team is based here covering the BENELUX and DACH based institutions) and locally (London, Frankfurt).

Climate-related investments are growing steadily. However, each journey is individual: the client's requirements can differ depending on local regulations, company sustainability policies and client/member requirements. Our responsibility lies in being relevant discussion partners offering solutions that cover client needs regardless of where they are in this climate journey.

"Now we are seeing concrete action, many investors are currently in the process of reviewing especially their passive portfolios from a sustainability and climate perspective."

— **Teresa Plattan**

Are there specific segments that clients find more — or less — appealing, in different markets?

There are certain elements that are universal across markets and client segments. For example, climate is at the core of all discussions, as most institutions are adopting climate policies and setting CO_2 targets. The other topics that are on most investors' agendas, are regulatory requirements and data quality. And cooperation is the new normal, as everyone races to achieve these new targets and set comprehensive processes.

But there are also differences from country to country and between various types of institutions for which we cater. For example, in recent years biodiversity has taken a more central role in the debate (culminating in COP 15 in Montreal last year). This is especially the case for markets that have a deep ESG history, like Denmark and the Netherlands, with large pensions locally making this a focus area for the coming decades.

In some other markets, like the UK, active ownership and engagement are top of the agenda, whereas in Norway exclusions form a big part of the process and still are a key consideration. We keep in mind these regional differences as we approach various ESG challenges.

What are some of the challenges that clients say they face in climate investments?

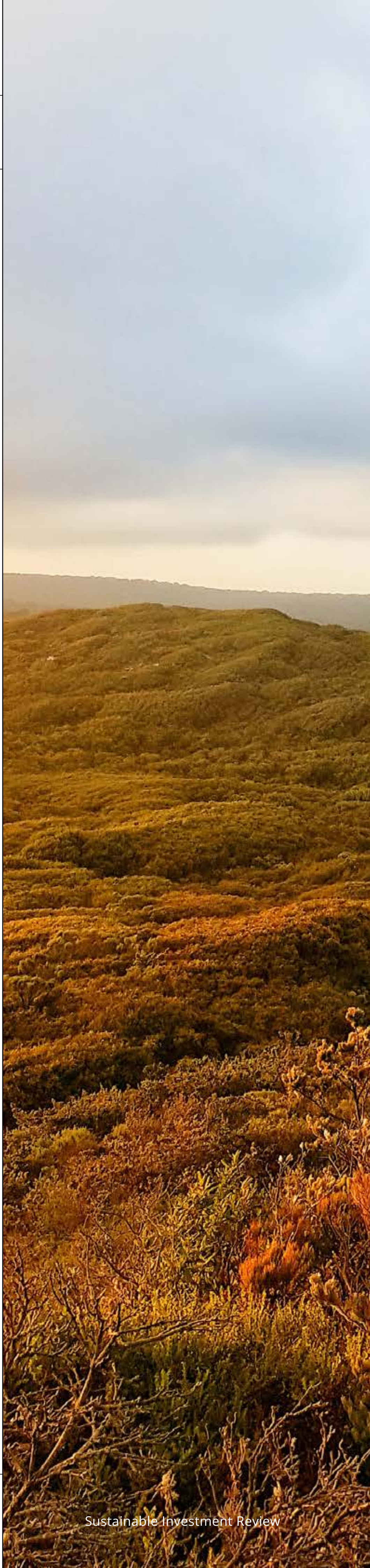
There are three things that clients highlight as challenges. To begin with, different sustainability integration approaches with varying potential outcomes. They also note data lapses and quality issues. Last, but not least, are regulatory requirements. Trying to navigate this sustainability "jungle" requires a flexible approach and broad collaboration.

What are some of the success stories and what seems to be the common factor for these successes?

Every institution that adopts a more urgent approach to climate change is a success. The rate of integration of sustainability policies varies and often it comes down to the people that drive the process. Behind all successes are a team of people with a focus on delivering strong returns in a better world.

If your clients could create a product from scratch, what would they want to have?

Sustainability is now integrated across all asset classes and accepted in all markets where Storebrand operates. What clients would like to see — especially those who don't have a strong pool of resources — is investment vehicles that adopt the growing market developments but that continuously evolve to reflect new data and flows to ensure compliance and evolution.



Solutions /

Aiming to build long term value by addressing key global challenges

Cracking the clean air code

Text / Sunniva Bratt Slette

A new European air quality directive could boost companies that provide solutions to ensure clean air

On September 13th 2023, the members of the European Parliament voted to strengthen the legal framework which will ensure that air quality in European cities is in line with World Health Organization (WHO) limits. The new legislation is a leap in the right direction, although the Parliament decided to postpone its commitment to the World Health Organizations recommended guidelines, pushing it back from 2030 to 2035.

Source: Ruter As / Nucleus AS, Peter Gløersen

↑ New trams manufactured by Construcciones y Auxiliar de Ferrocarrile (CAF) are contributing to Oslo's noise and emissions reductions targets.

Widespread problem

Although fast-growing cities in countries like China and India were heavily associated with air quality problems for the past few decades, the issues are popping up around the globe. A recent example from this summer was New York City, which in June 2023 became the world's most polluted city, due to air currents bringing pollution carried from heavy wildfires in Canada [1]. Here in Europe, we face similar issues. An interactive map that showcases the air quality in Europe compared to the World Health Organization (WHO) limits, can be found **here**.

"The single largest environmental health risk in Europe"

Poor air quality isn't always visible to the human eye. Sometimes, tiny harmful particles and odourless gases can pollute the air in cities, invisibly and without residents detecting even a whiff of the problem. At other times, thick, highly visible smog chokes cities across the globe. Smog comes in many colours and degrees of severity, depending on the source. Some of the most common sources of air pollution are forest fires, industrial facilities, household combustion tools, car exhaust fumes, and even particles scattered by the wear and tear of tires on roads. The invisible air pollution might be just as dangerous for human health, since the smallest particles cause the most damage to human health.

According to the European Environment Agency, "Air pollution is the single largest environmental health risk in Europe and a major cause of premature death and disease. The latest estimates by the European Environment Agency (EEA) show that fine particulate matter (PM2.5) continues to cause the most substantial health impacts" [2]. The list of diseases that can occur due to both short- and long-term exposure to air pollution is long: including stroke, chronic obstructive pulmonary disease, trachea, bronchus and lung cancers, aggravated asthma and lower respiratory infections, type 2 diabetes, obesity, systemic inflammation, Alzheimer's disease and dementia [2]. As a result, every single year, 300,000 people in the EU die prematurely due to poor air quality [3]. More breathable air doesn't just save lives — it also reduces long-term diseases that weigh heavily on national health budgets.

Improvements in Oslo

An example of air pollution measurements from Oslo, Norway's capital, shows a positive trend of improved air quality for the past twenty years. Interestingly, the shutdown implemented during the Covid-19 pandemic caused a worsening of air quality. Presumably, the uptick in use of personal vehicles, alongside a spell of dry days, cast more fine debris from roads into the air. In 2020 and 2021, the coronavirus measures reduced emissions, but from 2021 to 2022 the volume of traffic increased. Oslo Municipality reports that "the decrease in the level of particulate matter since the early 2000s is due to targeted measures to reduce particulate matter from roads, like fees for spiked tires, environmental speed limits and dust suppression of the roadway. In recent years, levels of particulate matter have been relatively stable" [4].

One fascinating target is for Oslo to become the first zero-emission city in the world by 2030 [5]. The trajectory seems to be going according to plan, as Oslo hopes to have an all-electric public transport network by the end of 2023. While emissions and noise reduction are the main targets for Oslo Municipality, it turns out that the electric buses have lower maintenance costs and operation costs. All the city's 87 trams will be upgraded by 2024 [6].

The brand-new trams are manufactured by *Construcciones y Auxiliar de Ferrocarriles*, or *CAF* for short, a Spanish company that produces railroad cars and components. CAF is a holding in the Storebrand Smart Cities Solutions fund. Furthermore, a subsidiary of CAF called Solaris produces many of the electric buses that can be seen in Oslo. By the end of this year, all 450 of Oslo's city buses will have

Sunniva Bratt Slette
Portfolio Manager

shifted from diesel to electric power [5]. BYD, a Chinese automaker, is another Storebrand Smart Cities holding that has delivered electric buses to Oslo. The passenger ferries in Oslo have been electric since 2021, though this important change might have slipped under the radar for most residents. While measures to improve the safety and availability of bike routes have been unpopular with car drivers, they've undeniably improved the attractiveness of Oslo for bikers and pedestrians.

Investment Implications

Clean air is crucial for human health and well-being and goes hand in hand with low emissions. There are strong drivers for growth in the business segments that deliver products and services to enable electric mobility.

Companies whose business models depend on the future mobility solutions could potentially see long term profitability, when cities worldwide show increase interest, demand —and most importantly — the financial muscle to reach their zero-emission targets.

Segments that seem to benefit mostly are public and electric transport, with the associated charging infrastructure. Micromobility is also a market segment that has boomed for the past decade, including electric bicycles as a replacement for private vehicles and trucks for small cargo deliveries. Cargo bikes have proved to be an exciting and flexible addition to urban goods delivery and quicker everyday logistics. Tailwinds are also expected for zero-emission buildings and infrastructure and smart energy management systems.

It is encouraging to see that progress is being made and that measures intended to improve air quality provide results. In times of turbulence, it may also be useful to note that what are initially often unpopular decisions, could lead to quick results that benefit all inhabitants. Perhaps there's some truth in the saying: "slow is smooth, smooth is fast"?

One fascinating target is for Oslo to become the first zero-emission city in the world by 2030

← Oslo made a stealthy switch to electric ferries in 2021 as part of its net-zero program.

Source: Ruter As / Nucleus AS, GaneshFotO

Check out our previous Solution Spotlight blogs on air quality:

2022
https://www.storebrand.com/sam/international/asset-management/insights/solutions-spotlight-blog/solutions-spotlight-folder/time-for-a-blue-sky-strategy

2021
https://www.storebrand.com/sam/international/asset-management/insights/solutions-spotlight-blog/solutions-spotlight-folder/air-quality-issues

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[1] Forbes (2023), *Parliament Votes For Cleaner Air, But WHO Alignment Is Delayed* **https://www.forbes.com/sites/siladityaray/2023/06/07/new-york-becomes-the-worlds-most-polluted-city-as-canadian-wildfires-cause-air-quality-to-plummet-to-unhealthy-levels**

[2] European Environment Agency (2023), *How air pollution affects our health* **https://www.eea.europa.eu/en/topics/in-depth/air-pollution/eow-it-affects-our-health**

[3] European Environmental Bureau (2023), *Parliament Votes For Cleaner Air, But WHO Alignment Is Delayed* **https://eeb.org/parliament-votes-for-cleaner-air-but-who-alignment-is-delayed**

[4] Oslo Kommune, *Luftkvalitet* **https://www.oslo.kommune.no/statistikk/miljostatus/luftkvalitet/#gref**

[5] The Local (2022), *Oslo aims to have world's first zero-emissions public transport network* **https://www.thelocal.no/20221017/oslo-aims-to-have-worlds-first-zero-emissions-public-transport-network**

[6] Fremtidens Byreise (2023), *New Trams for Oslo* **https://www.fremtidensbyreise.no/trikkeprogrammet/about-the-tram-program**

The Solutions team meets NKT

Text / Nader Hakimi Fard

Photo: NKT

A site visit at a manufacturing facility like NKT's, contributes to improving our understanding of the company's production process and end-products.

Company visits as a tool for gathering insights, selecting and monitoring holdings

I'd like to share a behind-the-scenes view of how we work within Storebrand's "Team Solutions", managing our Solutions funds. This time, we'll look at insights from my recent site visit to NKT, a Danish-based power cable technology company, at its production facilities in Karlskrona, Sweden.

At Team Solutions, portfolio construction is an ongoing process
We continuously monitor existing companies in our portfolio, as well as potential candidates for investment, to determine their thematic strength, financial returns, and alignment with SDG targets. One method we use to monitor companies is taking on-site company visits. We use company visits as a tool in the process of selecting potential holdings, monitoring existing holdings and gathering valuable industry insights. The visit also allows us the opportunity for dialogue, with people that are steering the company, about the opportunities and challenges the company faces. Taking a site visit at a manufacturing facility such as NKT's, contributes to improving our understanding of the company's production process and end-products. We apply the insights from visits like this one, when comparing to and evaluating other companies.

This September, I had the opportunity to visit NKT. I share some of my impressions below, but first: let's first get a grip on why power cable technology companies are important for transitioning to clean energy systems.

Nader Hakimi Fard
Portfolio Manager

Fundamentals of clean energy and its requirements

The transition from fossil fuels to clean energy has accelerated in recent years — and to deliver on the targets set by countries around the globe, we need more. Upcoming surge in demand and supply of electricity places power grids at the centre of the transition.

The power grid is a complex, interconnected system bringing together generation, transmission, and distribution of electricity. And it is a critical part of the infrastructure. It needs to cope with both short- and long-term variability in production and consumption to ensure that the electricity supply is maintained.

The integration of distributed renewable sources into the power grid poses a challenge, as the grids were initially designed to accommodate large, centralized dispatchable power plants. We need substantial changes in our grid systems, to ensure that renewable energy resources can be used with little loss of energy.

These changes require vast amounts of investments

According to Bloomberg NEF (BNEF), in 2022 USD 274 billion was invested in the power grid. However, this is not enough: BNEF forecasts that this annual expenditure needs to rise to nearly USD 1 trillion by 2050, to be able to follow a net-zero trajectory that supports more power generation capacity, serves new demand and replaces existing infrastructure. Hence, the challenges associated with the integration of renewable sources to the power grid, pose great investment opportunities. [1]

One of the areas we find interesting is high-voltage direct current (HVDC) transmission. According to BNEF, an interconnected European power system is well underway, propelled by more renewable energy generation, particularly offshore wind, and greater interconnection between countries. The European Union (EU) has set an interconnection target of at least 15% by 2030, to encourage EU countries to interconnect their installed electricity production capacity. [2] BNEF points to HVDC transmission as vital for realizing this future. [3]

Promising greater grid efficiency

Three companies dominate the HVDC cable market in Europe: Prysmian Group, Nexans and NKT. All three companies are currently holdings in Storebrand Renewable Energy. While all three companies benefit from the trends outlined, they bring different qualities to the portfolio. Prysmian is more diversified, with a product portfolio that also includes cables for the telecom industry, buildings and railways. While Nexans also has a diverse portfolio, the company is on a journey towards focusing on become an electrification pure-play. NKT offers a purer exposure to HVDC transmission.

NKT hosts Team Solutions

On September 4th 2023, Team Solutions had the opportunity to visit NKT at the company factory in Karlskrona, Sweden. During the visit, we were hosted by **Claes Westerlind**, the President and Chief Executive Officer (CEO); **Darren Fennell**, Executive Vice President and Head of HV Solutions Karlskrona; **Louise Olausson**, Head of Production Operations; and **Michael Nass Nielsen**, Head of Investor Relations.

Photo: Nader Hakimi Faard

↑ Amazing view from the top of NKT's second extrusion tower, a key part of the company's investments in the high-voltage power cable business. Extrusion towers are important in the production of high-voltage power cables.

The program included a luncheon and a company presentation followed by a factory tour. Many different topics were covered during the visit. We were given a brief history of Karlskrona and its historical importance in Sweden, efforts in concert with local actors towards attracting talent to the region and the company, Claes Westerlind's background in the company and on his recent role change as the CEO, as well as the company's productions capacity, product development and project management processes, and financial targets.

One of the topics that struck me as important, involves attracting talent. As the company invests in capacity to meet the demand in Karlskrona, talent acquisition also becomes key in a competitive environment. NKT has close collaboration with other industrial partners, the public sector and Blekinge Tekniska Högskola, the regional technical university. This partnership serves both the Blekinge region and the company well, towards giving the region a competitive edge in attracting talent.

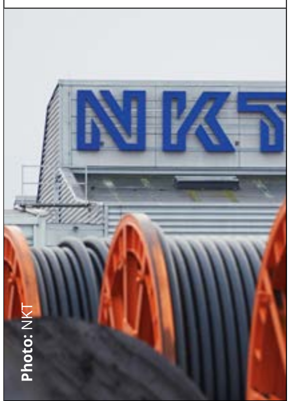


Photo: NKT

Key takeaways from the visit

Producing HVDC cables is a complex process that takes time and where quality is key. The industry has high barriers to entry which explains the market concentration among the three companies mentioned. Demand is high and NKT has recently announced that the company will invest around EUR 1 billon in its high-voltage power cable business, to build a new factory including a third extrusion tower in Karlskrona, Sweden, and a new market-leading power cable vessel in order to deliver on order intake, prepare for the continued strong market outlook, and execute the record-high order backlog.

Based on what we observed on the ground, NKT has given us more confidence that it is a true solutions company, ensuring better connectivity, literally in the middle of the energy transition under way.

References

[1] BNEF "New Energy Outlook: Grids" published on 2 March 2023

[2] Electricity interconnection targets (europa.eu)

[3] BNEF "High-Voltage Transmission to Boost European Supergrid Mesh" published on 11 October 2022

We know that more heterogeneous teams perform better at all levels of an organization

Anna Jönsson
CEO Storebrand Asset Management Sweden

Nordic countries lagging

Why is the financial industry failing to attract more female managers in 2023?

With increasing frustration, I read a recent **Citywire survey** which shows that the Nordic countries are lagging behind, in terms of the number of female fund managers relative to the global average of 12%, which in turn is also reprehensible.

In Norway, 7% of all fund managers are women, in Denmark 9%, in Finland 11% and in Sweden 17%. At first glance, Sweden's percentage may look relatively okay, but in an analysis by Morningstar, only 8% of fund assets are managed by women. Apparently, there are even more trustees in Sweden named Johan than there are women.

At the same time, we know that more heterogeneous teams perform better at all levels of an organization. In addition, a workplace becomes significantly more dynamic and permissive with a healthy culture when we are more balanced.

So why is it like this?

With my 15 years in the financial industry, I know that it is a dynamic workplace with fantastic development opportunities that should interest and attract both men and women. The only question is how we can bring about a shift and attract more competent, smart women. I don't have the answers myself, but I welcome a dialogue with my colleagues in the industry about concrete action.

Here are some spontaneous thoughts from me:

• We need new valuation models — Look at the industry's needs for the future and invest in unconventional cards. Perhaps it is not several years of management experience that carries the most weight, but other skills and experience that are more important for success. Perhaps consultants and rating agencies need to change their models, to induce a greater extent of management change in an industry where tenure is highly valued.

• Highlight female managers and analysts as role models - prejudices are based on a simplistic image and ignorance. To be inspired to choose a career path that is not a given, we need role models who inspire and make the choice less foreign. For me personally, female role models and a strong network have been extremely important.

• Put the spotlight on the issue — This is a "shoutout" to the Swedish media. Interview female managers about their journey, why they enjoy their current roles, and seek out female managers to a greater extent for comments on market movements, price-sensitive events and future prospects.

• Goal setting and measuring - we need to set targets such as the proportion of female managers, the proportion of women in a recruitment process, and start from quantitative measures. That's something that the financial industry can certainly do, so I don't think it's a problem!

Finally, I would like to highlight my far too few, but fantastic female portfolio management colleagues **Sunniva Bratt Slette, Ellen Grieg Andersen, Susanna Kaas von Mentzer, Alexandra Morris, Anne Line Kristensen, Cathrine Gether, Karin Busch** and **Tiril Støle** !

Active Ownership /

ACTIV

Dialogue, collaboration and shareholder voting, to advance our sustainability objectives

Nature Action 100 begins engagement

Letters sent to 100 companies on nature and biodiversity loss

This September, the Nature Action 100 (NA100) collaborative initiative, of which Storebrand is a founding partner, published a list of 100 companies that the group will focus on engaging with, and sent off initial letters to the companies.

The NA100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reduce nature and biodiversity loss. The group currently comprises of 190 institutional investors, representing USD 23.6 trillion of assets under management or advice.

Nature Action 100 was conceived by a group of investors known as the Launching Investor Group. It was later formed as a global initiative in December 2022 by the Launching Investor Group, along with the Secretariat and Technical Advisory Group. The Launching Investor Group includes Storebrand Asset Management, AXA Investment Managers, Columbia Threadneedle Investments, BNP Paribas Asset Management, Church Commissioners for England, Domini Impact Investments, Federated Hermes Limited, Karner Blue Capital, Robeco, and Christian Brothers Investment Services.

Acting together with the other members of the NA100, we aim to zoom in on accelerating change within key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030, as they are considered to have significant impacts on nature and are heavily dependent on ecosystem services to function.

Detailed call for urgent action

In the letters sent to the companies, the NA100 states a joint call for urgent and necessary actions to protect and restore nature and ecosystems, as a vital step towards mitigating financial risk. The letters include a formal communication regarding investor expectations for companies, which have collectively been aligned on by the NA100's participating companies.

With mounting evidence of nature's decline and the crucial role of natural ecosystems in sustaining business operations and livelihoods, the need for global financial markets and agricultural and industrial firms to address nature loss is urgent.

When the letters were published, Emine Isciel, Head of Climate and Environment, Storebrand Asset Management, noted: "As a founding partner of Nature Action 100, Storebrand is delighted to see the initiative continue to gather strong momentum and support. The economic case for biodiversity action is stronger than ever, and investors have a central role alongside policy makers in supporting companies successfully transition their business models in line with the goals of the Kunming- Montreal agreement.

Targeting key companies in key sectors

Multinational corporations and household brands are among the 100 companies — representing $8 trillion in market capital – that have been engaged by the investor participants of Nature Action 100.

The 100 companies have been selected based on their key role in one of eight sectors that are major drivers of worldwide nature loss, which were identified by the initiative for initial investor engagement. The full list of companies can be found on the Nature Action 100 website.

The sectors that the Nature Action 100 focuses on include biotechnology and pharmaceuticals; chemicals; household and personal goods; consumer goods retail; food; food and beverage retail; forestry and paper; and metals and mining.

These sectors are major drivers of nature loss due to their large impacts on habitat loss, overexploitation of resources, and soil, water, and solid waste pollution. For example,

- In the food sector, habitat loss occurs when agricultural companies convert natural environments like forests and grasslands into crops and pastures
- In the pharmaceutical sector, soil pollution results when chemicals or other compounds discharge from the manufacturing plants
- In the pulp and packaging sector, overexploitation of wood and non-wood forest products (such as medicinal plants) leads to diminished plant diversity, jeopardizing the forest's ability to regenerate
- In the minerals and mining sector, pollution of above ground water sources — such as streams, rivers, lakes, wetlands, and reservoirs —can occur from mining practices such as surface mining (open cast mining)
- In the household and personal goods sector, solid waste is created by personal product companies, which rely heavily on plastics in packaging materials that often are not or cannot be recycled
- In the food and beverage retail sector, solid waste occurs due to high cosmetic standards in the appearance of fruits and vegetables, causing "imperfect" or "ugly" foods to be discarded rather than sold, resulting in food loss and waste
- In the chemicals sector, soil pollution can be the direct result of the overuse of chemicals, such as fertilizers and pesticides, which can harm soil quality for agriculture and other land uses

As part of the selection process, Nature Action 100 looked at companies' market capitalization within the sector, and an analysis by the Finance for Biodiversity Foundation of companies with the highest impacts on nature. The initiative also ensured companies from both developed and emerging markets were represented in the list and will be a focus of engagements.
In future phases, the initiative may cover companies in other impactful sectors.

Detailed expectations

Previously in June 2023, the group had published a set of investor expectations for companies, outlining six actions that investors will call on companies to take related to the areas of: Ambition, Assessment, Targets, Implementation, Governance, and Engagement.

- **Ambition:** Publicly commit to minimize contributions to key drivers of nature loss and to conserve and restore ecosystems at the operational level and throughout value chains by 2030.
- **Assessment:** Assess and publicly disclose nature-related dependencies, impacts, risks, and opportunities at the operational level and throughout value chains.
- **Targets:** Set time-bound, context-specific, science-based targets informed by risk assessments on nature-related dependencies, impacts, risks and opportunities. Disclose annual progress against targets.
- **Implementation:** Develop a company-wide plan on how to achieve targets. The design and implementation of the plan should prioritize rights-based approaches and be developed in collaboration with Indigenous Peoples and local communities when they are affected. Disclose annual progress against the plan.
- **Governance:** Establish Board oversight and disclose management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.
- **Engagement:** Engage with external parties including actors throughout value chains, trade associations, policy makers, and other stakeholders to create an enabling environment for implementing the plan and achieving targets.

Ongoing process

Nature Action 100 will conduct annual benchmark analyses to track the progress of companies against the Investor Expectations for Companies, which outline the timely and necessary steps companies must take to protect and restore nature and natural ecosystems. The benchmarks will also provide needed insight into sectoral action on nature and biodiversity across the globe.

Investor participants from the initiative engage companies individually or as part of engagement teams with other participating investors. Individuals and engagement teams will submit regular updates on their engagements.

Nature Action 100

A voice to parliament

Political engagement to prevent systemic risks from deep-sea mining

Earlier this year, the Norwegian government proposed opening up areas on the Norwegian continental shelf for commercial seabed mining activities. A white paper presented by the Norwegian Ministry of Petroleum and Energy detailed the government's plans to open its extended continental shelf within the Arctic to deep seabed mining. There is still a chance, however, that this decision could be overturned through a vote in the Norwegian parliament, which invited relevant stakeholders invited to the Parliament to present their views.

Jan Erik Saugestad, CEO of Storebrand Asset Management was the first person to speak at the hearings, held this October in Oslo. In his statement, Saugestad underlined that significant challenges must be overcome before the sector can reasonable be regarded as environmentally and economically sustainable.

↑ **Jan Erik Saugestad testifying at the parliamentary hearings on deep-sea mining**

Following the precautionary principle, Storebrand is backing a moratorium on deep sea mining together with companies such as Volvo, BMW and Google. This commitment means that we will not invest in companies involved in deep-sea mining until we have sufficient scientific knowledge on the impacts of these activities, to be able to regard them as credible investments. As a result, we have divested from companies that are involved in such activities.

Why do we take this stand? Half of the world's GDP — around $44 trillion — is highly or moderately dependent on nature. Although we need minerals like cobalt, cobber, and nickel to combat climate change and in the transition to a green economy, there is a growing recognition that a sustainable energy transition cannot be built at the cost of destroying nature. The decisions we make today need to benefit both climate and nature.

This summer, ahead of the ISA meeting, 37 financial institutions released a joint statement ahead of the International Seabed Authority (ISA) meeting this summer, urging governments to protect the ocean and not proceed with deep seabed mining until the environmental, social and economic risks are comprehensively understood, and alternatives to deep-sea minerals have been fully explored.

Joint investor calls

SAM signs investor statements on sustainability disclosures and deep-sea mining

In July, Storebrand Asset Management signed two investor statements related to sustainability.

One statement, sent to the international Seabed Authority, was organized by the Finance for Biodiversity Foundation (FfB) of which we are a founding member. It was signed by a total of 37 financial institutions representing over EUR 3.3 trillion of combined assets. The FfB statement expressed investor concern that the negotiations underway at the International Seabed Authority, without a sufficient base of knowledge from which to make a decision. could lead to the start of deep seabed mining in international waters, posing severe risks to natural ecosystems.

The other statement, addressed to European Commission, was supported by a group of 93 investors, including Storebrand Asset Management, Fidelity International and Robeco, and led by Eurosif, UNPRI, UNEP FI and IIGCC.
In the statement, the investors cautioned European Parliamentarians to avoid watering down the proposed mandatory corporate sustainability reporting requirements included in the upcoming European Sustainability Reporting Standards (ESRS).

Finance *for* Biodiversity Foundation

Green shoots emerging in Tokyo

Emine Isciel appointed to advisory committee of Spring, a new stewardship initiative on nature

During the opening session of this year's PRI in Person conference, which took place in Tokyo in early October, a new PRI stewardship initiative was launched. Named "Spring", the new initiative will focus on enabling policy alignment and implementation across geographies, to help generate positive outcomes for nature and investor portfolios. Focusing investor efforts on policy will make it more likely that systemic risks are addressed across economic sectors and at an appropriate pace.
In early 2024, Spring expects to publish a list of companies that it will focus on engagement with, and will begin recruiting initiative participants that will carry out day-to-day engagement activities with the selected companies.

Source: Storebrand

↑ **Spring, a new PRI initiative for nature, launched at the opening of PRI in Person 2023**

→ Learn more about **Spring** from the PRI.

Engagement data
Q3 2023

All data represent year-to-date totals of engagement activity (conducted during the period 01/01/2023 to 30/09/2023).

789 Ongoing engagements
125 Completed engagements

As of the end of Q3 2023, year to date (YTD) in total, we have had 789 ongoing engagements, with 677 counterparties. A significant share of these engagements has been collaborative, in which we have a non-leading role, and therefore we are not actively leading those efforts and engagements ourselves.

Zooming in on activities conducted individually by us, YTD we have had 417 activities (such as meetings, e-mails, letters and similar), with 256 unique companies. For these activities, our main contacts have been Chief Executives, Chief Financial Officers, as well as Investor Relations and Sustainability Executives. Some of these activities are linked to engagements, but some of them are standalone activities and outreach to companies.

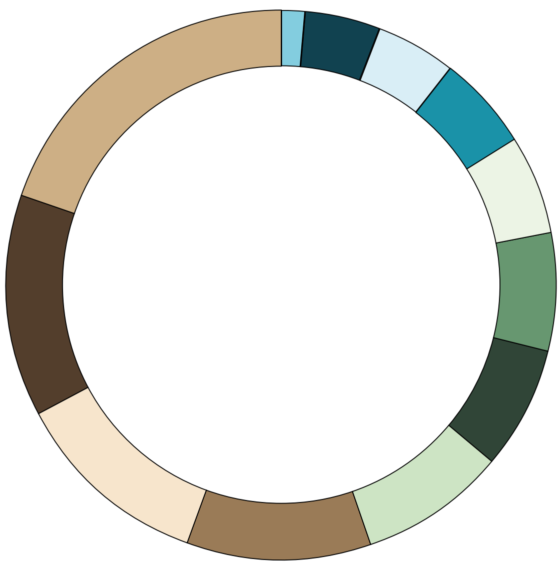
Where we engaged

Top countries engaged in

Country	Number of engagements	
United States	205	22.43 %
Japan	75	8.21 %
Norway	71	7.77 %
Sweden	58	6.35 %
Germany	40	4.38 %
France	37	4.05 %
United Kingdom	36	3.94 %
China	32	3.50%
Switzerland	25	2.74 %
Indonesia	21	2.30 %
All other countries	314	34.35 %

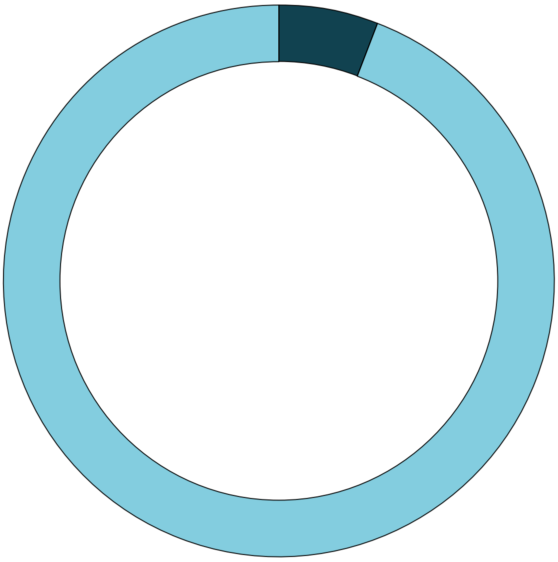
Sectors engaged in

- **1.53 %** Real Estate
- **4,16 %** Healthcare
- **4.38 %** Information Technology
- **5.25 %** Communication
- **5.58 %** Utilities
- **6.89 %** Financial
- **7.77 %** Consumer Discretionary
- **8.32 %** Energy
- **10.72 %** Industrials
- **11.38 %** Consumer Staples
- **12.58 %** Other
- **21.44 %** Materials



Why and how we engaged

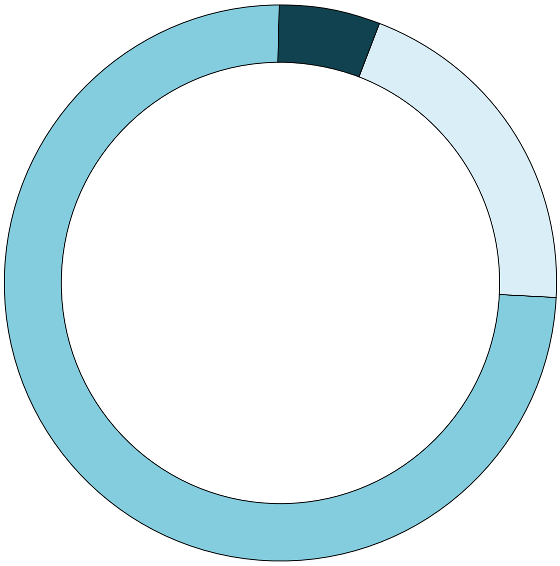
Reasons for engagements



6.22 % Reactive

93.78 % Proactive

Format of engagements



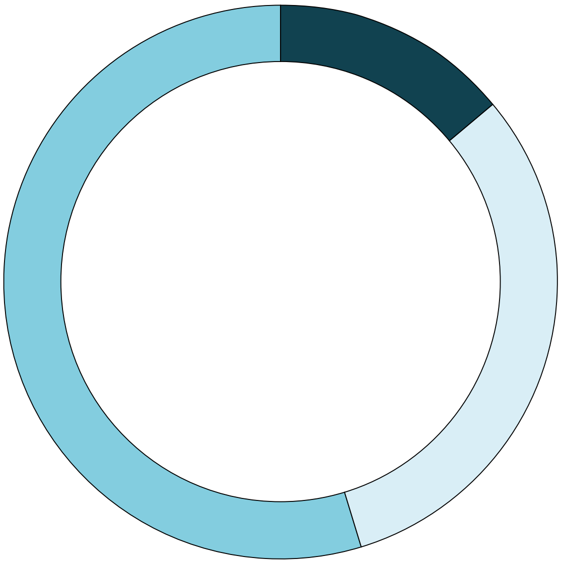
8.9 % Collaborative (leading role)

19.39 % Internal

71.71 % Collaborative (non-leading role)

What we engaged in

ESG categorization of engagements



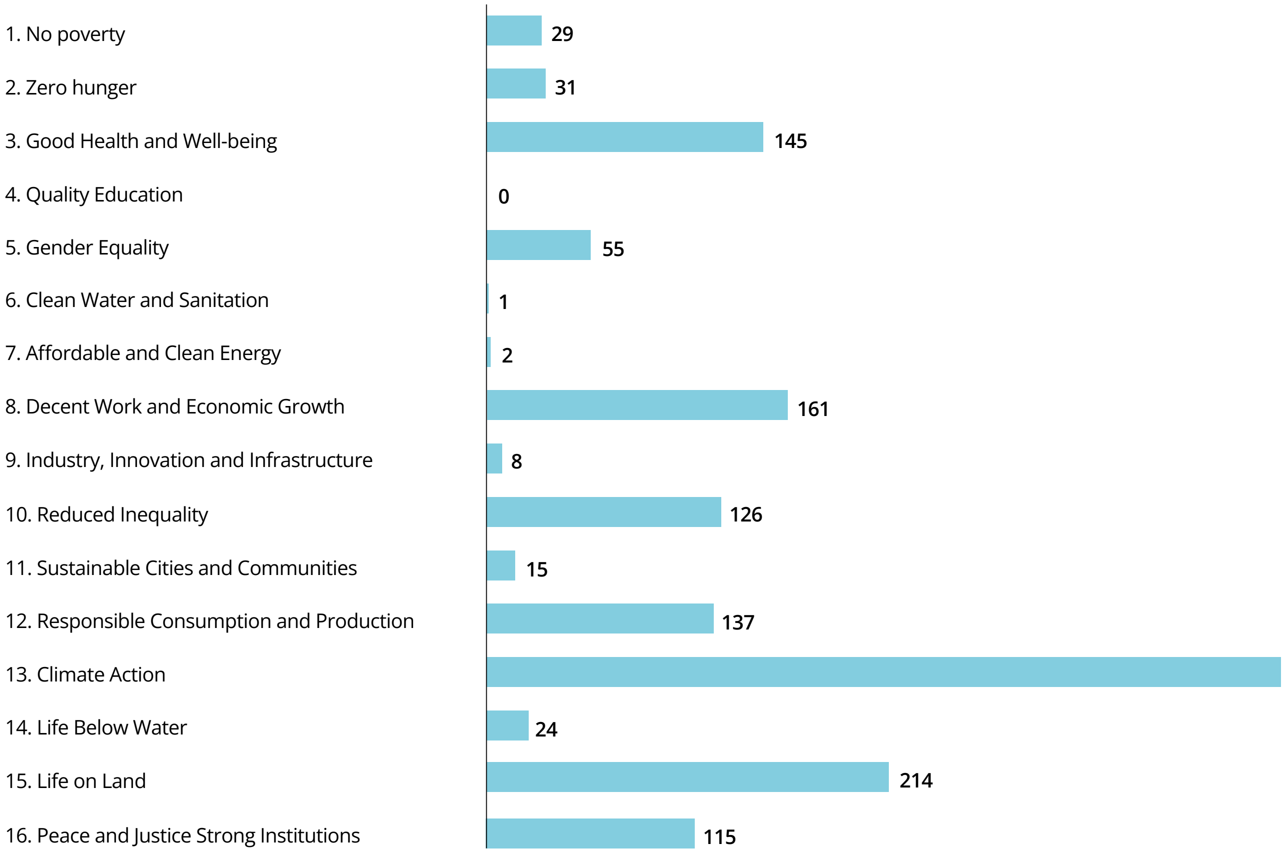
13.35 % Governance

30.63 % Social

56.02 % Environmental

What we engaged on

SDGs impacted by engagements



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

Learn more about our engagement process and see engagement data in real time at our active ownership web page

Voting summary Q3 2023

As is typical in most years, this year, compared to the second quarter, there was a lower number of company annual general meetings (AGMs) that took place in Q3. The number of meetings that we voted at was therefore lower in Q3 compared to Q2, although the percentage of meetings voted at was approximately the same.

Our strategy is to prioritize voting at AGMs where we believe we can make a difference with regards to ESG. We prioritize in this manner, to ensure that our voting decisions are impactful, well-grounded and based on qualitative review. Therefore, we aim to vote at: all meetings with resolutions related to ESG; at companies where we have a significant shareholding; and at companies where we have ongoing engagements.

During Q3, we supported shareholder proposals on climate change, just transition and the circular economy, at the AGMs of Constellation Brands, Darden Restaurants and FedEx Corporation. Most proposals in the "Social" category of ESG focused on approval of political donations, which is required for UK-based companies to put to a vote at the AGM. At the AGM of Nike Inc, we supported two social shareholder proposals, regarding gender pay gap and implementation of human rights commitments in the company's supply chain. We supported a shareholder proposal at Microchip Technology Inc to report on due diligence efforts to trace end-user misuse of company products, and voted in favour of FedEx Corporation adopting a paid sick leave policy.

Voting key figures

All data represents voting activity conducted during Q3 2023

General voting data

	Voted	Votable	Percentage voted
Number of general meetings voted	248	479	51.77 %
Number of items voted	1831	2689	68 %
Number of votes on shareholder proposals	49	77	64 %

Top countries voted in

	Voted meetings	Votable meetings	Percentage voted
India	73	131	55.73 %
USA	31	35	88.57 %
United Kingdom	30	31	96.77 %
Sweden	13	31	41.94 %
Cayman Islands	9	18	50.00 %
China	9	73	12.33 %
Bermuda	8	11	72.73 %
Japan	8	10	80.00 %
Brazil	7	16	43.75 %
South Africa	7	11	63.64 %
Ireland	6	8	75.00 %
Netherlands	6	8	75.00 %
Norway	5	9	55.56 %
Malaysia	4	7	57.14 %
Switzerland	4	4	100.00 %

Percentages rounded off to nearest decimal

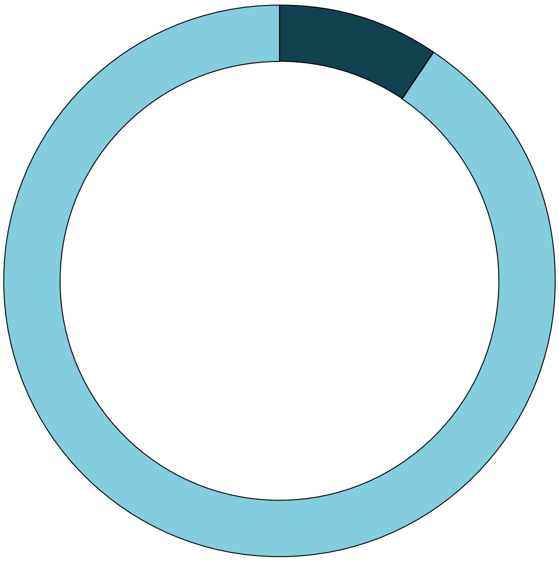
To learn about our voting guideli-nes and see a live presentation of more voting data, visit our proxy voting dashboard

Shareholder proposals overview

	Number of proposals	With management	% with management	With ISS Sustainability policy	% with Policy	ESG Flag
Audit Related	175	172	98 %	175	100 %	G
Capitalization	244	215	88 %	244	100 %	G
Company Articles	55	52	95 %	55	100 %	G
Compensation	353	289	82 %	353	100 %	G
Corporate Governance	3	3	100 %	3	100 %	G
Director Election	1,064	921	87 %	1062	100 %	G
Director Related	222	215	97 %	222	100 %	G
E&S Blended	1	1	100 %	1	100 %	ES
Environmental	8	3	38 %	8	100 %	E
Miscellaneous	14	13	93 %	14	100 %	G
Non-Routine Business	86	82	95 %	86	100 %	G
Routine Business	367	361	98 %	367	100 %	G
Social	27	21	78 %	27	100 %	S
Strategic Transactions	36	31	86 %	36	100 %	G
Takeover Related	34	33	97 %	34	100 %	G

Alignment with management recommendations

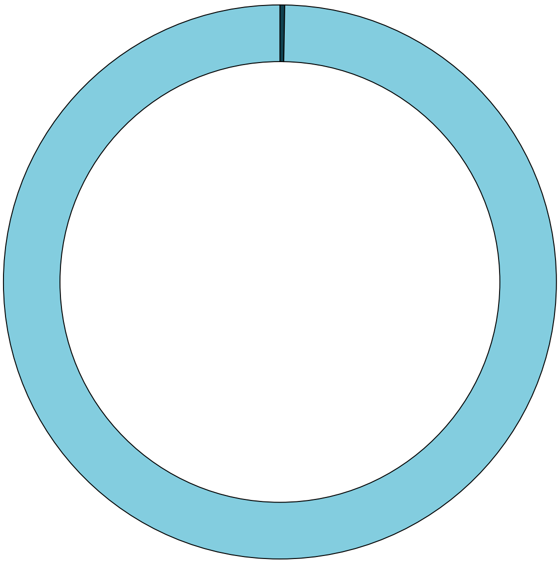
Voting choices compared to management recommendations



10.4 % Votes against management

89.6 % Votes with management

Voting choices compared to ISS recommendations



0,04 % Votes against ISS Sustainability Policy

99,96% Votes with ISS Sustainability Policy

Exclusions /

EXCL

When engagement won't help companies reach necessary ESG standards

Exclusion key figures

Companies excluded by Storebrand, as of 30th September 2023

Companies excluded under the Storebrand Standard

Category	Newly excluded	Total excluded
Conduct — environment	0	19
Conduct — corruption and financial crime	0	9
Conduct — human rights and international law	0	48
Tobacco	7	29
Controversial weapons	4	38
Climate — coal	12	117
Climate — oil sands	0	6
Climate — lobbying	0	5
Arctic drilling	0	0
Deep-sea mining	0	1
Marine/riverine tailings disposal	0	3
Deforestation	0	14
Cannabis	0	0
State-controlled companies	0	15
Total	23	279*

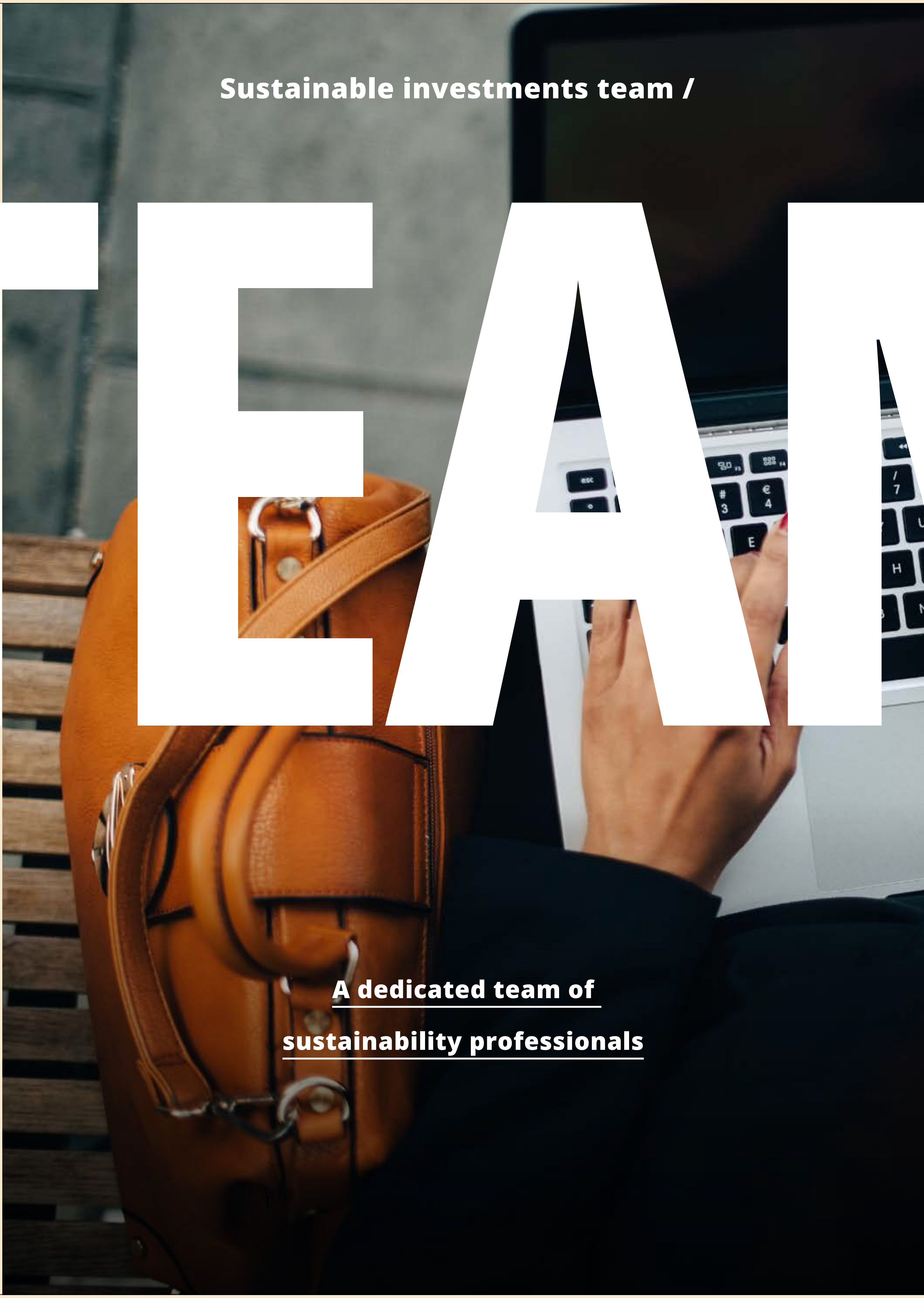
Companies excluded under all standards

Category	Newly excluded	Total excluded
Serious environmental damage (inclusive deforestation)	5	57
Corruption and financial crime	0	11
Human rights and international law	5	83
Controversial weapons	4	38
Fossil fuels	61	520
Tobacco	7	29
Alcohol	9	88
Weapons/arms	7	65
Gambling	4	39
Cannabis	0	0
Adult entertainment	0	0
Total	102	809*

*Some companies are excluded on the basis of several criteria. Storebrand also does not invest in companies that have been excluded by Norges Bank from the Government Pension Fund — Global. We have also excluded 25 countries that are systematically corrupt, systematically suppress basic social and political rights, or that are subject to EU sanctions and UN Security Council sanctions.

During the third quarter, we have made some adjustments and improvements to our screening process. One of the results has been that we have expanded our screening universe to now better cover issuers that primarily issue bonds and do not have a listed equity. This has resulted in a one-off increase in the amount of exclusions, due to the increased universe. This improvement accounts for roughly 80 per cent of the exclusions. The remaining exclusions are part of our regular product-based screening, which we conduct regularly on a quarterly basis.

There was one new exclusion in Q3, under the controversial weapons criteria: Hanwha Aerospace Co. Ltd. was excluded for issues related to the production of fuses for white phosphorus ammunition.



Sustainable investments team /

TEAM

A dedicated team of sustainability professionals

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

Kamil Zabielski

Head of Sustainable Investment

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

Tulia Machado-Helland

Head of Human Rights and Senior Sustainability Analyst

Machado-Helland, who joined our sustainable investments team in 2008, specializes in human rights, labour rights, Indigenous peoples' rights and international humanitarian law. She is responsible for Storebrand's active ownership strategy and company engagement, and engages with companies mainly on social issues, as well as with overlapping environmental issues. Previously, she has worked on the Council on Ethics for the Norwegian Government Pension Fund — Global, the Ministry of Finance in Norway and as an attorney in the US. She holds a Juris Doctor's Degree, a Texas State Attorney license, and has a Master's degree in International Relations and Development.

Emine Isciel

Head of Climate and Environment

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

Vemund Olsen

Senior Sustainability Analyst

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

Victoria Lidén

Senior Sustainability Analyst

Lidén, who joined our sustainable investments team in 2021, is based in Stockholm and works with ESG analysis and active ownership, with a focus on the Swedish/Nordic market. On behalf of Storebrand Fonder AB, she is also a member of corporate board nomination committees. Prior to joining Storebrand, Victoria has 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 Stockholm Resilience Centre.

Frédéric Landré

Sustainability Analyst

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

Q&A

Ellen G. Andersen

On her experience as Portfolio Manager of the Equal Opportunities Fund

↓ Ellen Anderson with Storebrand Sustainability Analyst Victoria Liden, and an interpreter, while in Hiroshima, Japan.

Inspired by colleagues

I find a lot of inspiration working together with my colleagues. I am grateful and privileged to have had the opportunity to work together with so many talented people of different backgrounds. I also find it very inspirational being able to have a workday that is diverse, whether doing research independently or working together with my colleagues. And of course, travelling to Japan, meeting our portfolio companies, and learning and experiencing how it is to do business in Japan. Meeting people from around the world, all working on sustainable investments, is a great experience, as I get to learn from people with different back-grounds, ideas, and skill sets. The trip helped me gain a lot of new insight and inspiration, all of which I take with me into my everyday work.

For more information on Storebrand Asset Management's active ownership strategy, see our Solutions Spotlight blog

What's it been like so far in your time as portfolio manager for Equal Opportunities fund?

Since the fund's launch in late 2021, the macro environment has been affected by inflation, bank collapses, recession fears, and geopolitical uncertainty. That's a lot to navigate, but I believe that companies that offer products and services much needed for sustainable development, can keep contributing to long-term growth — even in tumultuous market conditions.

Since I began working in the Solutions team, there's been substantial development within ESG (Environmental, Social, Governance) investing. New regulations, like the Sustainable Finance Disclosure Regulation (SFDR) have helped define the criteria for sustainable investments and can help bring greater transparency to the market. Now, with 2030 not far ahead, it's becoming more urgent to achieve the UN Sustainable Development Goals, and a significant amount of capital is needed to reach these goals.

There is a long way to go also on the social side of ESG. When talking about sustainable investing, we often focus on the 'E'. However, to achieve the SDGs, we need to use a holistic approach that integrates both the 'E' and the 'S'. Even with that there would be an increasing need for new regulations and clear guidance about social investing. Attempts have been made, exemplified by the social taxonomy, but it is still difficult to see real progress.

What does it mean for a company to contribute to "equal opportunities"? How do you as a portfolio manager gauge the potential impact of companies?

Right now, billions of people lack access to essential services, such as digital, financial and health-care services. Companies with the right products and services can ensure better access, can provide more opportunities, and thereby contribute to sustainable economic growth in society. So, Storebrand Equal Opportunities seeks to invest in companies that can provide people around the world with better access to these services.

Due to the lack of high-quality data in the social aspects of ESG, it can be quite a challenge to pinpoint companies for the 'Equal Opportunities' theme. Because of this lack of quantitative data, I need to utilize more qualitative assessment in this thematic area. The constraints are limited only by creativity that can stop me from identifying solution companies. It can be a comprehensive process, as we lack easy-access specific data points, such as green revenue, for filtering purposes — but it is precisely this aspect that makes my job even more exciting.

You were recently on a trip to Japan, where you met some of Solutions' portfolio companies. What did you learn that you did not know before?

We travelled to Japan this October, to visit our portfolio companies and to participate in this year's Principles of Responsible Investment (PRI) conference. Within our Solutions team, we focus on some governance topics when we are in dialogue with our portfolio companies. This is because we believe that undertaking positive dialogue around the issues of fair remuneration and board and mana-gement diversity supports our work aiming to contribute to a more sustainable future. We expect companies to execute fair remuneration policies and ensure board and management diversity across, but not limited to, gender, ethnicity, age, marital and parental background. As we operate with a global mandate, we will take each company's operational context into consideration when starting a dialogue with them. Since many topics have different levels of maturity in different regions, it is important to develop realistic expectations for our portfolio companies.

Last year, the Japan Financial Services Agency (FSA) proposed new ESG disclosure requirements, where some of the proposed topics listed companies in Japan had to report on included:

- The representation of women in management positions
- The percentage of male employees who have taken paternity leave
- Salary disparities between female and male employees

With these regulations setting the stage for better and improved sustainability reporting, we were interested in getting insight and learn more about our portfolio companies' stance on these subjects as well as their strategic plans, in light of the new regulations proposed by the FSA. My key takeaway from the trip was that in general, companies were very keen to improve their sustainability reporting and they were especially interested in improving work-life balance and workforce diversity. Japanese companies have recently seen increased interest from international investors, and as a part of this trend, they want to make sure that their reporting is in line with international standards.


BUSINESS
B3

Roundup

In the media

Investors turn PAI data into monitoring systems and stewardship tools
Responsible Investor
8th September, 2023

A report on Principle Adverse Impact (PAI) statements and their influence over financial institutions' corporate engagement and exclusion practices. Storebrand Asset Management is mentioned as having the most comprehensive PAI framework in line with its SFDR reporting. Kamil Zabielski, Head of Risk and Ownership, is quoted on his views on using PAIs as data points for corporate engagement practices.

https://www.responsible-investor.com/investors-turn-pai-data-into-monitoring-systems-and-stewardship-tools/

Storebrand CEO proposes investor alliance based on Nordic values
AM Watch
11th September, 2023

An update on Storebrand Asset Management CEO Jan Erik Saugestad's call to use Nordic values as the foundation for a more ambitious investor alliance to engage companies on climate action.

https://amwatch.com/AMNews/Ethics/article16045043.ece

Analysis: Will Nordic asset managers ever attract more female portfolio managers?
AM Watch
22nd September, 2023

AM Watch columnist Fleming Højbo builds on Storebrand Asset Management CEO Jan Erik Saugestad's call to champion Nordic values in active ownership. Højbo challenges the Nordic asset management sector to demonstrate Nordic values on the issue of gender diversity among fund managers.

https://amwatch.com/AMNews/Fund_Management/article16450133.ece

Norway's Storebrand raises seabed mining concerns with Kongsberg
Reuters
22nd September, 2003

A news report on Storebrand Asset Management's engagement with Kongsberg regarding its involvement with deep sea mining. Storebrand Asset Management CEO Jan Erik Saugestad is quoted, noting his concern about the long-term wisdom of any involvement in deep sea mining, and the lack of proper insight and regulation necessary for decisions to be made on such activities.

https://www.reuters.com/sustainability/norways-storebrand-raises-seabed-mining-concerns-with-kongsberg-2023-09-22

28 Nordic investors in new alliance to engage companies on nature risks
AM Watch
26th September, 2003

A news piece about the most recent collaborative engagement initiative launched by the members of Nature Action 100, who have sent joint investor letters, to 100 companies in sectors critical to nature and biodiversity preservation, outlining investors' expectations on how the companies should mitigate nature-related risks. Emine Isciel, Head of Climate and Environment, is cited as representing Storebrand Asset Management, one of the founding partners of the initiative.

https://amwatch.com/AMNews/Ethics/article16462034.ece

US, Chinese firms top the list of targets for Nature Action 100
Responsible Investor
26th September, 2023

Reporting on the collaborative engagement initiative launched by Nature Action 100. Storebrand Asset Management is cited as one of the founding members of Nature Action 100, in connection with its active role during the COP15 in Montreal.

https://www.responsible-investor.com/us-chinese-firms-top-the-list-of-targets-for-nature-action-100

Events calendar

Looking ahead

PLWF Conference

1st November, 2023

The members of the Platform Living Wages Financials, including Storebrand, will share insights and the results of the year's work to date, engaging with companies on living wages and living incomes.

https://www.livingwage.nl

OECD Sustainable Investment Days

November 7-8, 2023

The two-day event assembles policymakers, investment professionals, members of civil society and international organizations, and academics for discussions on investment policy, with emphasis on the role of foreign direct investment (FDI), sustainable regional development, and achieving net-zero by 2050.

https://www.oecd-events.org/investment-days

RI USA 2023

November 15-16, 2023

In its 15th edition, the Responsible Investor USA conference will center around the rapidly transforming US sustainable finance landscape. The conference hosts conversations about the meaning of fiduciary duty in the 21st century, biodiversity, corporate transition plans, and navigating the anti-ESG backlash, among many others.

https://www.peievents.com/en/event/ri-usa

UN Forum on Business and Human Rights

November 27-29, 2023

Centred on the UN Guiding Principles on Business and Human Rights (UNGPs) — the authoritative global framework for States and businesses on preventing adverse impacts on human rights arising from business activities. Leadership of governments, international organizations, business, civil society, trade unions, communities, lawyers, and academia assemble to reflect on the effectiveness of the UNGPs, and discuss key trends and challenges in implementing them.

https://www.ohchr.org/en/events/sessions/2023/12th-united-nations-forum-business-and-human-rights

COP28

November 30-December 12, 2023

Takes place in Dubai, UAE, at the halfway point between the 2015 Paris Agreement and 2030, the first substantial interim waypoint on the road to net-zero in 2050. The meeting will host the first Global Stocktake, mandated under the Paris Agreement, to assess implementation progress towards the agreed climate goals.

https://www.cop28.com/en

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

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

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

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

Find out more about our work and offerings

Storebrand Asset Management is part of the Storebrand Group, managing NOK 1100 billion of assets for Nordic and international clients.

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