Sustainable Investment Review

Q3 2022

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A message from our head of sustainable investments

ESG is under fire, but it's rationally and ethically the right approach to investing

There's been a buzz over the past few months about an ESG backlash, with accusations of "woke capitalism" and greenwashing. Here in Europe, a growing energy crisis has prompted questions about decarbonization goals. Even more dramatically, several states in the U.S have implemented regulations to prevent asset managers from applying ESG considerations to their investments.

So, what's going on here with ESG? Are we seeing a revolt?

From our perspective, the "backlash" against ESG could be classified in two categories. Analytically, there is a scepticism about the quality of underlying ESG data and the consistency with which it is applied. And fundamentally, from some quarters, there is a rejection of the concept that that investors can consider environmental and social externalities, when investing clients' money. Some ask: shouldn't they just maximize profits?

While one issue could appear to be more rationally driven, and the other more philosophical, we believe the two are linked. To begin with, we do accept as legitimate, the critique that ESG data vary, in terms of scope, reliability and coverage. That is why at Storebrand, one of major engagement priorities for 2021-2023 is to encourage better, integrated reporting from companies, and why we lead and take part in investor alliances to engage with ESG data providers, standard setters and regulatory authorities to improve data sets and reporting requirements for companies.

This approach is also illustrated by our work in championing the Taskforce on Nature-related Financial Disclosures (TNFD). The TNFD initiative is aimed at aligning the financial sector on a framework for organizations to report on and act on nature-related risks. Ultimately, this can shift global financial flows away from nature-negative outcomes and toward nature-positive outcomes. Across the financial sector, many efforts such as TNFD are underway, moving us from imperfect-but-useful ESG data to a state of much more precise ESG insight for financial decisions.

Yet, it's important to keep in mind that this is not about trying to find one rating, or one single source of truth. Even as ESG data is refined, it may still result in varying ESG ratings. While ESG ratings may differ, they are complementary and equally crucial for the investment decision. It is our role as investors to understand ESG ratings, just as we do with any other financial metric.

"...ESG enables us to understand these issues and provides a foundation for action on managing them from social, business and investment perspectives...."

Kamil Zabielski,
Head of Sustainable Investment

Should investors care about ESG? Well, we do. At Storebrand, our business is built around a long-term vision for the year 2050 as a world in which 9 billion people live well, and within the earth's natural limits. These values, aligned with ESG, are integrated into our business, and are well received by our stakeholders, including customers, employees and society at large.

But what if some investors or businesses don't buy into those values, subjectively? What if they believe in Milton Friedman's philosophy that "the business of business is business". Well, at a fundamental level, investors need to know and build strategies, based the nature of the business risks and opportunities that are invested in. We believe that sustainability exposures – environmental, social or governance events or conditions – can materially impact the value of investments.

Increasingly, many dimensions of sustainability exposure, involve systemic risk, such as climate change, and biodiversity loss, which could undermine value creation across regions and even globally. Ultimately, ESG enables us to understand these issues, and provides a foundation for action on managing them from social, business and investment perspectives.

With that in mind, for an investor, sustainability becomes an unavoidable dimension of the equation, regardless of subjective values. We do need to know, and to integrate ESG, in the search to deliver better risk-adjusted long-term returns for our clients.

In brief

Selected SAM sustainability highlights and events during the quarter

Storebrand shortlisted for UK 2022 PA Wealth Awards

Storebrand Asset Management has been named on the shortlist for jury consideration in the #ESG Advocate (Asset Manager) category for the 2022 PA Wealth Awards in the United Kingdom.

The criterion for the category is the asset manager's effectiveness in explaining why investors should consider ESG criteria when building their portfolios, and how they can best utilize ESG criteria within their own unique circumstances.

Hosted by Portfolio Adviser magazine, the PA awards are the country's best recognised within the wholesale wealth management sector. This year's winners will be revealed at a formal event on November 29th.

Turning up the heat on finance

Rising urgency for climate action was clear at Climate Week NYC

Storebrand Head of Climate Emine Isciel leading panel discussion at Climate Week in New York

Insightful discussions were had at Climate Week in New York this October, on how finance can put nature at the core of climate action. The event, Nature Positive for a Net Zero Future, was chaired by Storebrand's Head of Climate and Biodiversity, Emine Isciel, who emphasized the need for a sector approach, and called on financial institutions currently racing to zero to also address biodiversity and deforestation.

COP26 President Alok Sharma, and United Nations Climate Change High-Level Champion, Nigel Topping, urged all financial institutions to: use best efforts to eliminate commodity-driven deforestation from their portfolios; report on credible progress by 2025; and increase investment in nature-based solutions for climate change.

Remarks were made by speakers, including Hans Mehn from Generation, on why it makes sense for investors to join Finance Sector Deforestation Action. They emphasized the urgent need to halt deforestation, while outlining how critical this issue is as a business imperative, and the scale of the opportunities open to collaborate and make an impact in this area. More highlights from the event are available at the Climate week website

More highlights from the event are available at the Climate week website https://www.climateweeknyc.org/

The run up to COP27

Climate Change High-Level Champion Nigel Topping provides his view on what to expect from COP27 and how finance can help tackle the climate crisis

Nigel Topping is High-Level Climate Champion for the U.N. and the U.K.

As we look to the upcoming international climate change conference, COP27 in Sharm el-Sheikh, Egypt, the focus has shifted from ambition to driving implementation.

As we turn the climate pledges into action and focus on policies and practices to close the gap, we must accelerate the progress towards climate-positive regulation currently underway, including mandatory disclosures. With net-zero targets spanning over 90% of the global economy, voluntary action is not enough to achieve the goals of the Paris Agreement. COP27 has to support a holistic approach to sustainable development that focuses on adaptation and enhancing resilience. Together with the Race to Zero - where members reduce emissions across all scopes swiftly and fairly, with transparent action plans and robust near-term targets - and the Breakthrough Agenda - where we accelerate sector transitions through stronger international collaboration - we can mobilise stronger and more ambitious climate action.

The Glasgow Climate Pact, which clearly links nature and climate, recognises the importance of protecting, conserving and restoring nature and ecosystems. In fact, we know that there is no pathway to a net-zero world without reversing nature loss, ending deforestation and scaling nature-based solutions. Investors are just starting to recognize their fiduciary duty to address the material financial, regulatory, and reputational risks arising from climate and nature-related risks. Nature-based solutions also present a massive opportunity - a nature-positive economy can generate around USD $10.1 trillion per year and 395 million jobs by 2030, according to the World Economic Forum. Storebrand Asset Management was an original signatory to the Commitment on Eliminating Agricultural Commodity-Driven Deforestation, along with over 30 financial institutions which are working towards this goal by 2025. COP27 and the upcoming UN Convention on Biological Diversity, COP15, play a key role in advancing policies and creating an enabling environment for financial institutions and non-state actors to tackle the climate and biodiversity crises.

> "COP27 has to support a holistic approach to sustainable development that focuses on adaptation and enhancing resilience...."

The urgency to act is clear, with the latest IPCC reports noting that a major climate finance gap continues to persist. Reaching net-zero emissions by 2050 requires $125 trillion of investment and financial institutions are vital in driving ambition and delivering on the goals of the Paris Agreement. Putting people and nature first in pursuit of a resilient world means we don't just survive climate shocks and stresses but thrive in spite of them. As we unlock, channel and scale finance towards adaptation and resilience efforts, in alignment with the 1.5°C aligned nature-positive economy, we match the urgent, ambitious, impactful and transformative action to support vulnerable communities and achieve a zero-carbon future.

- Nigel Topping
High-Level Climate Action Champion for COP26 and the U.K.

COP27 Quick facts

This November, representatives from nearly 200 countries will come together to coordinate global climate action for the next year—an event referred to as COP27. The climate COP is an annual meeting of delegates from nearly every country on Earth to negotiate global goals for tackling climate change, present their individual countries' plans for contributing to those goals, and report on their progress.

It is an important meeting because the latest science shows that climate change is moving much faster than we are, pushing ecosystems and communities to their limits. Earlier this year the latest analyses by the UN's Intergovernmental Panel on Climate Change (IPCC), painted a sober picture of the reality on climate action. According to its most recent report, a significant portion of the world remains highly vulnerable to climate impacts, with the window for achieving the 1.5°C target narrowing. As we noted in our overview of the report, climate mitigation and adaptation are scientifically possible, and public and private financial flows can enable them. National commitments are needed however, to make it all possible.

The backdrop to this conference, the first African COP in a decade, amid security threats in Europe and an immediate concern around energy and food supplies, could be a distraction. However, this moment could also prove to be a catalyst, spurring action that is needed to secure the long-term security of these vital supply chains.

COP 26 secured symbolic agreement, but not matching commitments

This year's meeting in Egypt is all about follow through. Last year's meeting in Glasgow resulted in some ambitious new goals; now countries will get down to the hard work of figuring out how they are going to accomplish the goals they have set—including how to pay for climate action.

Here are a few topics we expect to see in the spotlight at COP 27

Adapting to climate change

Climate adaptation refers to the ways the world changes in response to the effects of climate change (as opposed to mitigation, which is what we do to prevent further climate change). To date, adaptation efforts have received far less funding than mitigation. But as the world experiences more frequent and more intense storms, floods, fires and other climate-fueled disasters, it's become clear we need to focus more on adaptation efforts that protect the people who are most vulnerable to the impacts of climate change.

"Loss and damage"

Climate-driven disasters are disproportionately harming low- and middle-income countries that have contributed far fewer of the greenhouse gas emissions that cause climate change. The UN has proposed that wealthier countries should pay "loss and damage" funds to compensate developing countries for the harm they have suffered already and to finance new adaptation efforts.

Keeping hope for 1.5°C

Six years ago at COP21, world leaders adopted the "Paris Agreement," a commitment to keep global warming below 2°C (3.6°F) above pre-industrial levels, and preferably limit warming to 1.5°C (2.7°F). This is the target that scientists agree will substantially reduce the harmful effects of climate change. As of now, we're not on track to hit this goal, even if all countries succeed in reducing their national emissions at the levels they have pledged. While countries are not due to share updated targets this year, it is possible we'll see some more ambitious commitments as world leaders accelerate their climate plans to meet the urgency of our moment.

Learn more about how Storebrand Asset Management is implementing its climate policy commitments.

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Update

Solutions

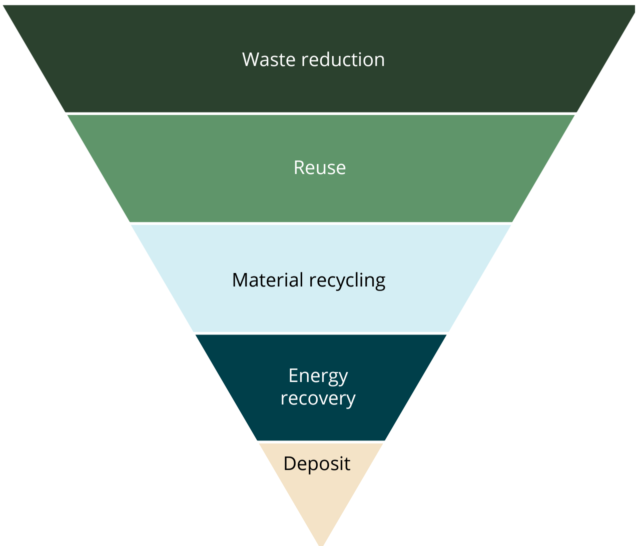
How we direct capital towards building long term value within sustainable investments

Changing the face of sustainable real estate

Storebrand has enabled the reuse of an entire building façade, marking a step towards its plan to boost the development of circular economy in building materials. In a sector often called the "40 % business" because of its material usage and emissions intensity, reuse could soon be the new norm.

Storebrand Real Estate aims to reduce environmental impact by several methods, where one of these is to become a cornerstone in a new circular economy, within the reuse of buildings and building materials.

"Reuse" is a concept that has been around forever, and it is especially clear in the consumer space in part due to high visibility in the fashion sector. But reuse is not just a consumer trend, it is quite relevant to the business sector too – not least in the buildings that form the basis of real estate investments.



Reuse is even more important than recycling in the heirachy of strategies to enable sustainable use of materials.

Huge potential to increase sustainability through circular economy

The real estate sector accounts for 40 percent of global greenhouse gas emissions, which makes the sector a priority within any plan to tackle climate change. In the EU's recent commitment to a European Green Deal, it adopted a new CEAP (Circular Economy Action Plan), to help achieve the EU 2050 targets for climate neutrality and halting biodiversity loss.

The CEAP pinpoints the huge sustainability gap within construction and buildings. Among the most significant are that: construction accounts for 35% of the EU's waste and that improving the material efficiency of building construction and renovation could save 80% of emissions. Given the scale of investment in buildings by the real estate sector, the potential to reduce negative impacts in terms of not only emissions, but also resource consumption, is clear.

> "Improving the material efficiency of building construction and renovation could save 80% of emissions."

Storebrand expanding re-use efforts

Storebrand has been a pioneer in sustainable investment, including real estate, since the mid-1990s. In 2016 Storebrand adopted a "Roadmap to 2020" for real estate which included re-use and circularity.

Initially, Storebrand began to realize the plan through efforts to re-use building interior furnishings. This year, Storebrand was able to land a lease of an eight hundred square meter office building in the Skøyen district of Oslo, to a new tenant, Kirkens SOS, with the interior furnished largely with materials reclaimed from other office buildings that had been refurbished. Tenant cooperation is vital on switching from the traditional refurbishing strategy of "ripping all out and replace with new products from glossy catalogues" to "what can be kept and what other used materials can boost the result".

However, re-using materials is not limited to building interiors. The systematic mapping of re-use possibilities will provide information on what parts of the real estate that can be reused.

These materials should not be destroyed through demolition, but instead re-used when the function of the building changes.

That is exactly what Storebrand has aimed to do at one of our real estate properties in Oslo, at Filipstad Brygge. We will re-claim 1700 m2 of used stonework from the renovation of various parts of the building exterior, to achieve 100 percent reuse of all existing materials in the outdoor areas. Furthermore, we wanted to give the 30-metre-long glass façade of the building entrance a second life. We have now found a new owner, and the façade will be used to build cabins for the benefit of the students at the University of Agder. Our aim is that this kind of reuse will be the rule, not the exception, in the future.

Photo: Einar Horsberg

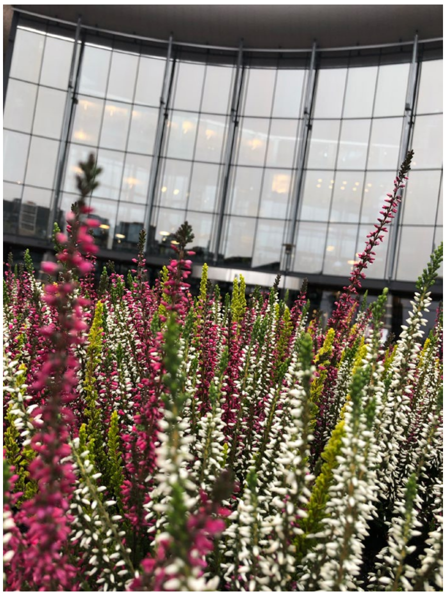


Photo: So-la landskapsarkitekter

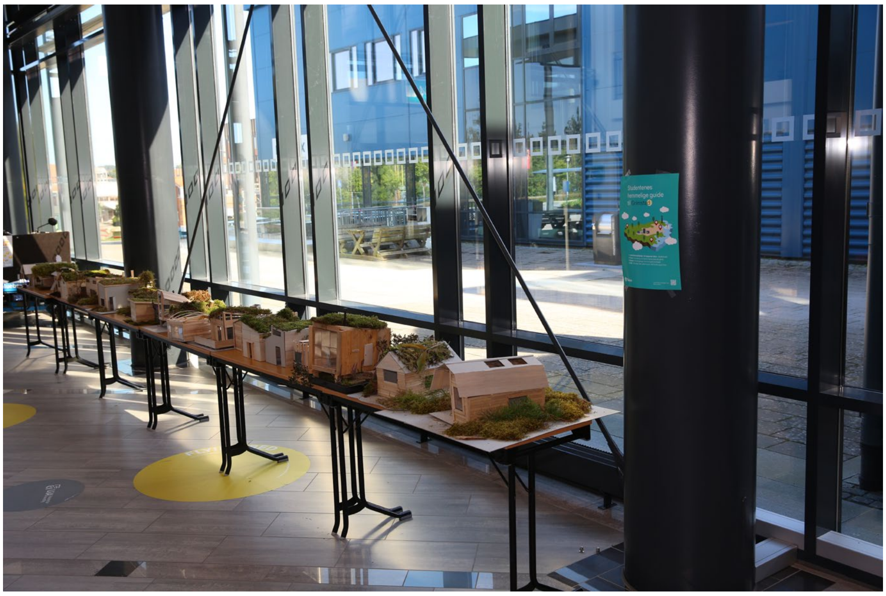


Photo: So-la landskapsarkitekter

> We believe that buildings really should be thought of as a bank of material resources, a temporary composition of materials that can be used in different ways if the need arises."

Challenges in implementing re-use

There are, however, some challenges on the way to expanding the circular economy in building and construction sector.

To begin with, customer demand needs to be generated. For re-use to grow within the commercial real estate sector, it must be commercially viable. This means that potential tenants need to at least accept reuse of building materials on equal terms with their current expectations of that of brand-new materials. Or, ideally from a sustainability point of view, that tenants come to prefer that they lease a building that is partially or fully re-used, and that this new aesthetics which re-used materials create will increase in popularity.

Furthermore, there is also a large gap on the supply side: a relatively weak marketplace for reused materials. Currently there is a relatively small market for the reuse of building interior materials and an even smaller market for building exterior and construction materials. For reuse to be viable, every new lease process needs access to a ready supply of reused building materials both within each company, as well as a thriving market of re-used materials for sale across companies. We are also dependent on the manufacturers of building materials to take a bigger responsibility, developing more circular business models and enabling their products to live longer and to be reused.

On the horizon

Storebrand Real Estate Head of Sustainability Unn Hofstad is optimistic that reuse will gain currency. " Ultimately top-tier tenants will need to build this aspect of sustainability into their business model, in order to match expectations of customers and employees," she says, "Commercial buildings are highly visible symbols of companies' values. Already, green energy is becoming a standard expectation. The younger generation in the workforce may next expect their workplaces to include tangible demonstrations of sustainable materials."

Moving forward, we will continue to set clear demands and targets for recycling and reuse, and push our suppliers to do the same same, within every project and every situation where we use materials. That is something new in the real estate sector and a different approach than what's been done before. We will also set clear goals for our emissions and reuse of materials, and further implement the use of project climate accounting. Today this has been done for some of the larger projects, but it is just as important in all smaller projects where interiors historically have simply been torn down and thrown away.

As we recognize that waste and emissions is a challenge for the sector as a whole, it is critical to get the real estate sector on board to make a great of an impact as possible. As part of the Norwegian Green Building Council (Grønn byggallianse) we will work together with other players in the market to transform perceptions of the sector. Expect more from Storebrand Real Estate on materials and emissions reduction in the quarters ahead.

A strong showing in real estate rankings

We are proud to announce that SPP Fastigheter AB and Storebrand Eiendomsfond Norge KS have been award the status of Global Sector Leader in their categories (Diversified and Diversified – Office/Industrial respectively). This means they are among the very best in class globally. All four of Storebrand Real Estate's participating entities earned the 5 star recognition, meaning they're among the best 20 % of more than 1800 real estate funds and companies across 74 countries. GRESB´s data is used by more than 170 institutional and financial investors.

GRESB REAL ESTATE ☆☆☆☆☆

GRESB REAL ESTATE sector leader 2022

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Active Ownership

How we engage in dialogue, collaboration and shareholder voting processes to make progress on our sustainability objectives.

Forging a new path on emissions

Dialogue with steelmaker JFE continues to yield prgress

Converting from blast furnaces to electric arc furnaces is expected to help reduce JFE's emissions-intensity

Following a successful engagement outcome earlier this year, the Japanese steelmaker JFE Steel now seems to have taken action and a further step forward. In August, media outlets reported that JFE may build an electric arc furnace to replace one of its existing blast furnaces, which would significantly reduce the CO_2 emissions generated from its steelmaking process.

JFE was identified as one of the top 20 largest emitters in our portfolio, in terms of owned emissions. Storebrand Asset Management, in alliance with a core shareholder group, has therefore been engaged in a structured dialogue with JFE, Japan's second largest steel producer, which this spring resulted in the company announcing strengthened climate ambitions and a commitment to an annual revision of its emissions reduction target.

In our dialogue, the need to align JFE's planned investments with its emission reduction targets was highlighted. JFE was facing a potential turning point: the investment decision on the multibillion-yen replacement of its ageing blast furnaces. The scale and complexity of this aspect of the steel production process, require a long lead time between the investment decision point and the actual refurbishment of the furnace.

Goal

Reducing CO_2 emissions from steelmaking, to meet the climate challenge and fulfil our net zero portfolio emissions commitments.

Why it matters

The steel sector accounts for approx. 7% of global CO_2 emissions (IEA). By 2050, global steel demand is projected to rise by over a third.


Photo: Colourbox.com

The default option, relining the existing blast furnace, would have risked creating a lock-in effect on a relatively high-emissions production process, locking in continued carbon dioxide emissions for decades to come. Other options however included replacing the blast furnace with a different technology, which could also offer the opportunity to lower the emissions-intensity of JFE's steel production.

> This would be the first time that any of Japan's top three steel companies have aimed to make their blast furnaces electric, and therefore marks a significant step forward in the decarbonization of the steel industry."

Now, the company has announced that it will invest in replacing the Kurashiki No.2 blast furnace with equipment that utilizes the less emissions intensive EAF (electric arc furnace) technology. According to some research estimates, electric arc furnace steelmaking can result in significantly lower emissions per ton of steel produced, compared to conventional methods: blast furnaces and basic oxygen furnaces.[1]

In terms of implied CO_2 emissions reduction, a preliminary estimate is that this implementation of an EAF will result in a reduction of several million tonnes of CO_2 emissions per annum.

The key to reducing a company's emissions lies in making the right techno-economical choices regarding the production processes, at the right point in time. The end of life of these blast furnaces represents a unique opportunity to instead reinvest in low-carbon technologies. We believe that the timing and collaborative nature of this engagement were important factors towards achieving this step forward. We now need to see more steel companies aligning their capital expenditure with their broader net zero strategy." says Victoria Liden, Senior Sustainability Analyst.

Although this is an early step and there is still room for improvement, it also shows how shareholder engagement can act as a catalyst and contribute to real economy impact. It also highlights the importance of timing when it comes to engagement – the importance to engage in a dialogue with the hard-to-abate sectors at a point in time when they are looking to make significant re-investment decisions, for example when the existing and high-emitting furnaces are reaching the end of their life cycle and are planned for retirement or relining.

Background

JFE Holdings Shareholders Welcome Company's New Climate Commitments

https://www.mynewsdesk.com/storebrand-asa/pressreleases/jfe-holdings-shareholders-welcome-companys-new-climate-commitments-3184006

Japan's JFE to switch one furnace to electric in green push

https://asia.nikkei.com/Business/Materials/Japan-s-JFE-to-switch-one-furnace-to-electric-in-green-push

1) "Carbon capture and utilization in the steel industry: challenges and opportunities for chemical engineering". Current Opinion in Chemical Engineering. 26: 81–87, De Ras, Kevin; Van De Vijver, Ruben; Galvita, Vladimir V.; Marin, Guy B.; Van Geem, Kevin M. (1 December 2019).

Investor group demands policy action

2022 Global Investor Statement to Governments on the Climate Crisis Launched

Ahead of the 27th United Nations Climate Change Conference (COP27) to be held in Egypt in November 2022, the Investor Agenda is launching the 2022 Global Investor Statement to Governments on the Climate Crisis. Storebrand is a signatory, joining a diverse body of global investors who urge that governments immediately implement several policy actions to boost investment that responds to the climate crisis. Read the statement and the Investor Climate Action Plans.

What's the UN Biodiversity Conference (COP15) and why is it important for nature?

Global biodiversity negotiations will affect national goals and polices.

The 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD), known as COP15, will be held between 9 and 17 December 2022 in Montreal, Canada. The heads of state and environment ministers meeting in Montreal will decide whether to back the commitments in the Post-2020 Global Diversity Framework. The framework commits governments to a series of actions designed to protect biodiversity and restore ecosystems. It includes 21 targets for urgent action in the next 10 years, including stopping discharges of plastic waste, reducing the use of pesticides and ensuring that at least 30% of land and sea areas are protected. There will be big obstacles to overcome before agreement is reached, with finance being a major issue. Governments have a dubious track record on biodiversity commitments. In the history of the CBD, governments have failed to meet any of the previous targets.

More ambitious Global Biodiversity Framework

In the runup to COP15, Storebrand has played a leading role in the Finance for Biodiversity Foundation's Public Advocacy working group. The group which is co-chaired by Storebrand has published a key position paper on the COP negotiations calling for the creation of a more ambitious Global Biodiversity Framework (GBF) with an expectation for financial institutions and businesses to align financial flows to global biodiversity goals. Specifically, the group asks that each country's delegation support the adoption of specific policy formulations in the GBF, based on the Draft Recommendations of the Co-Chairs following the Fourth Meeting of the Open-Ended Working Group in Nairobi 21-26 June 2022:

- In Goal D: "the alignment of all public and private financial flows with the goals and targets of the framework".
- In Target 14: "aligning all public and private activities, fiscal and financial flows with the goals and targets of the GBF".
- In Target 15: "Take legal, administrative or policy measures to ensure that all business and financial institutions (a) through mandatory requirements regularly monitor, assess, and fully and transparently disclose their dependencies and impacts on biodiversity along their operations, supply and value chains and portfolios, in order to reduce negative impacts on biodiversity, increase positive impacts, reduce biodiversity-related risks to business and financial institutions."

Finance ministers told to create biodiversity finance policies

Formal letter details both critical policy formulations that need support at COP15 negotiations and enabling policies needed at national level.

The CEO of Storebrand Asset Management has joined counterparts of leading financial institutions Aviva and Domini Impact Investments, to send a letter on behalf of the Finance for Biodiversity Foundation, to the Coalition of Finance Ministers for Climate Action, requesting urgent policy action. This was announced by Carole Laible, CEO of Domini Impact Investments LLC, during the Landmark Leaders Event for a Nature Positive World in the margins of the 77th session of the UN General Assembly in New York in September.

The letter calls on ministers of finance to ensure that the 'alignment of public and private financial flows with an ambitious Global Biodiversity Framework' is a firm position taken by their governments in the negotiations at COP15. Finance ministers are also invited to a round table event at COP15 to discuss specific steps that need to be taken to implement the alignment of financial flows at the national level.

With this letter, member financial institutions of the Finance for Biodiversity Foundation will start with individual and collaborative engagements with a selection of finance ministers from the 70 countries that are part of the Coalition in run-up to COP15.

The finance ministers are also being asked to implement the alignment of public and private financial flows with the goals and targets of the Global Biodiversity Framework. The financial institutions encourage the ministers of finance to take concrete steps, such as setting disclosure regulations, requiring transformation pathways, integrating nature into regulatory frameworks, supporting central banks and financial supervisors, and creating economic incentives for businesses and the finance sector to incorporate nature into their decision making:

The group also asks that the ministers implement the following enabling policies within each country:

- Setting Disclosure Regulations, requiring that all financial institutions assess their impacts and dependencies on nature, using global standards such as upcoming Taskforce Nature Related Disclosures (TNFD) and actions to ISSB Sustainability standards, to incorporate biodiversity disclosures on a national level and support greater global consistency.
- Requiring Transformation Pathways for the finance sector, obliging financial institutions to publish plans as to how they will reduce their negative biodiversity impact and increase their positive impact.
- Integrating nature-related risks next to climate-related risks into Regulatory Frameworks for financial institutions (e.g., in regulatory requirements relating to prudential or institutional governance standards).
- Supporting Central Banks and Financial Supervisors to play a role in shaping private finance sector action. For example, the Dutch central bank, which has quantitatively mapped the physical and transition risks of domestic biodiversity loss, estimates that 36% of Dutch financial institutions are highly dependent upon at least one ecosystem service.
- Creating Economic Incentives for businesses and the finance sector to incorporate nature into decision-making, such as aligning economic incentives with sustainable practices.

Jan-Erik Saugestad, CEO Storebrand Asset Management, said:

> "All of nature's alarm systems are flashing warnings of an imminent catastrophe: a permanent loss of the biodiversity and ecosystem services that support human life and our economies.

The economic transformation needed to decisively change our course cannot be left to the voluntary actions of few private actors alone. We need all hands on deck, at this critical stage. That's why we are now calling on the Ministers of Finance to support the successful implementation of the Global Biodiversity Framework, and to take immediate steps to integrate nature-related risks and opportunities into decision-making at national level."

The Finance for Biodiversity Pledge is a commitment of financial institutions to protect and restore biodiversity through their finance activities and investments. In total, the group represents over €14.7 trillion in assets held by 103 signatories from 19 countries.

To learn more about the details of the policy asks, read the Financial institution letter to the Finance Ministers Coalition for Climate Action.

Investors joining forces against deforestation

Storebrand is progressing towards meeting its commitments in this critical area

Clearing of forests in order to grow globally traded commodities like soyabean, is harming biodiversity and driving climate risk.

At the climate summit COP26 in November 2021, over 30 financial institutions with more than US$8.9 trillion in assets under management committed to work on eliminating agricultural commodity-driven deforestation risks in their investment and lending portfolios by 2025. The signatories of the initiative, called Finance Sector Deforestation Action (FSDA), work together to implement the joint commitment, including on screening portfolios for deforestation risk, recruiting more signatories to the commitment and engaging with companies.

Portfolio screening

Storebrand adopted a deforestation policy in 2019 and developed a methodology for portfolio risk screening in 2020. As an early mover, Storebrand has been able to share its experiences with other investors that have more recently begun working on this issue. Our approach to deforestation was in August this year described in a [case study by the UN Climate Change High-Level Champions.]

Storebrand recently completed its second portfolio screening based on the Forest 500 and Trase databases. Of the 350 companies and 150 financial institutions included in Forest 500, Storebrand has exposure to 109 companies and 149 financial institutions with varying degrees of deforestation risk. Using Forest 500 rankings and other data sources like Trase, Storebrand assesses companies' progress towards eliminating deforestation and prioritizes companies for active ownership engagement, individually and through collaborative initiatives like the FSDA.

Active ownership

Storebrand Asset Management is part of the FSDA's Investor Strategic Working Group, which has developed a strategy and tools for the FSDA signatories to jointly engage with companies at risk of contributing to deforestation through their operations, supply chains or financing. The group has identified some 80 companies to engage, divided up responsibilities for leading engagements, and created a set of expectations for how companies should eliminate commodity-driven deforestation from their activities by 2025. The FSDA launched the engagement program during Climate Week in New York.

Engagement with policymakers

To end deforestation, a multi-stakeholder engagement approach is needed which includes both companies and policymakers. The growing awareness among investors of deforestation as a systemic risk is increasing the membership of the Investor Policy Dialogue on Deforestation (IPDD), a collaborative investor-led initiative to engage with public authorities and industry associations in Brazil and Indonesia and in import markets like the EU, UK, USA and China. As of September 2022, IPDD is supported by 64 financial institutions from 19 countries. The coalition now represents approximately US $10 trillion of AUM. The IPDD is currently co-chaired by Storebrand Asset Management and BlueBay Asset Management.

Storebrand's work on deforestation is part of our prioritized themes for 2021-23, which includes a specific theme on biodiversity and ecosystems.

You can't manage what you don't measure

Analyses completed on nature-related impacts and dependences in Storebrand's portfolio

Erosion control systems such as coastal mangrove forests are among the more significant nature dependency-related risks identified in Storebrand's portfolios

With our investment activities, we want to contribute to the protection of biodiversity and are currently assessing our impact. As a first step, we did high-level screening of direct nature-related impacts and dependencies for our portfolio of equity and bonds using the measurement tool ENCORE. The web-based tool, called ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), helps global banks, investors and insurance firms assess the risks that environmental degradation, such as the pollution of oceans or destruction of forests, causes for financial institutions.

Storebrand 's highest exposure to impact-related risks stems from the solid waste impact driver, followed by water pollutants, soil pollutants, water use, non-GHG air pollutants and GHG emissions.

The industries in our portfolio with the most material nature-related impacts drivers are utilities, consumer staples, materials and industrials. Furthermore, Storebrand's highest exposure to dependency-related risks stems from the mass stabilization and erosion control ecosystem service, followed by surface water, bioremediation, ground water and flood and storm protection. The sub-industries with the most material nature-related dependencies are consumer staples, materials and utilities.

The impact analysis was conducted between mid-June and mid-July 2022, followed by the dependency analysis that was conducted between mid-July to mid-August. Given that it is a high-level analysis, the results provide an initial picture of potential impact and dependency related risk associated with Storebrand AM's portfolio. It shows how Storebrand AM's aggregate investments are potentially directly dependent on key ecosystem services and how they potentially impact nature. Further analysis is recommended in the future, to understand these impact and dependency related risks in greater detail.

Living wages a long way off

Despite growing awareness, the portfolio companies assessed are lagging on action

The food & agricultural supply chain is among the sectors lagging on policies and supply-chain-wide plans to ensure living wages.

Companies and their investors could be missing out on business and social value by overlooking living wages. For this reason, Storebrand has been actively engaged with portfolio companies and supports the Corporate Human Rights Benchmark initiative, which can improve disclosure for investors. This year, working with companies from two sectors within our investment portfolios, we have found that we are close to an inflection point in this challenge. However, progress is delicate, and this is a systemic issue that needs detailed, highly localised solutions.

An overlooked human rights and supply chain risk

Many workers around the world don't earn a living wage, even though living wages are generally recognised as a human right. Yet, addressing living wages and helping to create the structures supporting them, has a positive effect on workers' health and working conditions, while also helping to eradicate social issues such a poverty, child labour, forced labour and low-living standards. There is also a growing body of research indicating that implementing living wages can contribute to improvements in workers' productivity and companies' value added. One reason why living wages problems are so common is that calculations are not embedded into the formal laws and regulations that govern companies' minimum wage obligations towards their workers. Furthermore, living wage levels are locally specific, as they are based on costs of life necessities with the community where the worker lives.

This creates a situation where the supply chains of many companies, could contain hidden risks in terms of resiliency, or serious human rights violations. The importance of living wages was emphasised during the COVID crisis when many companies experienced breakdowns in their supply chains, as a significant number of workers in both wealthy industrialised countries and developing ones, proved to lack the financial and social stability to withstand a sudden change in their living, working, transportation and healthcare conditions.

With the global economy slowing down, the Asian business newspaper Nikkei is now reporting a severe drop in order volumes – and working opportunities – in the Asian supply chain, including for garment sector workers. This could potentially increase the risk of sub-living wages conditions taking root in the sector.

Working closely with PLWF coalition

Storebrand has made solid progress this year in its commitment to engage where we can most make an impact towards achieving living wages.

Our work on this issue has been carried out mainly within the structure provided by the Platform Living Wages Financials coalition (PLWF). In 2021, Storebrand joined the Platform for Living Wages Financials to have more leverage on this issue by joining other investors and a more structured approach through research, methodology and dialogue with other stakeholders.

Productive engagement to assess companies so far

During 2021 we have been engaged in a series of assessments, working closely with companies in our portfolio, within the garment & footwear, food & agriculture, and retail sectors. The framework we use classifies the stage of advancement that companies are in, ranking progressively in stages: embryonic, developing, maturing, advanced and leading.

The results of the work so far were presented this October at the annual conference where the PLWF members met to share learnings and gain insights. The conference also focused on getting further input directly from workers organisations and other organisations involved in the field. The key organisation coordinating the input this year was the Garment Workers Diaries (GWD). The GWD is an independent and direct channel for garment workers to express their issues, concerns and experiences in the global garment supply chain; and discuss practical solutions companies can provide to effectively work towards a living wage or living income, for workers on the ground.

> "The assessments revealed that the retail sector had the most room to improve, with companies clustered mostly in the developing stage.

Within the garment & footwear sector, the PLWF assessments found most of the companies clustered in the middle, at the maturing stage, with policy commitments becoming more robust. Overall though, most of the companies in this sector were further back, with a quarter of them failing to promote freedom of association. Many have even regressed from the previous year, in terms of effectiveness measures.

The situation in the food & agricultural sector was a bit further behind, with most companies clustered in the developing and maturing phases. Key issues in this sector included a lack of policies on living wages, and consequently a lack of supply-chain-wide targets. Stakeholder feedback was not integrated by companies, and mechanisms for workers to voice complaints and get them solved were missing.

Key issues here include a lack of a strategy on living wages overall and its absence from purchasing practices; a need to consider income of the companies' own employees; and missing mechanisms for workers to voice complaints and get them solved.

Overall, the PLWF members perceive that companies' actions on implementing living wage and income are improving and taking on a more mature nature. However, long and complex supply chain structures make it difficult to truly understand what is happening on the ground.

Next steps

Going forward, Storebrand will continue to engage in and lead as co-chair for two industries, to engage significant investees, and move them forward in their journey towards ensuring living wages within their value chains.

Read the full report and find out how to get engaged on solving the living wage challenge, here:

PLWF publishes 2022 Annual Report – Platform Living Wage Financials

What are living wages?

Storebrand defines a living wage as an income from work that is at least enough to sustain the necessities of a decent life for the worker and their family, locally in their community. These necessities are: food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for unexpected events.

The concept of living wages is well embedded in the international human rights discussion. The United Nations' Universal Declaration of Human Rights (1948) (article 23) says: "Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection." The living wage as a fundamental human right is also recognised by the International Labour Organisation (ILO) and the Organisation of Economic Cooperation and Development (OECD).

Learn more about the process of defining living wage levels, from the Global Living Wage Coalition which applies the well-respected Anker Methodology for defining living wages.

About the PLWF

Storebrand is a member of the Platform Living Wage Financials (PLWF), the first collective approach from the financial sector to deep dive into a single human right: living wages for workers.

This unprecedented alliance of 19 financial institutions, representing over €6.5 trillion AUM, uses its leverage to engage investee companies. Currently the PLWF is engaged with 45 investee companies across the garment & footwear, food & agricultural, and food retail sectors, working towards enabling living wages and incomes for workers in their global supply chains.

The PLWF has two primary workstreams. First, a structured process of annual assessment of companies, using methodology based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for multinational enterprises.

In addition, the PLWF carries out sector-wide engagement through public statements and other communications, and shares insights with external asset managers and ESG data providers. Learn more at www.livingwage.nl

Ongoing engagement with Meta

Raising concern about social impact and governance issues

One of our principles of engagement is to use a broad toolkit of strategies, including targeted escalation, utilising broader investor support, and use of shareholder resolutions, towards achieving our objectives. We also see that there is often a link between social and governance issues, as in the case of Meta Inc, formerly Facebook.

Earlier this year, Storebrand had raised its concerns with Meta, formerly Facebook, about the "metaverse" project and potential social and human rights risks that this may pose if these risks are not managed appropriately. Subsequently, Storebrand, in collaboration with Arjuna Capital, filed a shareholder resolution on the matter, which succeeded in being presented for voting at Meta's annual general meeting, despite being contested by the company's management. However, the resolution did not pass. Lack of progress with shareholder resolutions, like this one, is essentially a governance issue; support for such resolutions is significantly influenced by the dual class share structure of the company, which effectively allows the founding members of the company a disproportionate influence relative to other shareholders.

It is with this backdrop that Storebrand also earlier this year raised concerns about governance issues at Meta, including the dual class share structure that restricts the effective influence of shareholders; the need for an independent board chair and truly independent board directors to provide robust checks and balance on the company’s direction. Concerns were sent, in the form of a co-ordinated letter with other investors, outlining our key asks.

This quarter, the group of investors who sent the letter was invited to a meeting with one of the directors on the board, where the content of the letter was discussed, and requests and recommendations were raised by the investor group.

Increased focus on forced labour

Solar industry in the spotlight with accusations of violations

There has been rising concern regarding risks of forced labour in the solar sector.

Storebrand has been active on forced labour risks in the solar industry, with the sector under the spotlight following several high issues of concerns raised.

This August, the U.N. special rapporteur on contemporary forms of slavery released a report stating that coerced labour among Uyghurs, Kazakhs and other ethnic groups has been taking place in China's Xinjiang and Tibet.

At the end of September, the European Commission proposed a ban on the sale of products made with forced labour. In their official statement, the Commission stated that the ban was aimed at ensuring sustainability in their markets, while also ending the practice of modern slavery. The proposed ban will work on the basis of risk assessment, with national authorities investigating suspect products based on several factors, including "a database of forced labour risks focusing on specific products and geographic areas."

Engagement in Xinjiang

Storebrand has focused on labour law issues in the supply chain for several years and has been actively working on the issue of forced labour in Xinjiang since 2021.

We have been involved in the Investor Alliance on Human Rights, an investor coalition and cooperation initiative that conducts a dialogue with companies that - via their supply chains - may have connections to the human rights crisis in and from the Uyghur region of China. This collaborative initiative consists of several institutional investors in dialogue with investee companies active in various sectors. Storebrand actively participates in the working group for textiles, IT and communication and energy (which includes solar cell manufacturers). The investor group has called on the companies to conduct human rights due diligence in their supply chains, thereby encouraging them to identify, assess, avoid and mitigate risks of human rights violations by implementing policies and practices in areas such as traceability and risk assessment as well as procurement practices.

In connection with these dialogues, some companies that we have been in direct dialogue with, such as the retailer H&M, have expressed deep concern over reports of forced labour in Xinjiang. In H&M's case, the company confirms that it has stopped buying cotton from growers in the region.

Solar industry analysis

In 2021, we also conducted a more in-depth analysis of the solar industry in connection with reports of forced labour in Xinjiang. As a result of this analysis, Storebrand chose during the fourth quarter of 2021 to sell out of two companies with operations in Xinjiang; Dago New Energy and GCL-Poly.

Storebrand has had ongoing dialogue with other companies active in the solar industry with supply chain connections in Xinjiang and cannot comment on the status of all those dialogues at this time. The situation in Xinjiang is such that it is challenging to document violations and link to the companies, not least because any measures that involve bringing in a third party to verify the existence of forced labour have the risk of being either unreliable or potentially imposing risks to the third party. We are investigating different ways to influence the companies, which includes both continued dialogue and supporting shareholder proposals.

Canadian Solar dialogue

One example of such dialogue is Canadian Solar. The dialogue with this company has been led by SHARE and Storebrand has been a support investor in this dialogue, participating in engagement strategy and actual digital meetings with the company. This dialogue has been backed by the investor alliance initiative on forced labour within the energy sector.

As progress with the company was slow and the company was not accommodating shareholders requests on human rights assessment to identify forced labour at its operations in China and specifically in connection to Xinjiang, Storebrand decided to co-file a shareholder resolution requesting this to be voted at Canadian Solar's annual general meeting. Part of the resolution stated:

Shareholders request the Board of Directors oversee a third-party party assessment and report to shareholders, at reasonable cost and omitting proprietary information, on the extent to which Canadian Solar's policies and procedures effectively protect against forced labour in its operations, supply chains, and business relationships, including in the Xinjiang Uyghur Autonomous Region. The report should:

- *Draw upon international standards such as the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and ILO Forced Labour Convention, 1930 (No. 29);*
- *Explain how Canadian Solar identifies actual or potential adverse human rights impacts and how, once identified, the company prevents, mitigates and accounts for such impacts;*
- *Explain the extent to which Canadian Solar has identified suppliers and sub-suppliers that are at significant risk for forced labour violations;*
- *Disclose the number of suppliers against which Canadian Solar has taken corrective action due to such violations;*
- *Be posted on Canadian Solar's website.*

Canadian Solar omitted the shareholder proposal. Unlike the U.S. Securities Exchange Commission "no-action" system for staff review and decisions on such challenges, British Colombia regulation in Canada provides virtually no other recourse than a court order. Consequently, the shareholder proposal was not included on the items to be voted on in the company's AGM agenda this year.

However, Storebrand continued its dialogue with the company. Following that dialogue, the company noted in August in their 2021 Sustainability Report

In May 2022, our Board passed a resolution mandating a third-party assessment, at reasonable cost, on the extent to which Canadian Solar's policies and procedures effectively protect against forced labour in its operations, supply chains, and business relationships.

The assessment will draw upon international standards such as the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and ILO Forced Labour Convention, 1930 (No. 29). We have initiated our efforts to search for a reputable, international auditing firm to conduct this assessment at reasonable cost and expect to report back to the Board on the results of the audit in due course.

These action steps align with a significant proportion of the proposal Storebrand aimed to present for voting. We consider this to be a step in the right direction, and continue to follow up on the issue.

Engagement

Engagement key figures Q3 2022

613 New and ongoing engagements

502 unique companies

70% collaborative engagements

As of the end of Q3, we currently have 613 ongoing engagements in total, with 502 unique companies in our portfolios. 70% of the engagements are collaborative, which continues to reflect our strategy of joining forces to maximize impact, where appropriate.

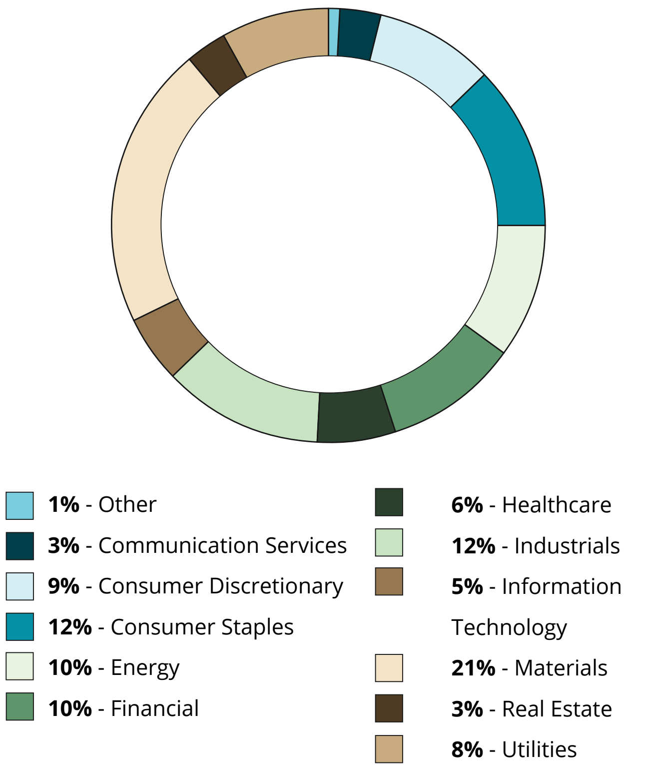
Of the new engagements added during this quarter, many focus on the social dimension, including some regarding human rights in conflict zones, a longstanding issue that has risen even further in importance over the past year.

Where we engaged

Location of company headquarters

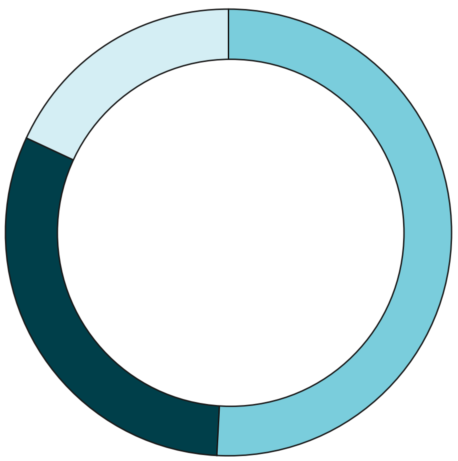
Country	
Other	9
Argentina	1
Australia	13
Austria	2
Belgium	3
Bermuda	7
Brazil	7
Canada	16
Cayman Islands	7
Chile	2
China	19
Colombia	1
Czech Republic	1
Denmark	3
Finland	4
France	27
Germany	26
Hong Kong	3
Iceland	0
India	11
Indonesia	15
Ireland	5
Israel	6
Italy	3
Japan	57
Jersey	2
Luxembourg	2
Malaysia	6
Mexico	3
Netherlands	10
Nigeria	1
Norway	44
Philippines	1
Poland	1
Portugal	1
Russia	8
Saudi Arabia	1
Singapore	8
South Africa	3
South Korea	14
Spain	8
Sweden	52
Switzerland	20
Taiwan	8
Thailand	7
Turkey	1
United Kingdom	25
United States	139

Sectors engaged in



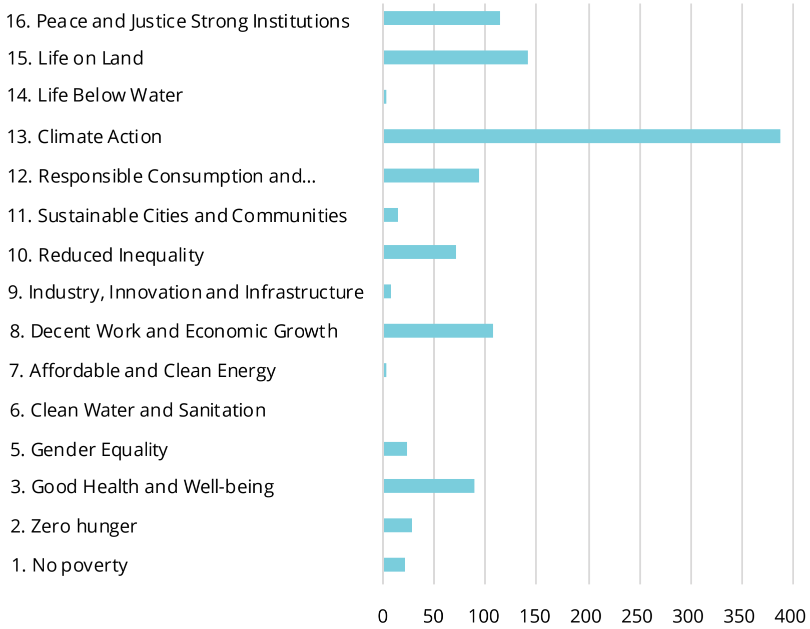
What we engaged on

ESG categories of engagements



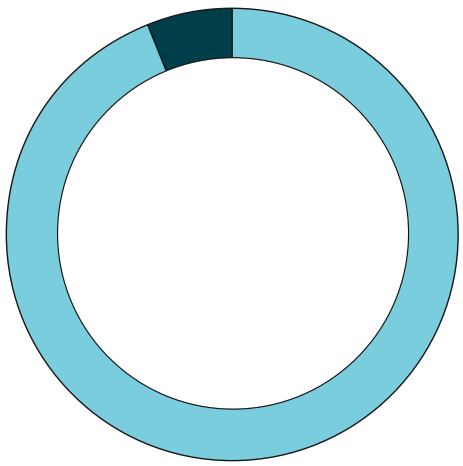
51% - Environment
31% - Social
18% - Governance

SDGs impacted by engagements



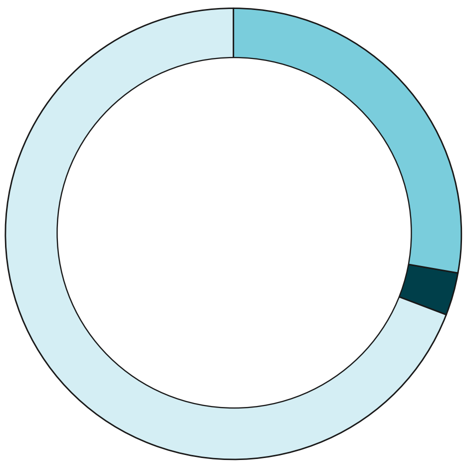
How we engaged

Reason for engagement



94% - Proactive (internally planned)
6% - Reactive (triggered by external event)

Storebrand's role in engagement



28% - Solo
3% - Collaborative (leading role)
69% - Collaborative (non-leading role)

Voting

Voting key figures Q3 2022

With few meetings being held in our home markets during this period, we focused on meetings with ESG-related resolutions at our largest holdings internationally. During Q3, we voted at 156 meetings, corresponding to 33 % of votable meetings in the period.

Among the notable companies that held their AGM in Q3 were Tesla, General Mills, Nike and FedEx. The FedEx AGM had several interesting shareholders proposals for vote, among them reporting on climate lobbying, reporting on racism in the corporate culture and a resolution requiring the company to have an independent board chair. We voted for all of these, but only the latter received significant support at about 38% of the votes.

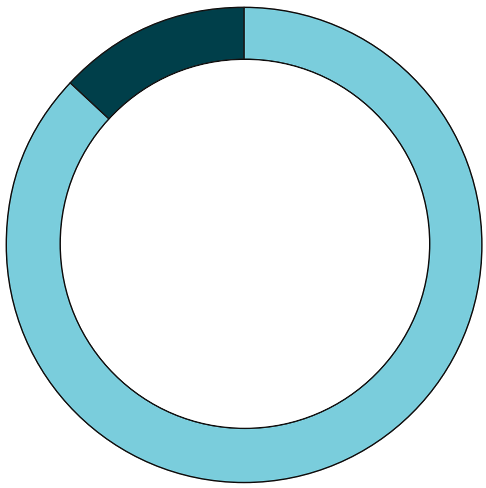
At the General Mills AGM, a resolution demanding that the company reported on its efforts and progress on reducing plastic in its packaging solutions was passed with more than 50 % support. The resolution calling for NIKE, Inc. to adopt a policy on sourcing from China received just 6 % support, although we saw it as an opportunity to enhance the company's stated commitment to addressing labour issues, including forced labour, in its supply chain.

The standout company holding its AGM in the third quarter was Tesla. The meeting featured eight shareholder resolutions across the whole ESG spectrum, but because of the concentrated ownership none of them passed.

How we voted

Number of votes on shareholder proposals:	63
Number of meetings voted:	156
Number of votable meetings:	473

Voting alignment relative to managements' declared position



87% - Votes in line with management

13% - Votes against management

Turnout rate: Storebrand presence on votable items

Market	Votable Meetings	Voted Meetings	Turnout rate
Australia	5	1	20.00%
Austria	2	0	0.00%
Belgium	1	0	0.00%
Bermuda	11	6	54.55%
Brazil	12	1	8.33%
Canada	5	0	0.00%
Cayman Islands	19	10	52.63%
China	75	22	29.33%
Denmark	2	1	50.00%
Egypt	1	0	0.00%
France	3	0	0.00%
Germany	1	0	0.00%
Greece	4	0	0.00%
Hong Kong	7	3	42.86%
India	116	43	37.07%
Indonesia	9	2	22.22%
Ireland	6	2	33.33%
Israel	4	0	0.00%
Italy	1	0	0.00%
Japan	11	8	72.73%
Jersey	1	0	0.00%
Malaysia	7	1	14.29%
Malta	1	0	0.00%
Mauritius	2	0	0.00%
Mexico	3	0	0.00%
Netherlands	7	3	42.86%
New Zealand	4	2	50.00%
Norway	10	8	80.00%
Poland	5	1	20.00%
Russia	1	0	0.00%
Singapore	9	1	11.11%
South Africa	13	7	53.85%
South Korea	5	0	0.00%
Spain	1	0	0.00%
Sweden	26	6	23.08%
Switzerland	4	1	25.00%
Thailand	1	0	0.00%
Turkey	2	2	100.00%
USA	38	17	44.74%
United Arab Emirates	1	0	0.00%
United Kingdom	36	8	22.22%
Virgin Isl (UK)	1	0	0.00%

3

Update
Exclusions

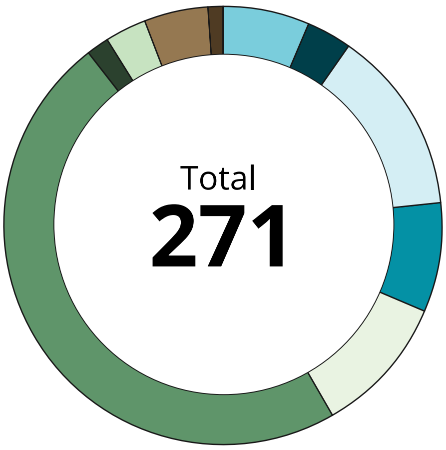
How we act on our investment holdings when engagement is not a viable path towards achieving our sustainability standards.

Exclusion key figures

Nine companies newly excluded in Q3, mainly for coal criteria

During the third quarter of 2022, we newly excluded nine companies under our Storebrand Standard. Seven of them were excluded under the criterion "Climate-Coal. Of the other two, Porsche Automobil Holding SE was excluded based on conduct, and the steelmaker ArcelorMittal was excluded based on involvement in controversial weapons.

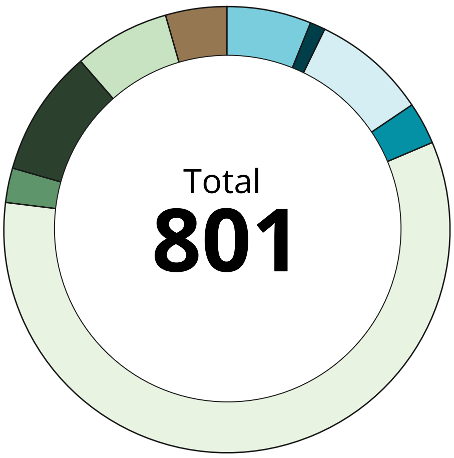
Companies excluded under the Storebrand Standard, as of September 30th, 2022



Category	Newly excluded	All excluded
Conduct - environment	1	19
Conduct - corruption and financial crime	2	10
Conduct - human rights and international law	0	40
Tobacco	0	24
Controversial weapons	1	30
Climate - coal	7	141
Climate - lobbying	0	5
Climate - oil sands	0	9
Deforestation	0	14
Cannabis	0	0
State-controlled companies	0	3

* Note: Some companies are excluded under several categories

Companies excluded under all standards, as of September 30th, 2022



Category	Newly excluded	All excluded
Serious environmental damage (inclusive palm oil)	1	56
Corruption and financial crime	2	12
Human rights and international law	7	76
Controversial weapons	1	30
Fossil fuels	20	532
Tobacco	0	24
Alcohol	3	84
Weapons/arms	1	63
Gambling	1	40
Cannabis	0	0
Adult entertainment	0	0

* Note: Some companies are excluded under several categories

For more detail, read the full list of excluded companies as of the end of Q3 2022.

Steelmaker ArcelorMittal excluded

Involvement in nuclear weapons

Following an assessment, ArcelorMittal S.A. has been excluded based on our criteria for involvement in the manufacture of nuclear weapons delivery systems. The global steel manufacturing concern, is one of the largest producers of steel in the world

Industeel, a wholly owned subsidiary of ArcelorMittal, specializes in making alloyed plates for marine applications. An assessment found that Industeel was making structural components for the hull of the Triomphant class ballistic missile submarine (sometimes known as SSBN or SNLE) replacement programme. The submarines in question are purpose-designed and dedicated launch systems for M51 submarine-launched ballistic missiles. The missiles, in turn, have a single purpose: bearing nuclear warheads.

ArcelorMittal is excluded for building components of submarines specially made to launch nuclear-armed missiles.

Berkshire Hathaway Energy Co excluded

Involvement in coal

Berkshire Hathaway Energy is excluded for involvement in coal, a significant driver of the GHG emissions linked with climate change

During the third quarter, Berkshire Hathaway Energy was excluded. This was a product-based exclusion in line with our climate criteria for involvement with coal. The Iowa-based holding company owns several US-based companies across the energy sector, as well as controlling power distribution companies in the U.K. and Canada.

African Rainbow Minerals re-included

Company now meets climate criteria for coal

Following a previous exclusion based on our climate criteria for coal, African Rainbow Minerals Limited (ARM) has been re-included. The South African-based company operates in the mining and minerals sector.

Sustainable investments team

Meet our 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

Risk and ownership

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 joined Storebrand Asset Management's sustainable investments team in 2021. Previously worked as Head of Sustainability at the Norwegian Export credit Agency (GIEK), and as advisor at the Council of the Ethics for the Norwegian Government Pension Fund – Global. He has a specialization in human rights/ labour rights, conducting due diligence of companies, and evaluating environmental and social risks and impacts of projects in a wide range of sectors. He has a L.LM in International Law and M.Phil in Human Rights Law from the University of Oslo.

Tulia Machado-Helland

Head of Human Rights and Senior Sustainability Analyst

Machado-Helland joined Storebrand Asset Management's sustainable investments team in 2008. Her specialty areas are human rights, labour rights, indigenous peoples' rights and international humanitarian law. She is responsible for Storebrand's overall active ownership strategy and company engagement. In addition, she engages with companies mainly on social issues but also on environmental issues when these overlapped social issues. Previously, she has worked at 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 and a Texas State Attorney license. She also holds a Master in International Relations and Development.

Emine Isciel

Head of Climate and Environment

Isciel joined Storebrand Asset Management's sustainable investments team in 2018. She is leading Storebrand Asset Management's work on climate and environment and our company engagement. Prior to joining Storebrand, Isciel worked for the Norwegian Ministry of Climate and Environment with multilateral environmental agreements advising the government on sustainability policies and strategies and leading the work on implementing the SDGs. She has also worked for the UN and provided technical advice and content to the SDGs. She holds an MA in Political Science from the University of Oslo in addition to studies from University of Cape Town, New York University and Harvard Extension School.

Vemund Olsen

Senior Sustainability Analyst

Olsen joined Storebrand Asset Management's sustainable investments team in 2021. He previously worked as 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. Before that he worked with the United Nations High Commissioner for Refugees in Venezuela and with human rights organizations in Colombia. He has an M.Phil in Human Rights Law from the University of Oslo.

Victoria Lidén

Senior Sustainability Analyst

Lidén joined Storebrand Asset Management's sustainable investments team in 2021. Based in Stockholm, she 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 (major in finance) from Stockholm University, including a semester at National University of Singapore. In addition, she has taken courses in sustainable development at CSR Sweden and Stockholm Resilience Centre.

In the News

Storebrand to ditch Amazon in Swedish funds over "misuse of market dominance"

Responsible Investor (Global), 25th August 2022

In a news article, Responsible Investor notes Storebrand's decisions to partially exclude Amazon.com and to place Eolus Vind under observation.
https://www.responsible-investor.com/storebrand-to-ditch-amazon-in-swedish-funds-over-misuse-of-market-dominance/

Utbygging Uten Samtykke (Development without permission)

Klassekampen (Norway), 29th August 2022

A group of Norwegian academics, Henrikke Sæthre Ellingsen (The Norwegian University of Science and Technology), Eva Maria Fjellheim (The Arctic University of Norway) and Susanne Normann (Nordland Research), weigh with an assessment of Storebrand's decision to set Eolus Vind AB under observation for risk of violating the human rights of Sami reindeer herders. They suggest a gap between Norwegian government and business actors vigilance on protection of indigenous people's rights domestically, versus abroad, noting Storebrand's action as a "step in the right direction".
https://klassekampen.no/utgave/2022-08-29/utbygging-uten-samtykke

Riktig av Storebrand å sette Eolus Vind på observasjonsliste (Storebrand was right to place Eolus Vind on its observation list)

Sametinget (Norway), 25th August 2022

In an official statement, Norway's Sametinget (Sámi Parliament), welcomes Storebrand's decision to place Eolus Vind under observation, due to the risk of violating the human rights of Sámi reindeer herders of the Jillen-Njaarke region. The Sametinget is the representative body in Norway for people of the indigenous Sámi ethnic group.
https://sametinget.no/aktuelt/riktig-av-storebrand-a-sette-eolus-vind-pa-observasjonsliste.21710.aspx

Investor power pressuring wind companies on Sami rights

Vårt Land (Norway), 6th September 2022

Storebrand's decision to place Eolus Vind under observation is highlighted in Vårt Land, Norway's national Christian-centrist daily newspaper. The article highlights the significant step of an investor stepping in where it appears that the state is overlooking "red flags" on protection of indigenous rights.
https://www.vl.no/nyheter/2022/09/06/finansmakt-pressar-vindselskap-om-samiske-rettar/

Protest against wind farms "Green Colonialism"

Junge Welt (Germany), 5th September 2022

German daily Junge Welt traces recent continued growth in conflicts of indigenous people's rights related to wind power development in Northern Europe. Storebrand's placement of Eolus Vind under observation, in the Øyfjellet Wind case, is noted as a significant inflection point in these developments.
https://www.jungewelt.de/artikel/433937.klimaneutralit%C3%A4t-protest-gegen-windparks.html

Market participants hail European Parliament's vote on deforestation

Responsible Investor (Global), 14th September 2022

Following a vote by the European Parliament to require that all goods sold in the EU are verified as not contributing to deforestation, Storebrand Asset Management CEO Jan Erik Saugestad notes the move as a significant step towards climate and biodiversity protection. Saugestad notes Storebrand's hope that other jurisdictions worldwide will follow with similar demand-side regulation.
https://www.responsible-investor.com/market-participants-hail-european-parliaments-vote-on-deforestation-law/

The global companies sucked into Russia's draft/ What the EU's scope 3 rules mean for the auto industry

FT Moral Money/ESG Telegraph (Global), 3rd October 2022

In its Moral Money newsletter, the Financial Times highlights new research, by the European NGO, Transport & Environment, suggesting that major automakers are undercounting their emissions. This, the FT says, could markdowns in the valuations of the automakers, noting that one of them Toyota, has been engaged by Storebrand on climate, transparency and governance issues.
https://www.ft.com/content/760400ed-ace4-4244-844d-15c355928214

https://esgtelegraph.com/markets/the-global-companies-sucked-into-russias-draft/

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Storebrand Asset Management, visit our document library