



CLIMATE TRANSPARENCY REPORT

2019

Storebrand Asset Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-0C5A97CA-461D-422A-AE4C-C7534A8D7604/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	Storebrand Asset Management
Signatory Category	Mixed Services
Signatory Type	n/a
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2019
Region	Europe
Country	
Disclosure of Voluntary Indicators	56% from 38 Voluntary indicators

Storebrand Asset Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Storebrand's Group Policy on sustainable investments is an overarching structure stating Storebrand Asset Management's vision and goals in sustainable investments. The policy was revised in 2018 and expanded to include developments in exclusions and engagement. Storebrand's Group Policy recognises explicitly the importance of the UN Sustainable Development Goals, outlined in Agenda 2030 in investments. The goals provide a common international agenda and highlight key business risks and opportunities. In addition the policy is clear on

- Criteria and policy for Exclusions based on international norms and conventions
- Criteria and policy regarding our observation list
- Policy and methods for Integration of ESG factors into fund management
- Cases for engagement and engagement alternatives
- Use of Voting Rights and Proxy voting policy
- Securities lending
- Conflicts of Interest
- Inside information
- Membership of organisations and Guiding Principles including the PRI framework
- Scope, responsibilities, follow up and reporting. The policy covers all asset classes and geographical regions, as well as all externally managed assets,

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

In addition, a set of policies apply to the selection of external asset managers. Comprehensive ESG guidelines are outlined in the selection process with sustainability being one of the key selection criteria. In addition policies regarding follow up and monitoring of external fund managers ensure quarterly screening and engagement with managers.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Climate: Opportunities and Risks

Storebrand has included an assessment of environmental impact in our sustainability rating for potential investments. We look for companies that offer innovative and sustainable products and provide a range of funds that specifically invest in these types of companies for expected higher returns over the long term. New investment categories such as green bonds are experiencing rapid growth, and help channel funds towards businesses that focus on sustainability.

At the same time, climate change is one of the most significant risk factors for sustainability. According to the International Energy Agency, we have to refrain from using two-thirds of the known reserves of oil and gas if we are to reach the two-degree target. That is why Storebrand does not wish to invest in companies with a significant environmental impact, and as a result, we have excluded around 60 companies from our investment universe. In addition to coal, climate exclusion criteria include companies involved in oil sands and palm oil production that aren't managing the risk of their operations effectively.

Coal exit strategy 2018-2026

To be in line with the recommendations of the latest IPCC report, Storebrand has developed a strategy to divest from coal at a faster rate than it is currently doing. The IPCC has analyzed various pathways, all of which require a near-total reduction in coal use for electricity generation by 2050, with reductions of approximately two-thirds by 2030. In the period between 2013-2018, Storebrand excluded companies that derive more than 30 % of their revenue from coal. The exit strategy which was launched in December 2018, involves a reduction of this threshold by 5 % every second year (25% in 2018, 20 % in 2020 and so on). Under the new criteria, Storebrand will effectively divest from coal investments by 2026. The ambition is also to collaborate with other investors. A gradual transition allows more investors to join the movement and sends a strong message and warning to the coal industry around the world.

Our existing coal criteria is based on data from Trucost - on revenue from coal fired power. For companies that produce power, and also distributes that power to end-users - one could discuss whether the resulting revenue could be ascribed to distribution or production. Our method calculates the sum of all revenue connected to power related activities (generation and distribution) and then multiplies this with the percentage of the power mix the company generates from coal. In essence, this should capture uncertainties of whether revenue comes from distribution or production of coal fired power. If a large part of the power being generated is from coal - and substantial revenues from distribution - one could assume that this is from coal fired power.

We also exclude any company with plans of building new coal fired power plants. The limit has been set to 1000MW of capacity under construction which commits us to excluding companies that move into the construction phase in the future."

Source: <https://www.storebrand.no/en/sustainability/improved-coal-criteria>

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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In 2018 Storebrand in cooperation with the 2 degrees Investing Initiative, conducted a Scenario analysis using the PACTA model. This analysis identified risks in our investment portfolio over the 5 years to 2023, and concluded as to how well aligned Storebrand's investments were in relation to achieving a 2 degree scenario.

In terms of the Coal exit strategy, Storebrand has identified relevant risk timeframes as 2025, 2030 and 2050. It is the Group's assessment that climate risks and opportunities are relevant financially today and will only increase in financial relevance over the coming years as the Paris Agreement and the UN Sustainable Development Goals are implemented across both Developed and Emerging economies.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

	Describe
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UNEP FI TCFD implementation project: Storebrand Asset Management, involved in a UNEP_FI working group which aim to effectively implement the TCFD guidelines and identify industry wide Best practice. KPMG has assessed Storebrand's TCFD Climate Maturity across all four TCFD categories and found that Storebrand is above the benchmark in all four areas. There was however room for improvement identified especially in the areas of risk management processes and identified time frames for climate related risks and opportunities.

Storebrand Asset Management has a strategy aimed at reducing the company's exposure to fossil fuels. The main thrust of this strategy is increasing the level of assets in the fossil free "Plus-fund family". As of end 2018, 8% of AUM was invested in these fossil free funds.

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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Public PRI Climate Transparency Report

Annual financial filings

Regular client reporting

Member communications

Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

	URL/Attachment
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URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/responsible-investment-policy/_attachment/7747?_ts=1685bc4f058}

Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/storebrand-standard}

Attachment (will be made public)

Attachment

[File 1:2018 October Storebrand Analysis Criterion - Environmental damage.doc](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/storebrand-standard}

Attachment (will be made public)

Attachment

[File 1:Storebrand Analysis Criterion - International Law Nov 2018.pdf](#)

[File 2:Storebrand Analysis Criterion - Human Rights .pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/storebrand-standard}

Attachment (will be made public)

Attachment

[File 1:Storebrand Analysis Criterion - Corruption and financial crime.pdf](#)

[File 2:Storebrand - Corporate Governance Policy - Norwegian.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

{[hyperlink:https://www.storebrand.no/en/sustainability/storebrand-standard](https://www.storebrand.no/en/sustainability/storebrand-standard)}

Attachment (will be made public)

Attachment

[File 1:Storebrand - Sustainable Investments - Storebrand Standard.pdf](#)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments

URL/Attachment

URL

URL

{[hyperlink:https://www.storebrand.no/en/sustainability/guidelines](https://www.storebrand.no/en/sustainability/guidelines)}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{[hyperlink:https://www.storebrand.no/en/sustainability/guidelines](https://www.storebrand.no/en/sustainability/guidelines)}

Attachment

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/responsible-investment-policy}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/responsible-investment-policy}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/exerting-influence}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.storebrand.no/en/sustainability/responsible-investment-policy}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:<https://www.storebrand.no/en/sustainability/climate-strategy>}

Attachment

We do not publicly disclose any investment policy components

SG 02.3	Additional information [Optional].
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Please see the newly published integrated Annual Report 2018 for the Storebrand Group in English.

URL: <https://www.storebrand.no/en/investor-relations/annual-reports>

For all Storebrand Sustainability reports please see

<https://www.storebrand.no/en/sustainability/reports>

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Board members or trustees
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other Chief-level staff or head of department
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Portfolio managers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

	Describe
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In 2018 Storebrand participated in the Beyond 2 degrees scenario "Climate Alignment report" which assessed Storebrand's exposure to economic activities affected by the transition to a low carbon economy.

- No, not to assess future ESG/climate-related issues

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

Storebrand has adopted the UN Sustainable Development Goals as a framework for investment analysis. This means that we use the goals to identify sectors/activities that stand in the way of the goals and sectors/activities likely to benefit from goal achievement. This means that we are for example underweighted in coal and conventional energy and overweight in renewables.

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

The results of the climate risk assessment have been shared and discussed with investment managers. The results, where credible, have been included in sustainability analysis of specific funds. We have also given feedback on methodology where results have been confusing or inexplicable. In our opinion the methodology of these analysis needs to be improved before they are able to more effectively inform investment decision making.

- Inform active ownership

Describe

The results of the scenario analysis confirmed our own analyses and strategies regarding coal. This has led us to ramp up our active ownership efforts towards energy companies with coal in their fuel mix. Storebrand has been a vocal critic also in the media, towards companies we believe aren't transitioning to sustainable energy forms quickly enough. In 2018, this media attention has in turn brought about constructive dialogue with the companies concerned.

- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

- Yes
- No

Please explain the rationale

For Storebrand ASA, the investment timeframe is long term, 30-40 years since we have obligations to pay pensions over this period. This takes us up to 2050. Identifying risk beyond this timeframe is so fraught with policy, political and technological uncertainty that it would be irrelevant to investment decision-making

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios the organisation uses.

Provider	Scenario used
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		62	000	000	000
Currency	NOK				
Assets in USD		7	332	115	096

Specify the framework or taxonomy used.

Storebrand's Pluss fund range of investment products was established in 2016 and has since expanded rapidly, both in terms of AUM and fund products available.

The Pluss funds are fossil free, have a low carbon footprint relative to their respective indexes and have a high average sustainability rating relative to index. In addition these funds dedicate 5-10% of their assets to "solution companies", that is companies that through their business models contribute to a low carbon economy.

The Pluss fund range encompasses both index near equities funds as well as a Global Fixed Income offering.

The funds have been hugely successful, especially among the institutional market in the Nordics.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

Storebrand uses carbon data from data provider Trucost to calculate the **carbon footprint of our holdings in equities funds**. If we have carbon information covering less than 75% of the market share of the fund's equity holdings we will not report on that fund's carbon footprint. Less than 75% coverage may result in a faulty or tilted result.

Quarterly reports on the carbon footprint of Storebrands equity funds are available here.

<https://www.storebrand.no/en/sustainability/reports>

Storebrand reports on carbon dioxide equivalents, which is a measurement that includes carbon dioxide and equivalent greenhouse gases. The reporting includes scope 1 and 2 as defined by the Green House Gas Protocol (www.ghgprotocol.org), which means the company's direct emissions from owned or controlled sources and indirect emissions from purchased energy.

Storebrand reports according to the standard indicator for Carbon Intensity as defined by Svensk Försäkring and Fondbolagens Förening: Tonnes CO2 Emissions/1million Fund Currency Sales Revenue. For more information see

<http://www.fondbolagen.se/sv/Juridik/Foreningens-vagledning/Vagledning-for-fondbolagens-redovisning-av-fonders-koldioxidavtryck/>.

The carbon footprint reports cover Storebrand's equity holdings in mutual funds as well as the equity investments in our guaranteed portfolios. There are many factors that influence a fund's carbon footprint. A funds sector weighting is one of the most important aspects, as is significant investment in individual companies with high/low Carbon Intensity. Storebrand/SPP has also seen a clear correlation between good performance on our sustainability fund rating and low carbon intensity.

There is currently no internationally accepted method for the calculation of carbon footprint for fixed income funds. However Storebrand has developed a calculation using the "weighted average" method as a starting point to also calculate the carbon footprint of Fixed Income funds. Storebrand will be publishing these results.

SG 14.5

Additional information [Optional]

Storebrand has signed the Montreal Pledge and is a member of the Portfolio Decarbonisation Coalition and has therefore committed to reducing the carbon intensity of selected equities portfolios.

Storebrand produces its own sustainability rating on 2600 listed equities. The rating is based on companies performance in relation to relevant UN Sustainable Development Goals.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Percentage of AUM in fund Portfolios that are fossil free	Percent of total AUM	AUM in dedicated fossil free products
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Being developed to be able to provide carbon footprint data also on Fixed Income products	Tonn emissions per million revenue	Emissions pr Revenue adjusted to Portfolio weighting
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Client Reporting and measure carbon risk per fund	Climate Intensity in Tonn CO2 from scope 1 &2 per million in sales	Climate Intensity in Tonn CO2 from scope 1 &2 per million in sales
Carbon intensity	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Client Reporting and measure total carbon risk	Climate Intensity in Tonn CO2 from scope 1 &2 per million in sales	Emissions per revenue adjusted to ownership of company
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Stimulate Investment in low carbon technologies	Percentage of AUM invested	AUM in defined clean Technology sectors and renewable energy

SG 14.7 CC Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	year on year	Increase in percentage of AUM	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	quarter by quarter	Reduction over time	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	quarter by quarter	Reduction over time	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	year on year	Reduction over time	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2020 and 2025	3% target in 2020 and 4% in 2025	

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

The integration of climate related risks varies from fund to fund. How climate risks are assessed against other types of risks will depend on the financial relevance of the climate related risks. This depends on the duration of the funds investments, the geographical exposure of the fund and the sector spread. One risk that has emerged for funds exposed to European companies is the fluctuation and increase in the carbon price during 2018. this risk resulted in a re-balancing of the portfolios of certain funds.

- Process for climate-related risks is not integrated into our overall risk management

**SG 14.9
CC**

Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes

Please describe

Engagement with an International Energy Company: Equinor

Formerly Statoil, Equinor is an international energy company. The company has over 20,000 employees developing oil, gas, wind and solar energy in more than 30 countries worldwide. Equinor is among the world's largest offshore operators, and a growing force in renewables, on stream to deliver wind power to 1,000,000 households.

Introduction

The purpose of the exercise conducted by Storebrand and Equinor was threefold: (1) to demonstrate how Equinor's existing reporting is aligned to TCFD guidelines and identify gaps and areas for improvement, (2) to identify findings and areas for further investigation for the industry as a whole and (3) to demonstrate how an investor (Storebrand) uses such disclosures in security analysis.

Equinor's 2016 Annual report and 2016 Sustainability Report discloses the company's processes in regards to governance, risk management, strategy and metrics related to climate change. Since 2015 the company has also stress-tested its project portfolio against the International Energy Agency scenarios and published the results in the annual report.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Private	Descriptive	PRI 1
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SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

13.6

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

Energy efficiency / Clean technology

Asset class invested

Listed equity

% of AUM

7.6

Fixed income - SSA

Fixed income - Corporate (financial)

% of AUM

1

Fixed income - Corporate (non-financial)

Fixed income - Securitised

Private equity

Property

Brief description and measures of investment

The following funds have all considerable assets dedicated to clean technology solutions. Storebrand analyses and identifies pure play clean tech companies outside of main indexes in addition to large cap equities with a considerable clean tech focus.

Listed Equities:

Storebrand Global ESG Plus
Storebrand Global ESG

Storebrand Norge Fossilfri
 Storebrand/SPP Global Solutions
 SPP Sverige Plus:
 SPP Global Plus:
 SPP Tillväxtmarknad Plus:
 SPP GodFond Sverige och världen:
 Storebrand Future Cities (new 2018)
 Storebrand Renewable Energy (new 2018)

Fossil free funds

Additionally all our fossil free funds (Funds with Plus in the name) have the following criteria

- exclusion of all companies with over 5% of revenue from fossil fuels and/or significant fossil fuel reserves.
- higher average sustainability rating than reference index
- significantly lower carbon footprint than reference index
- Between 5-10% of AUM invested in pure play clean tech or renewables companies

Fixed Income

Primarily through project financing in green bonds, issued by corporates, government, local government and International Development Banks. The majority of the projects financed by Green Bonds issuances have a renewable energy component. Additional investments in Green Bonds are also made through other conventional fixed income products.

SPP Grön obligationsfond:
 Storebrand Global Kreditt IG
 SPP Foretaksobligationsfond

- Renewable energy
- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

% of AUM

5

Brief description and measures of investment

Both through Real Estate/Property and Green Bonds.

Storebrand has a strong commitment to Green Buildings and certification of portfolio buildings according to international standards such as BREEAM.

All existing buildings are certified to BREAAAM NOR In use

All rehabilitation projects are certified to BREAAAM NOR Very Good as a minimum criteria.

All new buildings are certified to BREAAAM NOR Excellent as a minimum criteria.

Low emissions materials, energy efficient solutions and local energy are used extensively in new projects.

- Sustainable forestry
- Sustainable agriculture
- Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

0.001

- Property

Brief description and measures of investment

AUM: approximately NOK 500 million Asset classes: mainly private equity and fixed income - other, Storebrand made its first investments in microfinance in 2005, investing mainly through fund-of-funds.

The objectives of the investments in this sector are twofold, to obtain a competitive rate of return on the investments and to contribute to social and economic development in emerging/frontier markets. We target institutions with a clear social mission and a profitable business model.

Geographical reach includes Asia, Africa and Latin America. Our portfolio includes investments in collaboration with significant players such as Womens World Banking, Global Health Investment Fund, and the Norwegian Microfinance Initiative.

- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

No