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First annual progress report by Storebrand Asset Management on implementation of the Sustainable Blue Economy Finance Principles

As a signatory of the Sustainable Blue Economy Finance Principles, Storebrand Asset Management is committed to integrate the pursuit of a sustainable blue economy in its investments. Storebrand Asset Management's [Sustainable Investment Policy](#) outlines the company's approach to sustainable investments. We fundamentally believe that investing in companies well positioned to deliver on the UN's Sustainable Development Goals (SDGs), will deliver better risk-adjusted long-term returns for our clients. We understand sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment. Therefore, our investments are to contribute to the achievement of the SDGs but without causing harm or having an adverse impact on society and the environment. By combining different strategies, our investing approach focuses on both reducing the adverse sustainability impact our investments may cause, and contributing to positive sustainability impact by allocating more investments in sustainability opportunities.

Storebrand Asset Management's Sustainable Investment Policy provides the platform on which our implementation of the Sustainable Blue Economy Finance Principles rests. Since signing the Principles in 2021, our priority has been to use the [Principles](#) and [Guidance](#) to inform our work to promote sustainable company practices and reduce potential adverse impacts of our investments in the sectors of the ocean economy to which our portfolios are most exposed. The main focus has been on engagement with companies in the aquaculture and shipping sectors on issues related to climate change, biodiversity and human rights. Three examples illustrate this engagement approach:

1. Climate change

We are committed to achieve net zero greenhouse gas emissions across all our assets under management by 2050, at the latest. Our long-term ambition is backed up by short-term strategies in line with the recommendations from the Net Zero Asset Owners' Alliance (NZAOA): We have set sub-portfolio targets, financing targets and engagement targets for 2025. As part of our engagement work, we have identified the top emitters in our portfolio, where the shipping sector contributes a significant share of Storebrand's owned emissions. Storebrand Asset Management's senior management has engaged with CEOs of shipping companies to which we have significant exposure, to encourage adoption of science-based targets and plans for emissions reductions, board oversight of climate strategies and TCFD-aligned disclosure of emissions. Biodiversity impacts is also an important part of these company dialogues. The Guidance document from UNEP FI on marine transportation was among the sources used to prepare expectations documents for these meetings. In October 2021, we signed the [Call to Action for Shipping Decarbonization](#), convened by the Getting to Zero Coalition in advance of IPCC COP26 in Glasgow.

2. Nature and biodiversity

According to the World Economic Forum, more than half of global value creation depends on services provided by nature. The High-Level Panel for a Sustainable Ocean Economy estimates that a healthy ocean contributes \$1.5 trillion to the global economy annually and has an estimated net asset value of \$24 trillion. Investors and policymakers are increasingly turning to the ocean for new opportunities and resources. However, unsustainable commercial activities and ineffective governance are eroding the natural capital on which economic growth depends.

As of today, there is no standard for how to define and report on nature-related risks, and corporate disclosure on impacts and dependencies on nature is very limited. While waiting for the development of the Task Force on Nature-related Financial Disclosures (TNFD) and other tools and methodologies to fill this gap, Storebrand Asset Management participated in a pilot project to demonstrate how a seafood company can start reporting in a more structured way on nature-related risks and identify areas for improvement. Grieg Seafood, World Wildlife Fund (WWF), the Norwegian Institute for Nature Research (NINA) and Storebrand Asset Management adapted the seafood chapter of the UNEP FI Turning the Tide guidance to use as a basis for a reporting framework, which Grieg Seafood then used for reporting. At the end of the pilot exercise, a report was produced in which all the project participants provided their assessment of the experience and results, as seen from their perspective. The project demonstrated that it is already possible for a company to report on a variety of factors that might constitute nature-related risks for the company itself and its financiers. This exercise aimed to contribute to the ongoing development of international standards, such as the TNFD, and constitute a concrete example of how a reporting framework could be designed.

More information on this project can be found on the websites of [Storebrand](#) and [UNEP FI](#).

Storebrand Asset management has also used UNEP FI's Turning the Tide Guidance for engagement with various Norwegian salmon farming companies, both bilaterally and through the collaborative [Sustainable Aquaculture engagement led by FAIRR](#).

3. Human rights of indigenous peoples

A Sustainable Blue Economy includes social as well as environmental sustainability. Companies in the various ocean economy sectors may cause significant adverse impacts on the human rights and livelihoods of workers, indigenous peoples, or other local communities. UNEP FI's Turning the Tide framework provides guidance on relevant social and human rights risks which financiers need to assess and address. Storebrand Asset Management has engaged with several Norwegian aquaculture companies operating salmon farms in the territories of First Nations in British Columbia, Canada. The engagements focused on company procedures for respecting the human rights of indigenous peoples to consultation and to give or withhold their Free, Prior and Informed Consent to aquaculture affecting their traditional territories, natural resources, and livelihoods.