

Storebrand Asset Management Human Rights Due Diligence and Assessment Approach

Storebrand performs its human rights risk due diligence based on the UN Guiding Principles on Business and Human Rights (the Protect, Respect and Remedy Framework) and the guidance on the implementation of the Framework as described in the OECD Guidelines for Responsible Business Conduct for Instructional Investors.

1. Embedding Responsible Business Conduct (RBC) in investor policies and management systems

Storebrand Group Sustainability Investment policy describes how we work with responsible investments and requires observance of international norms and conventions within human rights, the environment, governance/anti-corruption as well as guidelines such as OECD Guidelines. The policy also describes implementation methods such as due diligence, portfolio screening, exclusions, active ownership and integration. The policy is approved at the highest management level at Storebrand Asset Management and is posted on our website.

2. Identifying actual and potential adverse impacts

We identify RBC risk and assess if companies breach the Storebrand standard, our minimum requirement to invest in a company. The Storebrand standard describes in detail international norms and conventions within human rights, the environment, governance/anti-corruption as well as guidelines that we expect companies to follow. The standard does not distinguish between passive and active investments and applies to all asset classes. The Storebrand standard is available on our website.

We monitor all companies in our investment universe, over 4000 companies, for potential breaches of our Storebrand standard through our external data providers Sustainalytics and ISS/Ethix. We do extra research for all alerts from Sustainalytics and ISS/Ethix that have a medium to a high severity score.

Storebrand also screens and excludes companies based on the production of certain products: These products are tobacco, both production and distribution (right to health), and controversial weapons (right to health and life). In addition, companies that contribute extensively to climate change and that have a significant revenue from unsustainable products like coal, oil sands and palm oil may also be excluded, based on revenue thresholds. The impacts of climate change on ecosystems and human settlements are undermining access to clean water, food, shelter, and other basic human needs as well as interfering with livelihoods and displacing people from their homes.

3. Assess

If we find a potential breach of our Storebrand criterion on Human Rights, we analyze the potential breach by using an assessment table for companies. This table is for internal use only, and covers the following topics:

- Violations: Type and seriousness of violation
- Company responsibility:
 - o Link between the violations and the company's operations or Link between the company and the perpetrator's acts
 - o Knowledge of the violation by the company
 - o Group affected/amount of people affected
 - o Risk the violations will also take place in the future
- Geographical/Time context: if conflict area or high Human Rights risk countries. Time of the incident.
- Company's improvement signs

If we find there is a link between the company and the violation, we engage with the company. If the company has credible measures (or is working on measures) to avoid that the violation reoccurs, we may engage with the company.

If the dialogue is unsuccessful, and the company does not show will to improve behavior, the sustainable investment team may write a recommendation for exclusion.

In addition, we use data from our sustainability data providers that assess country risk, industry risk and company risk. This information is further used to map industries that are exposed to higher human rights risk as well as countries that present a higher likelihood of human rights violations. This, together with an ESG risk analysis at a company level, guides us in prioritizing ESG engagement themes, industries and companies.

4. Mitigate and Prevent

We mitigate Storebrand's exposure to human rights risk in our portfolio by first engaging with the company but if there is no sign of improvement, and the risk of recurrence persists, the Storebrand Investment Council may decide, based on a recommendation from the sustainability team to exclude the company.

The Investment Council is composed of several representatives of the two top management tiers at the Storebrand Group. The council meets on a quarterly basis and cases are presented to the Council anonymously to avoid possible conflicts of interest.

Regarding product screening, if a breach is found, the company is divested on the basis of external data deliveries, without extensive further assessment.

In addition, Storebrand may also detect possible RBC risk while carrying out sustainability analysis of companies and industries that have not appeared in our controversy screening. Storebrand gives a sustainability rating to each company in its universe. This analysis is linked to the UN Sustainable Development Goals. In these cases, Storebrand will work towards preventing the actual Human Rights risk by engaging with a whole industry, often together with other investors.

Storebrand also votes and attends AGMs and supports shareholder resolutions that advance sustainability issues including Human Rights issues.

We also discuss ESG issues with regulatory bodies, policy makers, organizations and other stakeholders who might help in promoting the agenda for ESG issues.

5. Tracking progress

We track the progress of all engagements and exclusions. We assess which strategies work or do not and if as a result of a dialogue we should divest from a company, reinvest in the company or continue engagement.

6. Communication

All our exclusions may be found on our website. In addition, our main engagement initiatives are posted on our website, with a description of the type of ESG issues addressed, the objectives of the engagement and the results or progress made. Our clients also receive periodical updates regarding these activities.

The Storebrand Group Sustainability Investment policy, as well as the Storebrand criteria for International law and Human Rights, are available on our website.