

Second-Party Opinion

Storebrand Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Storebrand Green Bond Framework is credible, impactful, and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the eligible categories are expected to lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 9, 7, and 11.



PROJECT EVALUATION / SELECTION Storebrand's Green Bond Committee is responsible for evaluating and selecting projects. Storebrand has an environmental and social risk assessment process in place that applies to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project evaluation and selection process to be aligned with market practice.



MANAGEMENT OF PROCEEDS Storebrand's CFO will be responsible for the management of proceeds based on a portfolio approach and will track the allocation using existing internal processes. Storebrand intends to allocate all proceeds within three years from the date of issuance. Unallocated proceeds will be temporarily invested in cash, cash equivalents, ESG-orientated funds, or similar. This is in line with market practice.



REPORTING Storebrand intends to report on the allocation and impact of proceeds in a Green Bond Allocation Report, available on its website on an annual basis until full allocation. Allocation reporting will include details such as the amount of proceeds allocated per category, the proportion of refinancing, and details of unallocated proceeds. Impact reporting may include estimates of tCO_{2e} avoided and/or energy reduction achieved. Sustainalytics views Storebrand's allocation and impact reporting as aligned with market practice.

Evaluation Date	May 11, 2022
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Issuer Location	Lysaker, Norway
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For inquiries, contact the Sustainable Finance Solutions project team:

Cristhian Veintimilla (Amsterdam)
Project Manager
cristhian.veintimilla@morningstar.com
(+31) 020 888 7275

Lea Muething (London)
Project Support
lea.muething@morningstar.com

Audrey van Herwaarden (Amsterdam)
Project Support
audrey.vanherwaarden@morningstar.com

Nazli Selin Ozbilgin (Amsterdam)
Project Support
nazliselin.ozbilgin@morningstar.com

Andrew Johnson (Paris)
Client Relations
susfinance.emea@morningstar.com
(+44) 20 3880 0193

Introduction

Storebrand ASA (“Storebrand”, the “Issuer” or the “Company”) is a Norwegian financial services company providing investments, insurance, and pension products. The Company also has operations in Sweden. Headquartered in Lysaker, Norway, Storebrand currently employs 1,742 employees.

Storebrand ASA has developed the Storebrand Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that are expected to create meaningful environmental benefits through the development of sustainable infrastructure and energy transition projects. The Framework defines eligibility criteria in three areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation

Storebrand ASA engaged Sustainalytics to review the Storebrand Green Bond Framework, dated May 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- The use of proceeds criteria alignment with the EU Taxonomy 2021 Delegated Act; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 11.2, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Storebrand ASA’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Storebrand ASA representatives have confirmed (1) they understand it is the sole responsibility of Storebrand ASA to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Storebrand ASA.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>

² The Storebrand Green Bond Framework is available on Storebrand ASA’s website at: <https://www.storebrand.no/en/investor-relations/rating-and-funding>.

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Storebrand ASA has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Storebrand Green Bond Framework

Sustainalytics is of the opinion that the Storebrand Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of Storebrand ASA's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the GBP. Sustainalytics expects the projects to create meaningful environmental benefits through investment in sustainable infrastructure and energy transition projects.
 - Storebrand has defined a look-back period of two years for its refinancing activities, which Sustainalytics considers to be in line with market practice.
 - Within the Green Buildings category, Storebrand intends to finance or refinance the acquisition of new commercial and residential buildings as well as the renovation of or energy efficiency improvements for existing buildings in Norway and Sweden according to the following criteria:
 - Acquisition of new commercial buildings which have achieved or are expected to achieve the following minimum certification levels: BREEAM In-use "Excellent", LEED "Gold", Miljöbyggnad "Silver", or Nordic Swan. The Company also intends to finance the construction of commercial buildings where the net primary energy demand is at least 10% lower than the primary energy demand resulting from the relevant NZEB requirements.⁴
 - Acquisition of existing commercial buildings which, at the moment of acquisition, have not achieved but will achieve within two years of acquisition the following minimum certification levels: BREEAM In-use "Excellent" for buildings built after 2017, BREEAM In-use version 6.0 "Very Good", LEED "Gold", Miljöbyggnad "Silver", or Nordic Swan. Storebrand has communicated to Sustainalytics that it will (i) carry out a pre-assessment or initial screening to ensure that a building adheres to the requirements of the building certification outlined in the Framework, before allocating it to the bond portfolio, and (ii) commit to having the buildings certified with the relevant level of ambition, within two years of purchase. Sustainalytics considers BREEAM In-Use "Excellent" to be aligned with market practice and encourages Storebrand to select BREEAM In-use certified buildings that achieve a minimum score of 70% in the Energy category (which Sustainalytics regards as the most important one) to fulfill the requirements for BREEAM In-use Excellent in that category. Furthermore, Sustainalytics notes that BREEAM In-use certificates are valid for a maximum of three years and that Storebrand should ensure that it has appropriate measures in place to guarantee the validity of BREAM In-use certificates.

⁴ Allocations may be made against this criterion once a definition becomes available of the performance level required under the Nearly Zero Energy Building concept in a Norwegian context.

- Renovation expenditures of existing buildings which result in: (i) a net primary energy demand reduction of at least 30% compared to the baseline performance of the building before the renovation, or (ii) achievement of the minimum certification levels noted in the paragraph above.
- Energy efficiency improvements for green buildings may include the installation of LED lighting, insulation, solar panels,⁵ and geothermal energy systems for heating and retrofitting.⁶
- Financing of residential buildings which comply with either: (i) the Norwegian buildings codes of 2010 (TEK10)⁷ or 2017 (TEK2017),⁸ (ii) receive an Energy Performance Certificate (EPC) rating of A or B, or (iii) the net primary energy demand is at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements.⁹ Additionally, Storebrand may finance the renovation costs of existing residential buildings which results in a 30% reduction in the net Primary Energy Demand in comparison to the baseline performance of the building before the renovation.
- Under the Renewable Energy category, the Company intends to finance the construction, development, acquisition, maintenance, and operation of renewable energy projects including solar PV, offshore and onshore wind, hydropower, and/or geothermal energy.
 - Hydropower projects will exclude assets over 25MW capacity and assets which involve an impoundment dam. The construction of new hydropower assets will be subject to an independent environmental impact assessment undertaken by a credible third party, to ensure no significant risk or expected negative impact is identified.
 - Geothermal projects that exclude assets where direct emissions are more than 100gCO₂e/kWh. Sustainalytics views the establishment of direct emission thresholds as in line with market practice.
- In the Clean Transportation category, Storebrand intends to finance the development, construction, acquisition, maintenance, and operation of electric vehicle charging infrastructure,¹⁰ rail infrastructure, and rolling stock for passenger and freight transport.
 - Storebrand may finance bi-modal¹¹ passenger and freight rail transportation. Storebrand will limit financing to rail which meets the following emissions intensity thresholds when operating on conventional engines: (i) less than 50gCO₂e/pkm for passenger rail, and (ii) less than 25 gCO₂/tkm for freight transport. Storebrand has confirmed that freight transport systems will not be used to transport any kind of fossil fuel.
- Project Evaluation and Selection:
 - Storebrand's Green Bond Committee (the "Committee") will be responsible for evaluating and selecting eligible assets in line with the Framework's eligibility criteria. The Committee is chaired by the Nordic Head of Sustainability and comprised of representatives from various corporate functions¹² including the Group CFO who is responsible for the final approval of allocations.
 - Storebrand has in place an environmental and social risk management process to ensure that all eligible assets are compliant with the Company's internal risk management policies.
 - Based on the oversight for project selection and the presence of sound environmental and social risk management systems, Sustainalytics considers the process to be in line with market practice.
- Management of Proceeds:
 - Storebrand's CFO will be responsible for the management and allocation of proceeds based on a portfolio approach and will track the use of proceeds through existing internal systems.

⁵ Involves the installation of solar panels that are connected to Power Purchase Agreements, (PPA), where the duration of the PPA is equal to or greater than five years.

⁶ These activities aim to reduce the primary energy demand of the building and comply with the EU Taxonomy requirements for activities 7.3 and 7.6.

⁷ TEK 10 includes a specific energy demand for apartment buildings of 110 kWh/m².

⁸ TEK 17 includes a specific energy demand for apartment buildings of 92 kWh/m².

⁹ Allocations may be made against this criterion once a definition becomes available of the performance level required under the Nearly Zero Energy Building concept in a Norwegian context.

¹⁰ The Issuer has confirmed that parking facilities will be excluded from the financing of EV charging infrastructure.

¹¹ Trains, passenger coaches and wagons that have zero direct tailpipe CO₂ emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available.

¹² The Green Bond Committee will be comprised of representatives from the following corporate functions: Nordic Head of Sustainability, Group CFO, Head of Banking, Head of Investment Office: CIO/delegate, Nordic Sustainability Reporting, Group Head of Communications, Sustainability and Public Affairs and Group Finance/delegate.

- Storebrand intends to allocate all proceeds to eligible assets within three years of the date of issuance. However, in case of any unallocated proceeds, such proceeds will be temporarily invested in line with internal treasury policies, in cash, cash equivalents, or where possible ESG-orientated funds.
- Based on the use of a tracking system and disclosure around the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Storebrand intends to report on the allocation of proceeds in a Green Bond Allocation Report on its website on an annual basis until full allocation and/or in the case of any material changes that may affect the portfolio of eligible assets. Allocation reporting will be made available publicly to investors and lenders and will include the total amount allocated to eligible assets, the proportion of financing and refinancing, as well as details of any unallocated proceeds.
 - In addition, the Company is committed to reporting on relevant impact metrics which may include tCO₂e avoided and/or energy reduction achieved.
 - Based on the availability of allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Storebrand Green Bond Framework aligns with the four core components of the GBP. For detailed information please refer to Appendix [1]: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Storebrand ASA

Contribution of framework to Storebrand ASA's sustainability strategy

Storebrand sustainability initiatives are focused on three pillars: (i) financing climate change mitigation and adaptation, (ii) transition to low-carbon, and (iii) businesses for sustainable development.^{13,14} The Company has developed its "Sustainability Score" tool to assess its clients' ESG risks and SDG impact opportunities.¹⁵

Regarding their climate mitigation pillar, Storebrand is committed to reaching net-zero carbon emissions across its investment portfolio by 2050. This overarching goal is supported by a short-term target: cut 16-29% of its emission by 2025. Furthermore, Storebrand has adopted a Climate Policy that aims to drive its emissions reduction targets. The Policy is focused on Storebrand's real estate and renewable energy investments and clean transportation projects.¹⁶

Storebrand also aims to provide sustainable investment solutions to its customers. As of 2020, Storebrand has invested 9.6% of total assets under management (AUM) in solution companies, green bonds, and real estate with a green building certificate. Storebrand expects to increase these investments to 15% of total AUM by 2025.¹⁷

Sustainalytics believes that the Storebrand Green Bond Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include biodiversity loss, community relations, and occupational health and safety risk.

¹³ Industries include renewable energy, technologies for sustainable city development, circular economy and recycling, electric public transport, water management, energy efficiency, sustainable materials and technology, responsible consumption and production, empowerment through access to health services and financial services in emerging markets.

¹⁴ Storebrand, "Our Climate Strategy", at: <https://www.storebrand.no/en/asset-management/sustainable-investments/our-climate-strategy>

¹⁵ Storebrand, "Solution Companies and Storebrand's Sustainability Score", at: <https://www.storebrand.no/en/asset-management/sustainable-investments/sustainability-score>

¹⁶ Storebrand, "Our Climate Strategy", at: <https://www.storebrand.no/en/asset-management/sustainable-investments/our-climate-strategy>

¹⁷ Storebrand, "Annual Report 2020 - Complete list of Sustainability KPIs", at: <https://www.storebrand.no/en/sustainability/sustainability-library/attachment/inline/b28ec244-9627-495c-9379-3e14ed862cf2:6eeb60974de8dcd7b0dee43924bab5748629aa7a/2020-annual-report-storebrand-asa.pdf>

Sustainalytics is of the opinion that Storebrand can manage and mitigate potential risks through the implementation of the following:

- Storebrand assesses the Environmental Management Systems (EMS) of companies it finances, with particular attention to activities which may have significant impacts on the environment and biodiversity. In addition, Storebrand assesses if companies engage with local communities.¹⁸
- Additionally, all projects located in Norway should be designed and developed in line with the Planning and Building Act to ensure public participation for all affected communities and authorities.¹⁹
- Projects financed by Storebrand must comply with the Norwegian Working Environment Act. The legislation is intended to ensure a safe working environment, and prevent work-related accidents and harm to health.²⁰ The Act requires enterprises to have safety representatives to protect and preserve employees' health, working environment, and safety.²¹
- In line with the European Commission Occupational Health and Safety strategy, all financed projects in the EU should follow the European Commission's Strategic Framework on Health and Safety at Work which aims to protect people from health and safety hazards on the job to achieve sustained decent working conditions for all employees.²²
- Any financing to projects located in the USA should comply with the USA National OSH Act, which aims to assure safe and healthful working conditions and workplaces.²³
- Countries, where the projects will be managed and executed are classified as "Designated Countries" under the Equator Principles, implying the presence of robust environment and social governance systems, legislation, and institutional capacity for protecting the environment and communities.²⁴

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that Storebrand ASA has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on three below where the impact is specifically relevant in the local context.

Importance of financing green buildings

In 2017, the Government of Norway introduced the Climate Change Act, which includes the implementation of Norway's climate targets and its process of transformation to a low-emission society by 2050. Through this, Norway committed to reducing 50-55% of its GHG emissions by 2030 and set a long-term target to reduce it by 90-95% by 2050, compared to 1990 levels.²⁵ Heating usually makes up 30-45% of the energy requirements of older buildings with household heating demand higher than business heating demand.²⁶ In a new or renovated building that complies with new national energy requirements, heating accounts for only 5-15% of its energy demand.²⁷ Norwegian building regulations are considered to be some of the most progressive building regulations in the world in relation to energy efficiency.²⁸ The government of Norway implemented the Norwegian building code (TEK17) which requires dwellings to become 26% more energy-efficient and

¹⁸ Storebrand, "ESG Risk Assessment of Companies", (2020), at: https://www.storebrand.no/asset-management/barekraftige-investeringer/dokumentbibliotek-rapporter/_attachment/inline/7467c017-7d24-4fe6-8d66-e8a43864855f:eb6a4404662753ee2cb078238cb7abce0d6ebc1e/20201001_ESG_Risk_Assessment_of_Companies.pdf

¹⁹ Ibid.

²⁰ EU-OSHA, "Norway", at: <https://osha.europa.eu/en/about-eu-osha/national-focal-points/norway>

²¹ The Norwegian Labour Inspection Authority, "Working Environment Act", at: <https://www.arbeidstilsynet.no/en/laws-and-regulations/laws/the-working-environment-act/>

²² European Agency for Safety and Health at Work, "EU Strategic Framework on Health and Safety at Work 2021-2027", at: <https://osha.europa.eu/en/safety-and-health-legislation/eu-strategic-framework-health-and-safety-work-2021-2027>

²³ United States Department of Labour, "OSH Act of 1970", at: <https://www.osha.gov/laws-regs/oshact/completeoshact>

²⁴ Equator Principles, "Designated Countries", at: <https://equator-principles.com/designated-countries/>

²⁵ Government of Norway, "Climate Change Act", at: <https://www.regjeringen.no/en/dokumenter/climate-change-act/id2593351/>

²⁶ The Property Sector's Roadmap Towards 2050, Grønn Byggallianse and Norsk Eiendom (2016), at: <https://byggalliansen.no/wp-content/uploads/2019/02/roadmap2050.pdf>

²⁷ Ibid.

²⁸ Q-haus, "How Norway is leading the Energy Efficiency revolution", at: <https://qhaus.eu/articles/151-tek10-tek15-husbanken-ns3700-passivhaus-standard-how-norway-is-leading-the-energy-efficiency-revolution/>

office buildings 38% more energy efficient compared to previous requirements.²⁹ Installation of fossil fuel heating is not permitted.³⁰

In 2017, Sweden also introduced its climate change policy framework, which highlights the country's ambition to achieve net-zero emissions by 2045 and thereafter to achieve negative emissions. To reach this target, the government committed to reducing its GHG emissions by 55% by 2030 compared to the 1990 levels.³¹ To decarbonize its existing building stock, Sweden's National Board of Housing, Building and Planning, aims at building over 700,000 homes between 2015 and 2025.³²

Based on the above context, Sustainalytics is of the opinion that Storebrand's financing of the construction and renovation of buildings will support Norway and Sweden in meeting their climate-related goals.

Importance of infrastructure in the renewable energy and clean transportation space

To keep the global temperature increase below 2°C in line with the Paris Agreement, 65-70% of worldwide primary energy demand would need to be met by low-carbon energy sources by 2050, according to the International Energy Agency (IEA) and the International Renewable Energy Agency (IRENA).^{33,34} Although renewable energy has experienced strong growth worldwide, reaching one-fourth of global electricity generation in 2019,³⁵ the rate of deployment must be ramped up to meet international targets. Renewables are expected to lead to a reduction in energy-related GHG emissions of approximately 70% by 2050, and 90% with the support of advanced energy efficiency and electrification technologies.³⁶

The transportation sector was responsible for 24% of all GHG emissions from fuel combustion in 2019 globally, with road vehicles accounting for nearly three-quarters of transport CO₂ emissions.³⁷ Emissions from transport are expected to grow at a faster rate than for any other sector, posing a major challenge to efforts to reduce emissions in line with the Paris Climate Agreement and other global goals.³⁸ To reduce emissions from the transport sector, the transition to a zero-emissions transport system will be an important step in moving toward a low-carbon economy. To achieve such a transition, a holistic approach to improving vehicle efficiency is needed, including the advancement of infrastructure to support clean vehicles.³⁹ Facilitating the modal shift to rail transport is also crucial to decarbonizing the transport sector.

Based on the above context, Sustainalytics is of the opinion that Storebrand's financing activities for renewable energy as well as infrastructure rail projects will contribute to the overall transition to a global low-carbon economy.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond issued under the Storebrand Green Bond Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, innovation, and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

²⁹ Government of Norway, "Norway's Fourth Biennial Report", at: [https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/58167_Norway-BR4-1-Norway_BR4%20\(2\).pdf](https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/58167_Norway-BR4-1-Norway_BR4%20(2).pdf)

³⁰ Ibid.

³¹ Government of Sweden, "The Swedish climate policy framework", at: <https://www.government.se/495f60/contentassets/883ae8e123bc4e42aa8d59296ebe0478/the-swedish-climate-policy-framework.pdf>

³² UNFCCC, "Sweden's long-term strategy for reducing greenhouse gas emissions Sweden's long-term strategy for reducing greenhouse gas emissions", at: https://unfccc.int/sites/default/files/resource/LTS1_Sweden.pdf

³³ IRENA, "Global Renewables Outlook", at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/Apr/IRENA_Global_Renewables_Outlook_2020.pdf

³⁴ UNFCCC, "The Paris Agreement", at: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

³⁵ IEA, "Global Energy Supply 2020", at: <https://www.iea.org/reports/global-energy-review-2020/renewables>

³⁶ Ibid.

³⁷ IEA, "Global Energy Review 2020", at: <https://www.iea.org/reports/tracking-transport-2020>

³⁸ WRI, "Everything you need to know about the fastest growing source of global emissions: transport", (2019), at: <https://www.wri.org/blog/2019/10/everything-you-need-know-about-fastest-growing-source-global-emissions-transport>

³⁹ IPCC, "Transport", (2018), at: https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter8.pdf

Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Clean Transportation	11. Sustainable cities and communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons 11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

Conclusion

Storebrand has developed the Storebrand Green Bond Framework under which it may issue green bonds and use the proceeds to finance projects related to green buildings, renewable energy, and clean transportation. Sustainalytics considers that the projects funded by the green bond proceeds are expected to create meaningful environmental benefits through the development of sustainable infrastructure and energy transition projects.

The Storebrand Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Storebrand Green Bond Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9, and 11. Additionally, Sustainalytics is of the opinion that Storebrand has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Storebrand is well-positioned to issue green bonds and that the Storebrand Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Storebrand ASA
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Storebrand Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 11, 2022
Publication date of review publication:	May 11, 2022
Original publication date:	November 2020

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers

that the eligible categories are expected to lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 9, 7, and 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Storebrand's Green Bond Committee is responsible for evaluating and selecting projects. Storebrand has in place an environmental and social risk assessment process which is applicable to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project evaluation and selection process to be aligned with market practice.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Storebrand's CFO will be responsible for management of proceeds based on a portfolio approach, and will track the allocation using existing internal processes. Storebrand intends to allocate all proceeds within three years from the date of issuance. Unallocated proceeds will be temporarily invested in cash, cash equivalents, ESG-orientated funds or similar. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Storebrand intends to report on the allocation and impact of proceeds in a Green Bond Allocation Report, available on its website on an annual basis until full allocation. Allocation reporting will include details such as the amount of proceeds allocated per category, the proportion of refinancing and details of unallocated proceeds. Impact reporting may include estimates of tCO₂e avoided and/or energy reduction achieved. Sustainalytics views Storebrand's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (please specify):

Information reported:

- Allocated amounts
- Green Bond financed share of total investment
- Other (please specify):

- Total amount of proceeds allocated to Eligible Assets per category;

- Proportion of allocation to refinancing

- Details of any unallocated proceeds, where relevant

Frequency:

- Annual Semi-annual
 Other (please specify):

Impact reporting:

- Project-by-project On a project portfolio basis
 Linkage to individual bond(s) Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
 Decrease in water use Other ESG indicators (please specify):

Frequency

- Annual Semi-annual
 Other (please specify):

Means of Disclosure

- Information published in financial report Information published in sustainability report
 Information published in ad hoc documents Other (please specify): Allocation Report
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
 Verification / Audit Rating

Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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