Storebrand ASA - Climate Change 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Storebrand's ambition is to be the best provider of saving for pensions. Storebrand will deliver sustainable solutions adapted to the customer's individual situation, so that each person receives a better pension in a more sustainable world. Storebrand has about 40.000 corporate customers and 1.9 million individual customers, and is headquartered in Lysaker outside of Oslo, Norway. Storebrand manages more than NOK 700 bn and is Norway's largest asset manager. We work hard to reach our vision, which is to serve them so well that we are “Recommended by our customers”. Storebrand (STB) is listed on the Oslo Stock Exchange.

Storebrand provides better pensions – simple and sustainable. Total savings and pension are the sum total of many minor and major financial decisions and the Group offers products within savings, insurance and banking to private individuals, companies and public sector entities. The Group is divided into the segments Savings, Insurance, Guaranteed Pension and Other. Savings and Insurance are the Group’s focus areas, while Guaranteed Pension is in long-term decline. Storebrand’s strategy is to provide profitable growth within focus areas through simple and sustainable solutions, while we also manage our guaranteed portfolios in a capital-efficient manner. Occupational pension is a core product in both Norway and Sweden. In Norway, employees and former employees of companies that have a pension agreement with Storebrand are also offered attractive retail market solutions. Our vision is simple: We are successful when recommended by our customers. Therefore, the follow-up of feedback from customers is a priority. Storebrand’s goal is to create, through our business activities, a future to look forward to. Our sustainable solutions not only contribute to better pensions, but also to a better world in which to retire. For several decades, it has been our ambition to be bold trailblazers within sustainable investments. We take an active position on the companies in which we invest both our own capital and that of our customers. We believe that companies that integrate environmental, social and good corporate governance considerations in their business activities will be part of creating better returns over time, both through reducing risk and creating new opportunities. This focus is further reinforced by more thorough reporting and the integration of sustainability into all parts of the value chain.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2018	December 31 2018	No	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Norway
Sweden

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

NOK

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board of Storebrand ASA has as well established a Risk Committee consisting of 3-4 Board members, which has the overall responsibility for managing, limiting and following up the interdisciplinary risks associated with the activities. Here, the climate-related issues are included. The main task of the Risk Committee is to prepare matters to be considered by the Board in the area of risk, with a special focus on the Group's appetite for risk, risk strategy and investment strategy. The reason why the board has this responsibility, is that the Board sets annual limits and guidelines for issues including risk-taking in the company, receive reports on the actual risk levels, and perform a forward-looking assessment of the risk situation. The Board-level Risk Committee meets monthly and contributes forward-looking decision-making support related to the Board's discussion of risk taking, financial forecasts and the treatment of risk reporting, including climate-related risks.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Overseeing major capital expenditures, acquisitions and divestitures	Climate-related issues are part of our interdisciplinary risk management process and CSR strategy, and therefore both directly and indirectly included in all scheduled Board meetings. Risk management is a key part of the Storebrand's business model, particularly in relation to manage Insurance risk and financial market risk. The risk management process contributes to the boards oversight of climate issues through different governance mechanisms, including reviewing and guiding policies, budgets and future business plans. The board maintains oversight over the major company investments in reducing our greenhouse gas emissions and how much the company both invests in and saves from the various climate-related projects.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Other C-Suite Officer, please specify (Executive Vice President: Communication, Sustainability, and Industry Policy)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Climate related issues are continuously monitored in Storebrand. One of the highest management-level positions with responsibility for climate-related issues, is an independent control functions which have been established for risk management for the business (Risk Management Function / CRO), for compliance with the regulations (Compliance Function), for ensuring the insurance liabilities are calculated correctly (Actuary Function) and for the bank's lending. The independent control functions are organised directly under the companies' managing director and report to the board. The relevant independent control functions are affiliated with the CRO, who answers directly to the CEO and reports to the board. The CRO shall ensure that all significant risks are identified, measured and appropriately reported to the CEO and the Board. The CRO shall be actively involved in the development of the Group's risk strategy and maintain a holistic view of the company's risk exposure. This includes responsibility for ensuring compliance with the relevant regulations for risk management and the consolidated companies' operations. The reason why the CRO has the responsibility is that internal audit function is organised directly under the Board and shall provide the boards of the relevant consolidated companies with confirmation concerning the appropriateness and effectiveness of the company's risk management, including how well the various lines of defence are working.

Storebrand's Executive Vice President (EVP), Communication, Sustainability, and Industry Policy is also involved in monitoring climate-related issues relevant to the company. The EVP leads a team working on sustainability and climate issues and reports the team's progress to the Board. The EVP has overall responsibility for developing and implementing the company's sustainability action plans (as decided by the Board), monitoring key performance indicators, ensuring effective communication with customers on the topic of Storebrand's sustainability and climate work, and cooperating with relevant partners, organizations, and authorities. Storebrand has decided to place responsibility for monitoring sustainability and climate issues (as well as executing climate-related action plans and strategies) in a high-level position in order to promote sustainability and climate change as core values and priorities for Storebrand's business operations.

Storebrand is a driving force for recommendations to The Task Force on Climate-related Financial Disclosures (TCFD), and our goal is to report comprehensively in accordance with this framework by 2020. Storebrand has also participated in TCFD pilot projects through UNEP FI within asset management, portfolio and property & casualty insurance.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?
Corporate executive team

Types of incentives
Other non-monetary reward

Activity incentivized
Energy reduction target

Comment
To ensure that the Group's executive management team has incentive schemes that accord with the long-term interests of the owners, a proportion of the fixed salary will be linked to the purchase of physical Storebrand shares with a lock-in period of three years. The CEO can decide that a limited group of employees shall be covered by an equivalent scheme. The purchase of shares will take place once a year. Like other employees in Storebrand, executive employees have an opportunity to purchase a limited number of shares in Storebrand ASA at a discount in accordance with the share programme for employees. In the opinion of the Board of Directors, this has a positive effect on the company and the shareholders, given the structure of the scheme and the size of each executive vice president's portfolio of shares in Storebrand ASA.

Who is entitled to benefit from these incentives?
Chief Executive Officer (CEO)

Types of incentives
Other non-monetary reward

Activity incentivized
Energy reduction target

Comment

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	Short term risks are risks Associated with financial budgeting each year.
Medium-term	1	5	Medium term risks are risks associated with financial planning 2-5 years ahead in time.
Long-term	5	30	Our Science Based Target goes beyond 2050, and the lifetime of buildings has a lifetime expectancy of minimum 60 years .

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.
Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Climate-related issues are integrated into multi-disciplinary company-wide risk identification, assessment and management processes, which is continuously monitored by the board, management and through each of our departments in Storebrand.

Process for identifying and assessing climate-related risks

Our risk mapping system is based on the management teams in each division/business unit and in corporate functions, reviewing identified and potential risk factors, including corrective actions quarterly. An aggregated Group risk report, including a corrective action plan related to each risk, is presented to Management and the Board. The data is used to plan and implement contingency plans and action programs. The Executive management group has regular meetings where megatrends and future risks; including climate changes, are discussed. The strategic discussions include actions on how the company should respond to the climate challenges and which actions to be made. We are involved in different research programmes where future risk-exposure is a key element. The executive management team is working with scenarios together with internal and external project leaders. An internal innovation department examines different trends, like environment and ethics, and evaluates the impact on Storebrand. We have an ongoing Product developing process in the asset management field with a focus on future environmental and social risks. Product portfolio review with focus on climate related risks are done at executive management level. The risks (including climate change) identified in our risk-mapping system "Easy Risk Manager" (ERM) are evaluated both on consequences and probability **in short-term, medium term and long term**, both before and after corrective actions. The risks are based on the evaluation marked as "red, yellow or green", both before and after corrective actions. All red risks within each division/business unit are aggregated to the next organisational level. This implies that every management level is aware of its own risks and the risks registered by lower business levels in their organisation, to ensure visibility and priority.

The Risk Management software (including legacy EasyRisk functionality) supports you in the overall process of identifying, qualifying and mitigating risks in an interactive and transparent process. The Risk Management system supports all stages of decision-making, from the front-end users to back office or mobile resources – all in a flexible package covering everything from offline forms to online real-time dashboards.

· Identification, management and control of risk in real time

· Best practice risk management principles in accordance with ISO 31000, COSO, ISO 27000 etc.

· Software based on DNV GL's extensive experience in risk management, including oil and gas risk management

Definition of 'substantive financial or strategic impact' when identifying or assessing climate-related risks: Any impact that alters our strategic focus on long-term value creation. This is identified through a materiality analysis conducted to prioritise our most important input factors and most important drivers for creating value from these input factors. The guidelines for International Integrated Reporting Council (IIRC) are used as a starting point for the materiality analysis for long-term value creation. This model is based on identifying input factors for ensuring overall value creation and also includes risks.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The current regulations are included as a part of our interdisciplinary risk process by being continuously monitored as part of our company wide risk identification and assessment process. Example: For Storebrand Real estate all buildings owned, managed or controlled is renovated in accordance with the regulations in the country it is located in, when it comes to climate-related issues this is particularly important when it comes to building efficiency and reducing fossil fuel for energy related purposes. Another example is the new EU-regulation linked to the handling and reporting of climate risk. The result of the EU taxonomy will affect how we can label and market our investment products. It can be a reputational risk if our investments are not "green enough".
Emerging regulation	Relevant, always included	Changes in regulatory requirements are assessed as a risk if regulation involves increasing demand on solvency when seen in conjunction with climate change. Storebrand includes the risks from emerging regulation as a part of our interdisciplinary risk process, and they are being continuously monitored as part of all legal risks. For example, a tax on carbon will have a significant impact. The Board considers the company to be fully in compliance with the applicable regulations and well-prepared for impending changes. Example: Regulations in our investment portfolio might emerge from the latest emission reduction target set by Finance Norway which is to reduce emissions from investments in Norway by 50 % in 2030. We are a member of Finance Norway as well as other engagements on reducing emissions in both Norway and Sweden. Measuring emissions from investments is carried out for Storebrand, which is a way of dealing with potential regulations on this in the future.
Technology	Relevant, sometimes included	Technology is relevant and sometimes included in our risk management by being monitored as part of our investments, such as in R&D led by a devoted group of people in our risk management. In addition, we include these climate-related risks by having an increased focus on companies which address the challenges of the future especially concerning climate-related risks through funding. Example: One of the measures used for funding such investments is to identify solution-oriented companies with a business model that promotes sustainable development. We refer to these companies as “solution companies” because they develop good solutions to important societal challenges. The total sum of good solutions in key sectors and the interaction between different technologies will pave the way for sustainable development in society. By systematically investing in solution-oriented companies, the capital flows can reduce capital expenditure for the companies that have the greatest ability to adapt. For example, solution companies can contribute by producing new technology within renewable energy, energy efficiency improvements, recycling and green transport. The winners of tomorrow will adapt current business models or adopt new business models that use resources more efficiently. Optimizing the use of resources and applied technology are both financially profitable, but also a long-term investment for value creation to continue overtime. The digital transition has also meant major changes in how Storebrand meets customers and places an increased focus on digital customers. This also requires a high level of digital expertise internally, i.e. knowledge of the solutions our customers prefer to use and where the market is moving at any given time.
Legal	Relevant, always included	The climate-related legal risks are relevant and always included as a part of our interdisciplinary risk process. The legal risks are assessed by being continuously monitored by the legal department. Example: The disclosure/non-disclosure may cause legal risks for Storebrand. One solution to reduce this is that we provide our customers with relevant information of our investment products which is included in the insurance certificate and explanation of coverage.
Market	Relevant, always included	Climate-related market risks are relevant for Storebrand and are always included in our risk assessment process. This is done by continuously monitoring the climate-related market risks as part of our market and procurement risks. Example: The marked expectations may be a high risk related to the investment strategies for the ESG funds and other low-carbon funds which Storebrand is investing in. An other example of how we manage this risk is that Storebrand is developing knowledge through educating our risk employees in monitoring market signals, market changes or uncertainties in regards to climate risk, here we have the Nordic region’s largest competence environment for sustainable investments. Our analysts are specialists in everything from resource economics and consumption, to innovation and political regulation.
Reputation	Relevant, always included	Reputational risks are always included in our climate-related risk assessment by being continuously monitored by our communication department and reported to the Board. Storebrand shall have an incentive model that supports the Group’s strategy, with emphasis on the customer’s interests and long-term perspective, an ambitious model of cooperation, as well as transparency that enhances the Storebrand’s reputation. Storebrand assess climate-related reputational risk by for example developing low carbon Investments Products to customers for pension savings. Our main purpose is to develop Products that consider the need for transition into a low carbon economy, Storebrand secures a good reputation, by participating in activities and Investments that help shape a sustainable future. Example: Storebrand can face reputational risks in the context of climate change, specifically around NGOs critizing Nordic investors, including Storebrand to be invested in Asian banks financing the palm oil industry. To assess such risks, Storebrand monitors reputation and feedback from customers and other shareholders to understand their perception of how sustainable Storebrand is in regards to climate change as a part of our overall sustainability strategy. An other example is that Storebrand Insurance work to make the claims process as transparent as possible for the customer. We have for example a "track my case"-solution for construction cases where the customer can follow his/her case (which partners are involved and how what the status of the case is etc.). During the summer 2019, we will develop a solution for "Follow my case" for other products as well. We have also established a chatbot solution on our websites. This is a step towards better self-service solutions and the development of our web platforms, which enable all “simple” inquiries to be managed digitally. More complex inquiries are in the safe hands of our expert advisors.
Acute physical	Relevant, always included	Acute physical climate risk related to Extreme weather are covered by the natural perils fund for Insurance Companies, including Storebrand. Geographical areas with repeated flooding, which is the case for some areas in the Nordic region where owned buildings are located, are assessed an identified as risk areas such that the insurance premiums reflect a higher price in that area. One example to manage this risk is that technical economical due- diligence is done when purchasing new property for leasing. For standing real estate Investments, risk analysis is done through analysis and monitoring of available climate emissions data. For example, we avoid including buildings on flood plains or in harm of sea level rise in our portfolio of real estate. We also collaborate with Finance Norway, committing us to share our damage data, and compare it to the municipalities’ injury data. This helps determine how the municipalities should prioritize infrastructure improvements.
Chronic physical	Relevant, always included	Chronic physical risks are always included as a part of our interdisciplinary climate-related risk process and are continuously monitored in our operational risks. Example: Extreme chronically changes in temperatures or weather may affect our own properties and buildings, as well as our clients' houses, cars or other physical belongings. One example to manage this risk is through technical economical due diligence when purchasing new property for leasing, and for standing real estate Investments, risk analysis is done through analysis and monitoring of available climate emissions data. For example, we avoid including buildings on flood plains or in harm of sea level rise in our portfolio of real estate.

	Relevance & inclusion	Please explain
Upstream	Relevant, sometimes included	Upstream risks are included as a part of our interdisciplinary risk process by being monitored in our climate-related risk assessment. Example: If not all suppliers and sub-contractors of goods and services to companies in the Storebrand Group comply with our principles in the UN Global Compact, or minimum standards concerning human rights, personnel and anti-corruption work, it may cause a risk for Storebrand upstream activities. To the extent possible, the suppliers must be able to document the products' lifecycle costs and environmental characteristics. In addition to following the internal procurement policies, all purchases shall be carried out in such a way that they contribute to reducing the environmental and climatic impact from goods and services that are purchased and support Storebrand's commitment to the environment and corporate social responsibility. This is done by establishing environmental requirements through Storebrand's own guidelines for suppliers of goods and services that have an impact on the environment aspects of the business activities, for example, waste, packaging, energy, emissions and transport. In addition, Storebrand's position as a role model to the rest of the world must always be considered. This specifically entails that the supplier should have systems and guidelines for safeguarding environmental aspects in its business activities, including a corporate social responsibility profile in its products and services. Using the same criteria, Storebrand prioritises suppliers that are certified in accordance with one or more of the following standards: ISO14001, EMAS, Eco-Lighthouse, the Swan ecolabel and Green Dot. Storebrand ASA is a member of the UN Global Compact. The supplier shall generally have good internal guidelines for ethics and should, for example, follow the Initiative for Ethical Trade's guidelines or the standard for social accountability/corporate social responsibility (SA 8000). There must be no purchases from companies that have been excluded under Storebrand's minimum standards for sustainable investments. The analysis is conducted by the department for sustainable investments and Sourcing is responsible for compliance.
Downstream	Relevant, sometimes included	Downstream risks are included as a part of our interdisciplinary risk process and is monitored in our climate-related risk assessment. Example: Shifts in consumer preferences related to ESG or low-carbon funds can be a downstream risk for Storebrand if not meeting the expectations. 100 % of Storebrand's investments are assessed by sustainability criteria including climate change. As an investor, Storebrand can first and foremost contribute to achieving the sustainable development goals through conscious investments of capital and through active ownership. In this way, investors can influence private business and industry that play an important role in financial and social development.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Risk management in Storebrand is a multi-disciplinary process that involves managing risks that have been identified and assessed as potentially hampering the company's ability to achieve its goals. The company manages these risks as part of a bi-annual monitoring process that includes shareholder engagement and internal dialogues across company units and managerial levels. Based on the mapping that occurs in the "Easy Risk Manager" system, the Group CRO reports an overview of the risks directly to the CEO. An aggregated Group risk report, including a corrective action plan related to each risk, is presented to Management and the Board. The data is used to plan and implement contingency plans and action programs, usually spanning up to six years into the future, which will depend on the type of risk, severity, and potential impact. The CRO is responsible for supporting the Board and group management team with respect to the establishment of a risk strategy and operationalisation of action plans, the setting of limits, and monitoring of risk across Storebrand's business areas. Good risk management requires targeted work on objectives, strategies and action plans, identification and assessment of risks, documentation of processes and routines, prioritisation and implementation of improvement measures, and good communication, information and reporting.

Opportunities are managed and monitored the same way as risks; through shareholder engagement and internal dialogue from monitoring market trends. In the future, the ability to manage rapid changes with the assistance of good processes and the right technology will apply. Therefore, at Storebrand we will strive to work according to agile work methods in everything we do (Build, Measure, Learn) – what we call "agile and smart", and where we test, try and fail, provide feedback and then retest again and continue to build on this. This work method has already been adopted by large parts of the organisation and will be applicable for more of them in the future. Storebrand therefore considers it to be of great benefit to enter into partnerships in order to promote personal development and continual improvement of our products. Being able to derive benefits from the experiences, technology, customer insights and routines of others ensures flexibility, agility and prompt delivery when dealing with customers. The Storebrand Academy shall be further developed and adapted to an agile organisation.

Example process for managing transition risks: The primary strategy in sustainable investments is the integration of ESG factors across all investment products, to manage risk from market shifts and decreased demand for products from companies we invest in. Integration activities include - but are not limited to: analyses of environmental and social impacts across asset classes/ sectors/companies/projects, adjustment of indices in order to reduce risks, identification and benchmarking of ESG drivers/opportunities/risks, quant modelling for increased ESG quality, active ownership and screening/exclusion of high risk activities and ESG requirements for external fund managers. Although integration is our main strategy,

Example process for managing physical risks: to manage risk for chronic shifts in climate, for example from more flooding, we do not include buildings in areas which are in harm of flooding in Storebrand's real-estate portfolio, and all locations are considered and monitored for such changes.

Example process for managing transitional opportunity: Storebrand also manages its climate-related opportunities from reputation and customer demands by offer niche funds in order to meet the demand for sustainable/green/ethically labelled products, such as the Solutions funds ("winners of tomorrow"), fossil free funds, and Green Bond funds. Strategies for enabling a green economy include, but are not limited to: - creating a demand for TCFD reporting from listed companies (through Storebrand's own reporting and development project with UNPRI) - conducting impact analysis, benchmarking, active ownership and screening of listed companies (equities, bonds, real estate, PE) - educating clients in sustainable investments/ pension/insurance.

Example process for managing physical opportunity: Storebrand's real estate employees are educated and experienced in future building trends and technology. Here, standard specifications and certifications of buildings are arising from changes in physical climate. Central processing systems from regulating ventilation, cooling and heating are one part of this work. Additionally, we see a shift towards commuting without a car, especially in the warmer months in the Nordic region, where people want to live close to the easiest public means of transportation, which is also an opportunity for us when it comes to how our buildings are located.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Customer

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact

Other, please specify (Increased insurance pay-out)

Company- specific description

As an insurance provider Storebrand is exposed to physical risks through insurance in the Norwegian retail market (insuring our clients' real estate, cars, etc.). The physical risks from climate changes are linked to the risks that natural disasters/cyclone storms and other severe weather conditions affect our clients' houses, cars or other physical belongings. Risk management also plays a crucial role when deciding the premium the customer has to pay for each of Storebrand insurance products. We use climate changes data in our risk from each region we insure in and premium analysis which defines the premium rating for each location. The insurance risk in Norway is largely standardised between the contracts in the same industry as a result of detailed regulation from the authorities. In Sweden, the framework conditions for insurance contracts entail major differences between the contracts within the same industry.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

To reduce the risk for our customers, Storebrand sets aside funds yearly to a national collective pool of funds (mandatory) that cover damages from natural disasters. Storebrand covers about 1,5 % of the insurance payments related to natural disasters in Norway. Storebrand consider future physical risks to be within the magnitude of 5 million NOK. Claim events over 5 million NOK are covered by reinsurance contracts.

Management method

Insurance risk for Storebrand's products are monitored separately for every line of insurance in the current insurance portfolio. The development of the risk results is followed continuously. In the case of each risk type, the ordinary risk result for a period represents the difference between the risk premiums that the company, client or customer has collected for the period and the sum of provisions and payments that must be made for insured events which occur in the period. The risk result takes into account insured events which have not yet been reported, but which the client assumes have occurred. A management method which is implemented to manage this risk, is that we do not give insurance for a customer's house if it is in a flood-plain area or in an area with risk of being flooded. These locations are monitored by the government who give us the information on how to manage each location for our clients. To reduce the risk for our customers, Storebrand sets aside funds yearly to a national collective pool of funds (mandatory) that cover damages from natural disasters. Storebrand normally covers about 1,5 % of the insurance payments related to natural disasters in Norway. The associated cost of management is approximately 2 FTE's in addition to other related supporting position on an irregular basis (calculation: 2 FTE*500 000 = 1 mill NOK).

Cost of management

1000000

Comment

We set aside funds to be able to pay any future climate-related claims that may arise. Storebrand is a partner of The Norwegian National Fund for Natural Damage Assistance. This Fund was established with the aim to compensate damage caused by natural perils and to contribute to protective measures against such perils. Storebrand must, according to the rules of the Pool, collect a premium of 0.09% for each insurance covered in Norway. It is difficult to estimate total costs for these actions.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Customer

Risk type

Transition risk

Primary climate-related risk driver

Reputation: Increased stakeholder concern or negative stakeholder feedback

Type of financial impact

Reduced revenue from decreased demand for goods/services

Company- specific description

Sustainability has been an integral part of Storebrand's services for many years and reputation is one of our most valuable assets and key to success. Our standard for sustainable investments is based on the assumption that the companies which contribute to solving societal problems in a sustainable way, will also be the most profitable in the long term. The Storebrand Standard for sustainable investments shall therefore help to ensure our clients' future returns. We conduct extensive sustainability analyses of the companies we consider investing in and our approach is also guided by our understanding of the expectations and concerns of our diverse stakeholders. Climate change involves certain reputation risks if not properly addressed, including through negative stakeholder perceptions of Storebrand. Clients increasingly ask Storebrand for products and services which protect them from climate-related risks. If Storebrand does not provide such solutions, we run the risk of losing such business. In 2018, Storebrand continued to face reputational risks, in the context of climate change, specifically around NGOs criticizing Nordic investors, including Storebrand to be invested in Asian banks financing the palm oil industry. At the same time, Storebrand's climate action created positive reputational rewards, and been listed in several indices and awards related to ESG topics (rated as the second-best investor in Ethical Bank Guide, top three in the green tech awards etc).

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

36450000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Reputational risks could lead to loss of business. As of July 2019, Storebrand's AUM was Nok 729 billion. This reputational risk can impact how the firm is viewed by stakeholders and whether we remain a credible investor to climate change. The potential financial impact figure is calculated by estimating a loss of 5% of our customers, which gives the calculation of AuM 729 bn NOK * 0,05 = 36,45 bn NOK.

Management method

Storebrand conducts extensive sustainability analyses of the companies we consider investing in. This requires that we provide regular information to various stakeholders through for example reporting, website etc. We are a member of The Institutional Investors Group on Climate Change (IIGCC)- a forum for collaboration on climate change for investors to encourage public policies, investment practices, and corporate behavior that address long-term risks and opportunities associated with climate change. IIGCC develops and publishes Investor guides aimed at creating greater understanding of the risks and opportunities posed by climate change and policies. In addition to these management methods, we are actively working with other investors under PRI and Climate Action 100+. Example: Storebrand has also taken a clear stand on coal and worked to reduce its coal exposure since 2013. Last year, we increased our effort and launched Exit Strategy which we were nominated as top three under the Green Tech Awards. Based on the recommendations of TCFD, Storebrand has also began to address climate risk in its investments. In 2018, Storebrand Asset Management participated in UNEP FI's TCFD Investment Investor Group to take a step further towards more comprehensive reporting. A number of employees are the main cost driver for Storebrand to manage this risk. The associated cost of management is therefore estimated to 12 million NOK as calculated from 24 FTE's (24*500000=12 mill NOK).

Cost of management

12000000

Comment

Climate change is top priority in our dialogue with companies that we are invested in.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Investment chain

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact

Other, please specify (Market: re-pricing of assets (fossil fuel reserves, land valuations))

Company- specific description

Norway has committed, with legally binding resolution, to at least a 40% reduction of CO2 emissions by 2030 on 1990-levels (INDC). As an asset management firm, Storebrand can be affected indirectly such limits as they may impact business operations of our corporate clients. GHG emission limits could present a risk for our GHG intensive industries that we are invested in, e.g. utilities/energy generation, or basic materials. Companies in GHG intensive sectors that are unprepared for regulatory changes could suffer increasing costs and/or a major declining demand for their goods and services with a negative impact on revenues and financial condition. Insofar as we are (indirectly) exposed to fossil fuel intensive businesses in investment this may affect our own and our clients' assets. This may have a devaluating effect on the assets we hold in our portfolio. The final impact may be an increase in capital costs as the capital buffer may have to be augmented to mitigate the risk. Storebrand seeks to better understand this indirect risk by advancing methodologies in 2 degree and lower scenario analysis. Scenarios provide detailed outputs which help assess the economic impact on sectors. One key output that reflects how carbon emissions would be constrained in future emissions pathways, to meet the warming target is a policy shift that enacts carbon pricing.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

18500000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact figure is calculated as a fraction of Storebrand's total exposure to carbon-related assets 7,45% or 18,5 bn Nok of Storebrand total net exposure. The TCFD suggests banks define carbon-related assets as those assets tied to the energy and utilities sectors under the Global Industry Classification Standard, excluding water utilities and independent power and renewable electricity producer industries. The financial implications of not taking into account regulatory risks in our investment involves reduced financial performance of carbon-related assets, as a result of increased costs from. Storebrand follows this TCFD recommendation to measure and disclose its exposure to "carbon-related" assets in order to foster an early assessment of climate-related risks.

Management method
To manage this risk, we seek to protect our own and our clients' assets from climate change risks, by limiting our risk appetite for carbon-related assets and by estimating our firm's vulnerability to climate change risks using scenario-based stress testing approaches and other forward-looking analyses. In addition to these management methods, we have also limited financing for coal with the adoption of the coal exit strategy which was launched in 2018. An example of this is that we have increased the percentage of AUM invested in fossil free funds to 8 % (60 billion Nok 2017 to 68 billion Nok to 2018). Overall cost of management is calculated to 3 mill NOK and integrated in our existing risk management processes, but there are also some direct costs such as membership fee and data vendors.

Cost of management
3000000

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Investment chain

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Type of financial impact
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description
The Storebrand Group has since 2013 developed a low carbon investment strategy, the Plus Funds. This strategy aims to create a broadly diversified, low tracking error fund which is pre-positioned for the implementation of the Paris Agreement. Low carbon investments are achieved using a multi-pronged approach. First, fossil fuel companies – defined as those whose revenues from fossil-related activities exceed 5% of total revenue – are excluded. Furthermore, the fund takes steps to ensure it is consistent with a fossil-free philosophy, which includes removing companies with large fossil reserves. Investments are then tilted towards high

ESG and low carbon footprint scoring companies. Finally, 5-10% of the portfolio is invested in solution stocks from a positive 'white-list' of around 130 companies which provide products and services that facilitate the transition to a low carbon economy (e.g. renewables, energy efficiency, low emissions transport and recycling). The strategy results in a broadly diversified, highly liquid and climate-aware portfolio with low tracking error. In 2018, the Storebrand Group had NOK 68 billion invested in low carbon fund products. The low carbon funds send important market signals on the increasing interest in using financial vehicles as a tool to shift capital towards more carbon-efficient companies.

Time horizon
Current

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
68000000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The financial impact figure demonstrates that Storebrand has 68 billion NOK invested in low carbon funds.

Strategy to realize opportunity
To realize this opportunity, we plan to maintain focus on data quality and systems to monitor, report on and safeguard the value of and effect of investing in the low carbon funds. We also plan to actively promote the low carbon fund strategy as a tool to address climate risk in investments, towards both existing and potential new customers. Especially in international market targets, there will be particular focus on these fund strategies. A number of employees are the main cost driver related to this opportunity. The associated cost is therefore estimated to 15 million NOK as calculated from approximately 30 FTE's (30* 500 000 = 15 mill NOK). There are also additional costs in terms of ESG data vendors like Trucost, Sustainalytics, FTSE Russel and ISS-Ethix and subscription to relevant ESG initiatives and organizations.

Cost to realize opportunity
15000000

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Investment chain

Opportunity type
Resilience

Primary climate-related opportunity driver
Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact
Increased market valuation through resilience planning (e.g., infrastructure, land, buildings)

Company-specific description
The Real Estate direct investment portfolio represents 6% of Storebrand Asset Management assets under management, or NOK 45 billion over the total NOK 729 billion. The portfolio had 30% certified green property in 2018. By 2020, the goal is 48% and 75% by 2025. Increased environmental certification of the property mass represents opportunities to reduce the carbon intensity of real estate investments as well as their supply chain, and to attract long term tenants. The current portfolio properties are already well positioned due to thorough planning, and certification process is partly initiated. To illustrate the progress already made in property energy efficiency, the emissions from aggregated property management was 7,4 tonnes CO2 emissions per square meter in 2018, reduced by 11 percent from the 2017 results of 8,3 tonnes CO2 emissions per square meter in 2017.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
300000000

Potential financial impact figure – maximum (currency)
1000000000

Explanation of financial impact figure
Environmental certification represents an opportunity for the real estate portfolio. Research indicates an increase in asset value of 7 % for green buildings internationally. The Norwegian market is assumed on short term to be less mature, but similar effects are registered. Impact is assumed to be from 2 % to 7 % of the Non-certified (70%) asset value over a ten year period (2030), which equals a potential financial impact of between NOK 0.3 billion and NOK 1 billion.

Strategy to realize opportunity
Secure that newbuild and renovation /retrofit projects are certified according to BREEAM NOR, and that standing investments (properties in running lease business) undergoes BREEAM In-Use certification. After certification, the strategy is to use the mapping as grounds for building-specific green building action plans and certification grade improvements. NOR - Projects: 15 x NOK 1 million In-Use cost per real estate property NOK 250' x 27 = NOK 7 million Total cost: NOK 15 mil + NOK 7 mil = NOK 22 mill

Cost to realize opportunity
22000000

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Investment chain

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Type of financial impact
Increased diversification of financial assets (e.g., green bonds and infrastructure)

Company-specific description
The Real Estate direct investment portfolio represents 6% of Storebrand Asset Management assets under management, or NOK 45 billion over the total NOK 729 billion. The portfolio had 30% certified green property in 2018. By 2020, the goal is 48% and 75% by 2025. Increased environmental certification of the property mass represents opportunities to reduce the carbon intensity of real estate investments as well as their supply chain, and to attract long term tenants. The current portfolio properties are already well positioned due to thorough planning, and certification process is partly initiated. To illustrate the progress already made in property energy efficiency, the emissions from aggregated property management was 7,4 tonnes CO2 emissions per square meter in 2018, reduced by 11 percent from the 2017 results of 8,3 tonnes CO2 emissions per square meter in 2017.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
0

Potential financial impact figure – maximum (currency)
162000000

Explanation of financial impact figure
If we follow the 1.5 degree path, it is likely that there will be a higher demand for renting low carbon buildings. With a strong focus on buildings and portfolios with low carbon emissions, we believe securing and developing them to meet tomorrow's standards and demand - a more "Paris-proof" standard, holds a commercial potential. This includes higher rent and lower vacancy. Today we have around NOK 1.8 billion in annual rental income, we have an opportunity to maintain and increase this amount. Research in international markets indicates 3 % rent increase. We assume increase towards max 3% in last 3 years of 10 yr period (sum 3 yrs corresponds to w/accumulated investments in same period). This equals a potential financial impact of: NOK 1.8 Billion x 3% x 3 years = NOK 162 million

Strategy to realize opportunity
Property specific GHG Reduction goals towards 2025 and 2030 to be established. Surveys to be conducted, with analysis and prioritization of actions to reduce emissions. This is taken into the yearly budgets of properties and followed up in the environmental management system to ensure implementation. Initiatives to meet energy reduction in Scope 2 towards 2030: 30+ GWh x 3 NOK/kWh investment = approx NOK 90 mill.

Cost to realize opportunity
90000000

Comment

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	We have been impacted by opportunities from investing in new low emissions products like ESG funds. This has increased our ESG portfolio offered our clients. Also, we have been impacted by risks from changes in consumer behaviour and our reputation from transitional risk on offering low carbon products, e.g. ESG funding Example: Storebrand is actively divesting in coal, oil, gas and rather focus on fossil free funds and clean-tech. The magnitude is considered to be high in a long-term perspective.
Supply chain and/or value chain	Not impacted	There has not been any impact from climate-related risks in this area, because no events have occurred during 2018 that has affected our supply chain. Here, we have a strict code of conduct for suppliers that include risk preventing measures which includes climate-related risks and opportunities which aid us in avoiding risks in our supply chain.
Adaptation and mitigation activities	Not impacted	No risks or opportunities in this area have impacted us. This because all activities in this area has been carried out like expected and not been impacted by any events not accounted for.
Investment in R&D	Not impacted	No risks or opportunities in this area have impacted us. This because all investments in this area has been carried out like expected and not been impacted by any events not accounted for.
Operations	Not impacted	Our operations have not experienced any risks or opportunities or been impacted during the reporting year. For example, like any loss of working days due to flooding or other physical climate change risks because no such events have occurred in the locations that Storebrand is located in. The reason why is that no such events have happened at any of our locations during the reporting year.
Other, please specify	Not impacted	We have not identified any other risks or opportunities in our risk management process and there are no other issues impacting Storebrand.

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Not impacted	No risks or opportunities have affected our revenue, this is because there have not been any climate-related events with financial implications that have affected us in such a way that it has altered our revenues.
Operating costs	Not impacted	No risks or opportunities in this area have impacted us. Our operations have not experienced any risks or opportunities that has impacted costs or been impacted during the reporting year. The reason why is that no such events have happened at any of our locations.
Capital expenditures / capital allocation	Impacted	We have been impacted indirectly in our fund products when it comes to risks from acute physical climate change. This through Building up of reserves in relation to the National collective pool of funds (mandatory) that cover damages from natural disasters. The magnitude of impact is considered to be medium in a long-term perspective.
Acquisitions and divestments	Impacted	We have been impacted by risks from changes in consumer behavior and our reputation from transitional risk on offering low carbon products, e.g. ESG funding Example: Storebrand is actively divesting in coal, oil, gas and rather focus on fossil free funds and clean-tech. The magnitude of impact is considered to be high in a long-term perspective.
Access to capital	Not impacted	No impact from risks and opportunities has affected our access to capital, this is because we apply to all of our shareholders expectations on delivering results in relation to climate-change.
Assets	Not impacted	The impact has not affected assets in our financial planning process because no physical climate-related risks have occurred in our buildings or to any of our assets that have a negative or positive affect on the value of our assets.
Liabilities	Not impacted	The impact has not affected liabilities in our financial planning process as this is not part of the affected areas of business and the company has budgeted through risk management for risks to not impact liabilities. This is also because no unforeseen events have occurred through climate-related risks or opportunities which have had a financial effect on liabilities.
Other	Not impacted	There are no other identified risks or opportunities and therefore we have not been impacted.

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

How business objectives and strategy have been influenced by climate-related issues:

In order for our customers to have a future to look forward to, we have a responsibility for the world's scarce resources to be used in the most sustainable manner possible. Storebrand's sustainable business strategy is to deliver returns to our owners, while also creating positive ripple effects for society, which includes taking action on climate change by reducing our own emissions and encouraging low-carbon business development. This has been a part of our overall business strategy since 2011. It also means that Storebrand will do this in a way that does not deny future generations the ability to meet their own needs. We believe that here is no contradiction between acting in a sustainable manner and delivering returns to customers and owners. Sustainability is integrated into everything we do and our strategy is to establish a sustainable business model that provides long-term value creation for shareholders, customers and society. The sustainability perspective is integrated into everything we do, and therefore influence our decisions, objectives and strategy from day to day in all of our operations and investments. This is supported by a sustainable business model that creates value for owners, customers and society as a whole. This means that economic, social and environmental aspects are always assessed before we make any decision.

Business strategy is linked to an emissions reductions target:

We have set a Science Based Target which is included in our business strategy in accordance with IPCC's RCP 2.6 scenario, also called below 2-degree target. Our target is set from 2013-2030 and 2013-2050, and includes reducing emissions in Scope 1+2 location based with 80 % in 2050, as well as specific SBT targets for Scope 3 and Scope 3 downstream leased assets. Additionally, we annually measure our investment portfolios emissions.

Example of the most substantial business decision made as a result of the integration of climate-related issues:

One of the most substantial business decisions we made in 2018, was to exclude 171 companies from our investment portfolio on the bases of our sustainability criteria, including climate performance. The entire Storebrand portfolio is regularly screened according to our sustainability criteria. During 2018, we have had an owner dialogue with 314 companies. We have the industry's strictest policy for the exclusion of coal, and we are now tightening our policy further with the goal of excluding any company that has more than 5 per cent of their earnings from coal 1) by 2026. In 2018, we also launched three custom investment portfolios, that we called "Wave". Wave will only invest in companies that contribute to solving the greatest challenges of our time in the areas of renewable energy, equality and cities of the future. Going forward, we will continue to seek new investment opportunities that contribute to sustainable solutions. At the same time, we will exercise active ownership through voting and dialogue with the companies in which we invest. Our aim is to influence them to reduce their CO2 emissions from their own activities, among other things. Sustainability is not just about corporate social responsibility, it's also good business. Money placed with Storebrand, either in savings and pension products, insurance or the bank, should be working for our customers, and it should also be working for the planet and society. It should be **Good** Money.

C3.1d

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios	Details
RCP 2.6	Our Science Based Target (SBT) is based on the scenario RCP 2.6 in IPCC’s ARG WGIII, chapter 6, table 6.3, page 431. It was identified through the Paris Agreement which we followed closely. Given the lowest overshoot (<0.4 W/m2) the global emissions must be reduced by 49-72% by 2050 from 2010 levels in order to have a 12 to 22% chance of stabilizing temperatures below 2°C temperature increase relative to the preindustrial temperature. 72% reduction over 40 years implies an average of 3.13% annual reduction. This level of contraction is used as an absolute minimum, and both mid-term and long-term target are well on the ambitious side of this annual reduction. This time horizon is relevant to Storebrand where the SBTs are set at base year 2013 with a 60 % reduction by 2030 and an 80 % reduction by 2050. This includes 100 % of Scope 1 and 2 emissions. Furthermore, we have set similar targets for parts of Scope 3. Thus, the target can be interpreted as in line with the decarbonisation required to stabilize the global temperature to less than 2°C over preindustrial levels. The target can therefore be considered as a “science-based” target. The results of our work with the IPCC scenarios gave us our new SBT which is included in our business strategy. The results of this scenario analysis have directly influenced our business objectives and strategy in order to implement appropriate emissions reduction activities. An example of this, is the implementation of more energy efficient equipment to our buildings with the aim to reduce emissions related to scope 1 and 2.
IEA Sustainable development scenario	IEA Sustainable development scenario: IEA Scenarios pathways from the IEA Nordic Technology Perspectives 2016 are used for the trajectory on Nordic production of electricity and district heating and cooling . Here, the location-based methodology is used, and the Nordic emission factors for energy follows the trajectory towards carbon neutrality in 2050, or about 10 grams CO2e per kWh set for Storebrand in both Norway and Sweden. This transition from low fossil fuel use today, towards extremely low to no fossil fuel is relevant for our SBTs. This time horizon is relevant to Storebrand where the SBTs are set at base year 2013 with a 50 % reduction by 2030 and an 80 % reduction by 2050. This includes 100 % of Scope 1 and 2 emissions, and some of Scope 3 also. Here, the results of this scenario analysis have directly included similar targets and trajectory from IEA.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1+2 (location-based)

% emissions in Scope

100

Targeted % reduction from base year

60

Base year

2013

Start year

2013

Base year emissions covered by target (metric tons CO2e)

762

Target year

2030

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based

Targets initiative

% of target achieved
100

Target status
Achieved

Please explain
The target can be considered as a science based target since it meets the criterias from CDP. The target is an absolute target, where 100 % of the emissions on scope 1 and 2 are covered. This is the mid-term target ending in 2030. The annual reduction is 5.2% from the base year. In 2018, this target was achieved which means we will set a new emission reduction target for the next year.

Target reference number
Abs 2

Scope
Scope 1+2 (location-based)

% emissions in Scope
100

Targeted % reduction from base year
80

Base year
2013

Start year
2013

Base year emissions covered by target (metric tons CO2e)
762

Target year
2050

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% of target achieved
92

Target status
Underway

Please explain
The target can be considered as a science based target since it meets the criterias from CDP. The target is an absolute target, where 100 % of emissions on scope 1 and 2 is covered. This is the long-term target ending in 2050. The annual reduction is 4.3% from the base year. This reduction meets the criteria of at least 2.1% annual reduction.

Target reference number
Abs 3

Scope
Scope 3 (upstream & downstream)

% emissions in Scope
1

Targeted % reduction from base year
60

Base year
2013

Start year
2013

Base year emissions covered by target (metric tons CO2e)
3148

Target year
2030

Is this a science-based target?
No, but we are reporting another target that is science-based

% of target achieved
43

Target status
Underway

Please explain
The included emissions in this target are Fuel and energy related activities (not included in Scope 1 & 2), waste generated in operations, business travel and employee commuting. This is the mid-term target ending in 2030. Other categories from Scope 3, such as Investments, are not included because there is no methodology for inclusion, and downstream leased assets is set as an additional intensity target.

Target reference number
Abs 4

Scope
Scope 3 (upstream & downstream)

% emissions in Scope
1

Targeted % reduction from base year
80

Base year
2013

Start year
2013

Base year emissions covered by target (metric tons CO2e)
3148

Target year
2050

Is this a science-based target?
No, but we are reporting another target that is science-based

% of target achieved
32

Target status
Underway

Please explain
The included emissions in this target are Fuel and energy related activities (not included in Scope 1 & 2), waste generated in operations, business travel and employee commuting. This is the long-term target ending in 2050. Other categories from Scope 3, such as Investments, are not included because there is no methodology for inclusion, and downstream leased assets is set as an additional intensity target.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope
Scope 3: Downstream leased assets

% emissions in Scope
100

Targeted % reduction from base year
88

Metric
Metric tons CO2e per square meter*

Base year
2013

Start year
2013

Normalized base year emissions covered by target (metric tons CO2e)
0.0102

Target year
2030

Is this a science-based target?
No, but we are reporting another target that is science-based

% of target achieved
67

Target status
Underway

Please explain
Emissions per m2 for downstream leased assets have been reduced by 67%, from 0,0102 to 0,0033, from 2013 to 2018.

% change anticipated in absolute Scope 1+2 emissions
10

% change anticipated in absolute Scope 3 emissions
36

Target reference number
Int 2

Scope
Scope 3: Downstream leased assets

% emissions in Scope
100

Targeted % reduction from base year
94

Metric
Metric tons CO2e per square meter*

Base year
2013

Start year
2013

Normalized base year emissions covered by target (metric tons CO2e)
0.0102

Target year
2050

Is this a science-based target?
No, but we are reporting another target that is science-based

% of target achieved
63

Target status
Underway

Please explain
Emissions per m2 for downstream leased assets have been reduced by 63% from 0,0102 to 0,0033 from 2013 to 2018.

% change anticipated in absolute Scope 1+2 emissions
10

% change anticipated in absolute Scope 3 emissions
44

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	7	42
To be implemented*	0	0
Implementation commenced*	1	2
Implemented*	29	1840
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type
Low-carbon energy installation

Description of initiative
Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
2

Scope

Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
32000

Investment required (unit currency – as specified in C0.4)
750000

Payback period
21-25 years

Estimated lifetime of the initiative
>30 years

Comment
Last year, we installed PV Solar Panel to our Head Office in Sweden, Stockholm. This year, the Solar Panels produced 33 500 kWh which led to an annual emission saving of 2 tCO2e. We do only have emissions in our Scope 2, and have therefore focused our main targets and initiatives to reduce the emissions from this scope.

Initiative type
Energy efficiency: Building services

Description of initiative
Building controls

Estimated annual CO2e savings (metric tonnes CO2e)
16

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
345000

Investment required (unit currency – as specified in C0.4)
300000

Payback period
<1 year

Estimated lifetime of the initiative
6-10 years

Comment
At out Head Office in Lysaker, Norway, we have implemented control and replacemet of control units in energy systems. This includes trimming of central building automation system for improved operational hours in energy systems and control of heating, cooling, ventilation. This initiative has led to an annual energy saving which led to an emission saving of 16 tCO2e in 2018. We only have emissions in our Scope 2, and have therefore focused our main targets and initiatives to reduce the emissions from this scope.

Initiative type
Energy efficiency: Building fabric

Description of initiative
Other, please specify (Window replacement and lighting measures)

Estimated annual CO2e savings (metric tonnes CO2e)
10

Scope
Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
200000

Investment required (unit currency – as specified in C0.4)
1400000

Payback period
4 - 10 years

Estimated lifetime of the initiative
16-20 years

Comment
This year, we have also installed new windows with better U-values and integrated sun-shading at the Retail Shopping Center in City Syd, Norway. This initiative led to a reduction of 10 tCO2e and reduced both heating and cooling demand, as well as it improved the indoor climate.

Initiative type
Low-carbon energy installation

Description of initiative
Geothermal

Estimated annual CO2e savings (metric tonnes CO2e)
46

Scope
Scope 3

Voluntary/Mandatory
Mandatory

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
3500000

Payback period
4 - 10 years

Estimated lifetime of the initiative
11-15 years

Comment
During 2018, we have replaced the oil boiler at the Retail Shopping Center in Holmen, Norway, by installing heat pump that uses geothermal/ground water energy. This initiative has led to an emission reduction of 46 tCO2e. This is a mandatory initiative and does not include any annual monetary savings.

Initiative type
Energy efficiency: Building services

Description of initiative
HVAC

Estimated annual CO2e savings (metric tonnes CO2e)
32

Scope
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
800000

Investment required (unit currency – as specified in C0.4)

2950000

Payback period
4 - 10 years

Estimated lifetime of the initiative
11-15 years

Comment
This year, we have implemented several initiatives to improve energy efficiency at our Retail Shopping Centers in Norway. This includes replacement of old fans (ventilation) with better SFP and new heat recovers to reduce heat demand at the Retail Shopping Center in Holmen, which led to a reduction of 5 tCO2e, and building an automation system (upgrade from 2014-2018) and various measures for improved control of HVAC installations, at the Retail Shopping Center in Kvadrat which reduced 27 tCO2e. These initiatives led to a total redution of 32 tCO2e.

Initiative type
Other, please specify (Electrical Vehicle Charging Stations)

Description of initiative
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)
1734

Scope
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
11-15 years

Comment
In 2018, we have helped with installation of 23 electric vehicle charging stations at Retail Shopping Centers and Offices to reduce GHG-emissions in Scope 3 - our tenants and customers' transport. These installations have led to an estimated savings of 1 734 tCO2e in Scope 3 Downstream assets. We do not define any investments cost or annual monetary savings for these initiatives, because we do not aim to save money on this and it is a part of our third-degree investments.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Other	The emission reduction targets in the group scorecard drive activity and investments. The Group reports according to the triple bottom line where financial, environmental and social responsibility is described. The action plan for emissions reduction activities is structured around the relationships to the Group's most important stakeholders: Owners, customers, employees, suppliers, the rest of society and the international community. The aim of the action plan is to help us achieve our ambition to be a corporate responsibility leader in the Nordic region and a world leader in responsible investment. Setting specific targets for the next 2-year period shows our stakeholders what areas we consider most important and give us goals to aim for in our day-to-day work. The action plan has been developed in close dialogue with key personnel in various parts of the Group. The indicators and targets have been carefully selected in consultation with various expert groups in the Group and the measures to achieve the targets can be found in the scorecards and actions plans for business units. The action plan is considered and approved by Storebrand's Board and the targets are followed up in the company's various expert groups.
Compliance with regulatory requirements/standards	Storebrand has energy labelled all properties (downstream leased assets), and is determined to voluntary improve standards and reduce energy consumption in order to serve tenants and public expectations (energy label is publically displayed through the building energy certificate).
Financial optimization calculations	Real estate: evaluation of technical solutions for improvements according to ROI or equivalent before concluding and budgeting maintenance and development costs on properties. Increased energy efficiency is expected to give long term increased lease and property value development.
Dedicated budget for energy efficiency	Real estate - downstream leased assets: Environment action plan includes energy efficiency investments year by year, as an integrated part of maintenance and development budgets for properties. This is reflected in intensity target 2.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

SPP Global Pluss a fund that satisfies various ESG criteria. Relative to MSCI World this fund shows a reduction in carbon intensity of 10% + the last 3 years. Less than 5% of Revenue comes from fossil.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (ESG funds)

% revenue from low carbon product(s) in the reporting year

8

Comment

ESG funds are a part of our sustainability focus.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2013

Base year end
December 31 2013

Base year emissions (metric tons CO2e)
0

Comment

Scope 2 (location-based)

Base year start
January 1 2013

Base year end
December 31 2013

Base year emissions (metric tons CO2e)
883

Comment

Scope 2 (market-based)

Base year start
January 1 2013

Base year end
December 31 2013

Base year emissions (metric tons CO2e)
2512

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
0

Start date
January 1 2018

End date
December 31 2018

Comment
No Direct emissions (Scope 1) so zero emissions in Scope 1.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
202

Scope 2, market-based (if applicable)
60

Start date
January 1 2018

End date
December 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The environment is an important factor in all our procurement and we require our significant suppliers to be carbon neutral. Storebrand has also been previously nominated as the purchaser of the year by the Swan network. We do however not intend to include all our purchased goods and services in our scope 3 emissions, but we control them through our purchasing agreements.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The emissions from the category of capital goods are not considered to be relevant for Storebrand 2018 due to a low estimated proportion of emissions. Storebrand’s energy efficient head office in Oslo was inaugurated in 2010 and gained a lot of attention and was awarded the recognized 2010 City Prize by the real estate industry. The head office has also an ecolighthouse certification. Our focus has been to use sustainable materials and efficient solutions, and not necessarily to calculate the life-cycle emissions from building materials per se. The emissions from downstream leased assets are further specified in the proper category.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

92

Emissions calculation methodology

These are fuel and energy related activities from indirect emissions from our electricity consumption. The emission factor used is the Electricity Nordic Location-based mix from well-to-tank (WTT) and is 0.029 kgCO2e/kWh (IEA2012-2014/NVE2015).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Well to tank emissions from Scope 2 only, because we have no Scope 1 emissions.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

The emissions from this category is not relevant for Storebrand ASA because we do not have any upstream distribution of significance. However, we do require that our main suppliers of services are carbon neutral.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

34

Emissions calculation methodology

These are emissions from generated waste. The emission factor used to calculate this are for Waste incinerated 0,502 kgCO2e/kg with reference to Ecoinvent 2, and for waste recycled 0,0231 kgCO2e/kg with reference to DEFRA 2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1588

Emissions calculation methodology

These are the emissions from our business travel by air, train, taxi, car allowance and mileage allowance in 2018. The emission factor used to calculate this, are air flights, all regions average of 0,1526 kgCO2e/pkm with reference to Via Egencia 2018, mileage allowance fuel cars of 0,14 kgCO2e/km with reference OFV 2002-2018, mileage allowance electrical cars Nordic of 0,0077 kgCO2e/km from OFV 2002-2018, Train Sweden 0,0063 kgCO2e/pkm with reference to SJ, 2014.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

623

Emissions calculation methodology

Estimated emissions from employee commuting are calculated with the emission factor from the Norwegian average carpark of 0,14 kgCO2e/pkm with reference to OFV 2002-2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Storebrand ASA does not have any upstream leased assets and does therefore not consider this category as relevant.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Storebrand ASA does not have any downstream distribution of significance and does therefore not consider this category as relevant. However, we do require that our main suppliers of services are carbon neutral.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Storebrand does not produce any physical Products and does therefore not consider the category of processing of sold products as relevant.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Storebrand does not produce any physical Products and does therefore not consider the category of Use of sold products as relevant.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Storebrand does not produce any physical Products and does therefore not consider the category within End of life treatment of sold products as relevant.

Downstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3761

Emissions calculation methodology

These are emissions from downstream leased assets. The emissionsfactor used are Electricity Nordic Locationbased mix 0,0450 kgCO2e/kWh with the reference Electricity IEA 2013-2015 and District heating factors for each location which has supplier specific emission factors with an average of 0,0575 kgCO2e/kWh.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Includes all of Storebrand Realestates emissions including Scope1+2.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Storebrand does not have any Franchises and does therefore not consider this category as relevant.

Investments

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2323646

Emissions calculation methodology
The calculations cover Storebrand’s equity holdings in mutual funds as well as the equity investments in our guaranteed portfolios. Storebrand uses carbon data from MSCI to calculate the carbon footprint of our holdings (see https://www.msci. com/index-carbonfootprint-metrics). 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. In this report we have excluded a few funds due to lack of carbon data. Storebrand reports on carbon dioxide equivalents, which is a measurement that includes carbon dioxide and equivalent greenhouse gases. The reporting includes investees' Scope 1 and 2 as defined by the Greenhouse Gas Protocol (www. ghgprotocol.org), which means the company’s direct emissions from owned or controlled sources and indirect emissions from purchased energy.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation
Storebrand systematically strives to reduce the company's impact on the environment due to our business activities, investments, procurement and property management. The best way we can influence the environment is through sustainable investments. All managed assets in the Storebrand Group comply with Storebrand's minimum requirements. Investments are not made in companies that violate UN conventions or operate other non-sustainable activities. Active ownership is exercised to influence companies in the direction of sustainability and to get to grips with challenges related to global environmental, social and governance (ESG) trends. During 2012, the analysis unit for sustainable investments established a new and unique sustainability rating system. All of the companies in Morgan Stanley's Global Index will be assigned a sustainability score. The rating is based on three main factors: financial strength, current sustainable practices, and future positioning based on global challenges such the scarcity of resources and changed consumption patterns. All asset managers have access to this sustainability rating. This is how the ESG parameters are being integrated into all investment decisions in the Group. 86% of our invested NOK has been calculated to emissions.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Other Upstream emissions are not relevant compared to the share of emissions with comparison to the emissions included.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
Other Downstream emissions are not relevant compared to the share of emissions with comparison to the emissions included.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.04

Metric numerator (Gross global combined Scope 1 and 2 emissions)
202

Metric denominator
unit total revenue

Metric denominator: Unit total
5011000000

Scope 2 figure used
Location-based

% change from previous year
39

Direction of change
Decreased

Reason for change
The reason for this change is because an increase in total revenues and emission reduction activities in our own offices and buildings. This includes activities within installing more energy efficient equipment for controlling ventilation and lighting, as well as heating and cooling.

Intensity figure
0.12

Metric numerator (Gross global combined Scope 1 and 2 emissions)
202

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
1611

Scope 2 figure used
Location-based

% change from previous year
35

Direction of change
Decreased

Reason for change
The reason for this change is mostly emission reduction activities in our own offices and buildings. This includes activities within installing more energy efficient equipment for controlling ventilation and lighting, as well as heating and cooling.

Intensity figure
0.27

Metric numerator (Gross global combined Scope 1 and 2 emissions)
202

Metric denominator
billion (currency) funds under management

Metric denominator: Unit total
729

Scope 2 figure used
Location-based

% change from previous year
37

Direction of change
Decreased

Reason for change
The reason for this change is both emission reduction activities in our own offices, and that the metric denominator of funds under management has also increased from last year. Emission reduction activities includes for example energy installations for controlling of heating, cooling, ventilation and lighting in our buildings.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Norway	0
Sweden *Storebrand does not have any scope 1 emissions, they are zero.*	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Storebrand	0
SPP	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Norway	130	28	3901	3901
Sweden	72	32	1698	1698

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Storebrand AS	130	28
SPP	72	32

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2	Decreased	1	Emission reduction activities through solar panel instrallation installation reduce emissions by -2 tCO2e annualy, or -1 % from 2017 to 2018, where 2017 total emissions in S1 and S2 were 320 tCO2e (-2/320) * 100 = -0,625 rounded up to -1 %).
Other emissions reduction activities	16	Decreased	5	Emission reduction activities in Scope 2, through energy installations for controlling of heating, cooling, ventilation and lighting, led to an emissions reduction of -16 or - 5 % from 2017 to 2018. This is calculated based on 2017 total emissions in S1 and S2 of 320 tCO2e (-16/320) * 100 = -0,05 which equals -5%).
Divestment	0	No change	0	No change.
Acquisitions	0	No change	0	No change.
Mergers	0	Please select	0	No change.
Change in output	0	No change	0	No change.
Change in methodology	19	Decreased	6	These are the emissions factor changes which led to a reduction of -19 tCO2e, or -6%, from 2017 to 2018. This includes changes in the location based Nordic electricity emission factor and minor changes in heating and cooling emission factors per region. This is calculated based on 2017 total emissions in S1 and S2 of 320 tCO2e (-19/320) * 100 = -0,059 rounded up to -6%).
Change in boundary	0	No change	0	No change.
Change in physical operating conditions	0	No change	0	No change.
Unidentified	40	Decreased	13	There are some unidentified changes in scope 2 by -40 tCO2e, or -13% decrease from 2017 to 2018, which are calculated based on 2017 total emissions in S1 and S2 of 320 tCO2e (-40/320) * 100 = 12,5 rounded up to 13%).
Other	41	Decreased	13	There are also other changes in scope 2 by a -41 tCO2e, or -13% reduction from 2017 to 2018, which comes from a decrease in consumption of electricity and district heating and cooling in own buildings. This is calculated based on 2017 total emissions in S1 and S2 of 320 tCO2e (-41/320) * 100 = 12,8 rounded up to 13%).

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	No
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired electricity	<Not Applicable>	3159	0	3159
Consumption of purchased or acquired heat	<Not Applicable>	2297	0	2297
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	144	0	144
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	5600	0	5600

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor
Energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Hydropower

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
3159

Emission factor (in units of metric tons CO2e per MWh)
0

Comment
Purchased Guarantees of Origin for Scope 2 electricity consumption in 2018.

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Wind
Hydropower
Biomass (including biogas)
Other low-carbon technology, please specify ((wasteheat))

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
2440

Emission factor (in units of metric tons CO2e per MWh)
0.0244

Comment
These are local district heating and cooling used for temperature adjustment our offices.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Storebrand Annual Report 2018.pdf

Page/ section reference
Verification statement on page 222-223 in our annual report.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Storebrand Annual Report 2018.pdf

Page/ section reference
Verification statement on page 222-223 in our annual report.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope
Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Storebrand Annual Report 2018.pdf

Page/ section reference
Verification statement on page 222-223 in our annual report.

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- at least one applicable category

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
Storebrand Annual Report 2018.pdf

Page/section reference
Verification statement on page 222-223 in our annual report.

Relevant standard
ISAE 3410

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	IASE3000	A part of our annual verification process.
C6. Emissions data	Year on year change in emissions (Scope 3)	IASE3000	A part of our annual verification process.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
The emission credits are issued by UN and called CER (Certified Emission Reduction). The reduction of greenhouse gases is performed in the project called Mampuri Wind Power Project Sri Lanka, with CDM number 9074.

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
2397

Number of credits (metric tonnes CO2e): Risk adjusted volume
2397

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

GHG Scope
Scope 2

Application
Storebrand has as well bought Guarantees of origins for our Scope 2 emissions for all electricity consumption in our offices, and this is included as a price set from these purchases for each kWh used.

Actual price(s) used (Currency /metric ton)
90

Variance of price(s) used
An evolutionary pricing system is used where the price develops over time with the change in relation to the price of Guarantees of origin in 2018.

Type of internal carbon price
Offsets

Impact & implication
Storebrand use this internal price on carbon through allocating the costs of the guarantees of origin to our business areas and divisions and in our real estate portfolio. Emissions reduction measures and energy efficiency measures we undertake will therefore reduce their cost. These costs are thereby incentivized through emission reductions when considering new investments and measures. Energy efficiency measures that reduce emissions are undertaken continuously and is a part of our strategy to reduce emissions in accordance with our science based target.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number
50

% total procurement spend (direct and indirect)
65

% Scope 3 emissions as reported in C6.5
1

Rationale for the coverage of your engagement
Our largest suppliers, which includes 65 % of total procurement, are targeted by this campaign. This includes our involvement to require our largest suppliers to match our sustainability policy and to have environmental certification in addition to compensate for their Scope 1 AND 2 emissions. We started this engagement with our main suppliers because it has the largest effect on society, and we will follow up annually and include more and more of our smaller suppliers in the future in order to affect all of them in reducing their emissions.

Impact of engagement, including measures of success
The environment is an important factor in all of Storebrand's procurement. We require our main suppliers to match our sustainability policy, and we require them to have environmental certification in addition to compensate for their emissions. As well, in order to follow Storebrand's internal procurement policies, all purchases shall be carried out in such a way that they contribute to reduce the environmental impact. This is done by establishing environmental requirements through Storebrand’s own guidelines for suppliers of goods and services that have an impact on the environmental aspects of the business activities, such as waste, packaging, energy, emissions and transport. Impact of engagement: This policy has resulted in 65% of our major supplier agreements are either carbon neutral or have environmental certification as a direct result of our procurement policy. Measure of success: Our scorecard follows our achievements and targets regarding to Storebrand's environmental requirements for our suppliers, environmental certification of managed properties, employees' awareness and support for Storebrand's corporate responsibility work. In addition to this, our sustainable investment strategy includes a number of dialogues and aim to exclude companies based on environmental degradation and low sustainability rating. Furthermore, all internal purchase policies shall be carried out in such way that they contribute to reducing the environmental impact from goods and services. Storebrand measure the success of this engagement by the number of suppliers adhering to our purchase policies. Storebrand does prioritize suppliers that are certified in accordance with one or more of the following standards, such as ISO14001,EMAS, EcoLighthouse, the Swan ecolabel and Green Dot.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
100

% Scope 3 emissions as reported in C6.5
99

Please explain the rationale for selecting this group of customers and scope of engagement
The main purpose and rationale of this engagement, is to engage all of Storebrand's customers and contribute to a more sustainable future. This enables us to create better solutions for our customers which will allow them, both now and in the future, to be in a financial situation which provides sustainable opportunities. Storebrand is for example delivering sustainable solutions adapted to the customer's individual situation, making each person receive a better pension in a more sustainable world. This campaign targets 100 % of our customers, as well as targeting new customers through financial sustainability products. The customers are targeted through advertisement, through for example information sent to them on digital solutions and social media. Our most important customers are corporate, employees and former employees of companies with pensions from Storebrand. We provide sustainable solutions adapted to our customers' circumstances through our market and customer concepts. Among our customers, we see an increased interest in sustainability. More customers are concerned about what their money are not being invested in. At Storebrand, we have one of the industry's strictest exclusion list which evaluates human rights, employee rights, HSE, external environment and climate, ethics and anti-corruption, weapons and tobacco. We focus on companies that are capable of producing more, for more people, while using fewer resources. We exclude companies that violate international norms and conventions, or that are involved in other unacceptable activities. By conducting analyses we find the companies that are best equipped for the future. Future-oriented companies are better positioned for global challenges, which is reflected by lower risk and higher expected returns. We analyse all the companies we can invest in and invest more in those that are good at sustainability. This is also something our customers are concerned about. They can see that their savings can actually contribute to something positive in the world. Storebrand makes limited charitable contributions, but supports sustainable initiatives that contribute to the UN sustainable development goals through, for example, the "Handshake of the year" prize.

Impact of engagement, including measures of success
Impact of engagement: Storebrand's climate-related engagement is included in our sustainable investments. We see a higher demand for more of such projects, and we have introduced several new sustainability investments in 2018, including a Norwegian renewable energy investment fund. We focus on ensuring that we have a sustainable strategy, not just a sustainability strategy. We therefore work to understand what is important for ensuring long-term value creation, and have selected three principal areas which provide us an overall picture in our approach to value creation. These are: • Financial capital and the investment eco- system: Competitive and sustainable returns. • Customer and society: Recommended by our customers. • People and systems: People first, digital always. Measures of success: In this way, we focus on managing all of our most important input factors in an effective manner that prepares us for the future. Additionally, when it comes to real-estate, most of Storebrand's property portfolio is Eco Lighthouse certified and have to measure and manage their emissions, and the target is to have 100 % of our portfolio certified by 2018. The Eco Lighthouse requires all tenants, our customers to adhere to the requirements and be involved in the process. Here we encourage customers to become environmentally certified, where the goal is that 100% of such clients are to be in the future.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Companies we invest in is an important partner in our value chain and we engage with them in regards to our investment portfolio and what companies we will invest in. We require that the companies we invest in work systematically with environmental management, anti-corruption and human rights. Companies that perform poorer than Storebrand's minimum standard are excluded from all investments. The minimum standard covers all investments: Corruption and economic crime, human rights, climate and environment, controversial weapons, tobacco and low sustainability rating. We also measure our carbon footprint through our Investments.

Example: We engage through dialogue with hundreds of companies annually as well as engaging and cooperating with external fund managers. 171 companies are excluded at present, as a result of not meeting our standard.

Example 2: Additionally we engage in young people in startups of companies as a partner in our value chain, which is important to us in regards to new investments. Storebrand are collaborating with Young Entrepreneurship (Ungt Entreprenørskap) in 2017 and 2018, which makes it possible to meet young people between 16 and 19 years of age. The purpose of the partnership is to motivate young people to choose sustainable and future-oriented solutions when they start companies. Young Entrepreneurship is a non-profit, nationwide operator which works with promoting entrepreneurship at several schools in Norway. The organisation contributes to 150,000 students acquiring skills relating to entrepreneurship, innovation, cooperation and personal finances. Together with Young Entrepreneurship, Storebrand has created a website which provides guidance to students and teachers about how sustainable youth businesses can be established

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	We are engaged with many policy makers within the field of sustainability. We are channelling a majority of our engagement via World Business Council for Sustainable Development and UNEP FI. Together with companies in WBCSD we have been working with trying to get the new framework Solvency II to make it easier and more beneficial to invest in sustainable infrastructure. Since 2006 up until 2013 Storebrand has been co-chairing one of the focus area projects of the WBCSD, called the Business Role. In February 2010 Storebrand's former CEO, among others, launched the "Vision 2050 - a scenario project discussing the role of business (risks and opportunities) going forward. We are also active in the working group for Principles for sustainable insurance within UNEP FI to get a broader and deeper engagement for sustainable insurance, climate friendly products and services within our sector. In 2015 Storebrand signed PDC and Montreal Pledge. We are also a part of the Project 2030(40), which has many leading companies from Norway working together to reduce co2 emission by 40 % by 2030. We believe that the private sector is also part of the solution.	Partly included in the details of engagement. We support any initiative to increase sustainability efforts withtin the finance sector, and we are frontrunners in this work.
Mandatory carbon reporting	Support	Storebrand invites parliament representatives and government representatives to its own seminars on climate changes and sustainable development hosted by our CEO. On these seminars we discuss strategies for a responsible and sustainable society, i.e. the annual SRI seminar which devotes time to certain specific topics to issues with the policymakers. The Group has contributed to the Government's White Paper on CSR (launched in January 2009). Storebrand is participating in the CR-forum (KOMPakt) hosted by the Ministry of Foreign Affairs and other seminars hosted by the Dept. of Finance on Norway's action plan for a sustainable development.	Partly included in the details of engagement. We support the introduction of GRI reporting standard in the Norwegian Accounting act.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Finance Norway (FNO)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

FNO, together with the other Nordic trade association in the Insurance sector has climate change mitigation and adaptation high on the agenda, actively encouraging the industry to develop best practice solutions to curb climate change, and to propose solutions for customers, product development and risk management.

How have you influenced, or are you attempting to influence their position?

Our CEO is in the board of FNO, and is directly taking part in the formation of the FNO Climate strategy.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Storebrand entered into a strategic partnership with Young Entrepreneurship (Ungt Entreprenørskap) in 2017, a partnership that makes it possible to meet young people between 16 and 19 years of age. The purpose of the partnership is to motivate young people to choose sustainable and future-oriented solutions when they start companies.

In order to ensure that we have a comprehensive and long-term strategy for how we will create value for shareholders, customers, employees and society in general, a materiality analysis has been conducted to prioritise our most important input factors and most important drivers forcreating value from these input factors. The guidelines for International Integrated Reporting Council (IIRC) are used as a starting point for thematериality analysis for long-term value creation. This model is based on identifying input factors for ensuring an overall picture of the valuecreation. To highlight how we create value, we have identified value drivers linked to each of the input factors. The materiality analysis alsofollows the principles in the Global Reporting Initiative (GRI) to ensure that the environmental and social impact, as well as stakeholderexpectations, are a part of the analysis. The materiality analysis and Storebrand's most important challenges are managed and decided byexecutive management and the board and provide the basis for the reporting of Storebrand's sustainable model for long-term value creation.The target figures and key performance indicators that are reported after each input factor in the following are part of the company's ongoing follow-up and are reported to both executive management and the board.

The most important issues and activities within each input factor are those that our stakeholders and Storebrand consider to be the mostimportant for Storebrand to be able to succeed with a sustainable business model. Dialogue has been conducted with the most importantstakeholders to identify important issues and activities. We have dialogue with stakeholders through a number of forums such as one-on-oneinterviews, conferences, roadshows, opinion polls and feedback from customers.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Storebrand's climate strategy is embedded into our sustainability strategy and our integrated reporting, this includes our influence policy on climate change, which is a part of overall influence policy. Our overall policies are reviewed and updated on a yearly basis and confirmed by the board. Each policy is owned by the corresponding business unit in order to be able to guide and make sure we are compliant.

Storebrand has the objective of ensuring optimal purchases in terms of costs, quality and user experience, and that this takes place inaccordance with laws, regulations and internal rules. Purchases shall take place in accordance with Storebrand's core values andcomply with the requirements and expectations that are set for our business activities by our customers, suppliers, governmentauthorities, employees and partners. The Group shall not select suppliers or products that violate international agreements, nationallaws or internal guidelines. Furthermore, Storebrand shall contribute to sustainable development and that human rights and labourlaws are not violated. Our ambition is to increase the proportion of certified purchases to 40% in 2018 and up to 50% in 2025.

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

Status
Complete

Attach the document
Storebrand Annual Report 2018.pdf

Page/Section reference
The content elements are covered in chapter 9, Sustainability data, from page 212-221.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
Carbon Accounting report Storebrand & SPP 2018.pdf

Page/Section reference
Storebrand Carbon Accounting Report 2018, Page 2-5

Content elements
Emissions figures

Comment

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Storebrand’s Nordic Head of Sustainability, also referred to as the Chief Sustainability Officer (CSO).	Chief Sustainability Officer (CSO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms