



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>		
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

# RI TRANSPARENCY REPORT

## 2018

Storebrand Asset Management

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	✓	Private							✓
OO PR 02	Breakdown of assets by management	✓	Private							✓
OO PR 03	Largest property types	✓	Private							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	-	n/a	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	-	n/a		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	-	n/a		✓					
LEA 24	Examples of (proxy) voting activities	✓	Private		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	-	n/a	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	✓	Private	✓						
FI 09	Thematic investing - themed bond processes	✓	Public	✓						
FI 10	Thematic investing - assessing impact	✓	Public	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	-	n/a	✓						
FI 15	Engagement overview and coverage	✓	Private		✓					
FI 16	Engagement method	✓	Private	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Private							✓
FI 19	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	✓	Public							✓
CM1 01.6	Assurance or internal audit	🔒	n/a							✓
CM1 01.7	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

# Storebrand Asset Management

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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**OO 01.1** Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 02	Mandatory	Public	Peering	General
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**OO 02.1** Select the location of your organisation's headquarters.

Norway

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1643

OO 03	Mandatory	Public	Descriptive	General
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2017

**OO 04.2** Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		644	000	000	000
Currency	NOK				
Assets in USD		77	441	965	120

OO 06	Mandatory	Public	Descriptive	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**OO 06.1** Select how you would like to disclose your asset class mix.

as percentage breakdown

as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income	>50%	<10%
Private equity	0	<10%
Property	<10%	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0

Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

**OO 06.2** Publish asset class mix as per attached image [Optional].

<b>OO 09</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Total	100%

**Asset class implementation gateway indicators**

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

### Fixed income SSA – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

### Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

#### Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

#### Property

- We address ESG incorporation.
- We do not do ESG incorporation.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Fixed income - SSA	<div style="background-color: #0070C0; color: white; padding: 5px;">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Private equity	<div style="background-color: #0070C0; color: white; padding: 5px;">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

<b>OO 11.4</b>	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
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ESG is an integrated part of the Storebrand/SPP manager selection process. The process includes qualitative and quantitative measures and assessments.

Quantitative measures include our proprietary ESG rating which covers E, S and G considerations on stock and portfolio level. We also complement internal ratings with data from our external data providers. The quantitative measures will include considerations of the current and historical portfolio characteristics, but also how well the portfolios are positioned in terms of relevant future sustainability trends.

We also rate our external funds/managers using a wide range of criteria. The main areas in this qualitative assessment are as following:

The fund mandate with respect to ESG considerations

Attitudes expressed, implemented policies and dedicated ESG resources in the fund organization

Integration of ESG in the investment process

Portfolio manager/team knowledge and attitudes

Previous experience with the manager in question

When monitoring the external managers selected, we also use a combination of quantitative and qualitative measures. Changes in overall ratings and portfolio content is of course important, as well as ongoing periodical fund reviews with the managers where we discuss portfolio positions from an ESG perspective. Working together with our external managers to influence the portfolio companies in a better direction is also important for us, as this gives increased leverage to our internal impact potential.

<b>OO 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.
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**Core modules**

- Organisational Overview
- Strategy and Governance

**RI implementation directly or via service providers**

**Direct - Listed Equity incorporation**

- Listed Equity incorporation

**Direct - Listed Equity active ownership**

- Engagements
- (Proxy) voting

**Direct - Fixed Income**

- Fixed income - SSA
- Fixed income - Corporate (financial)

**Direct - Other asset classes with dedicated modules**

- Property

**RI implementation via external managers**

**Indirect - Selection, Appointment and Monitoring of External Managers**

- Fixed income - SSA
- Private Equity

**Closing module**

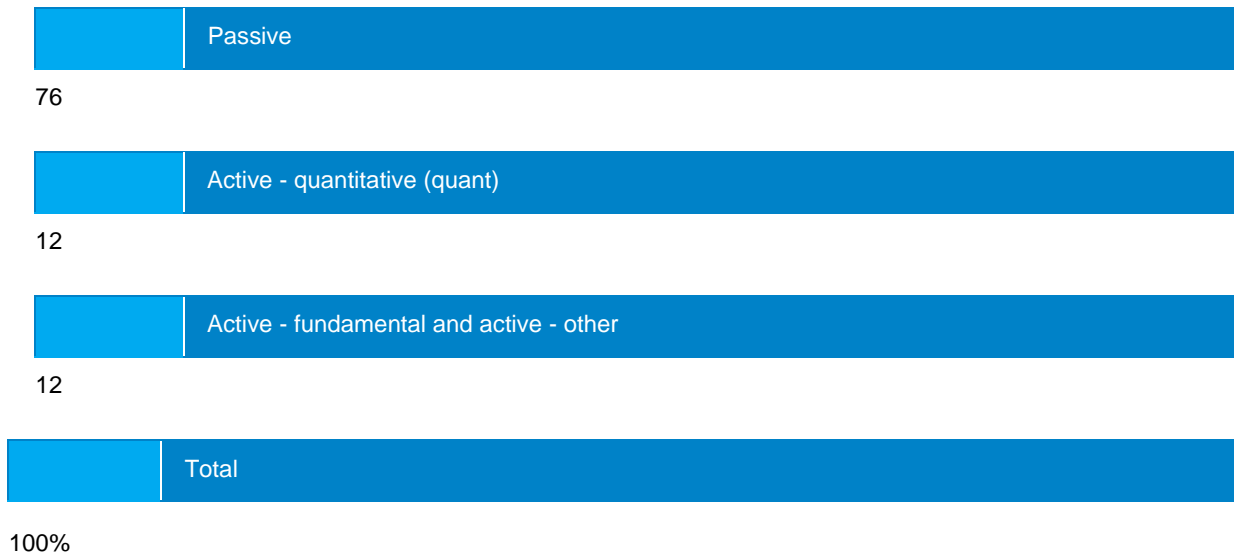
- Closing module

**Peering questions**

<b>OO LE 01</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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<b>OO LE 01.1</b>	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
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**Percentage of internally managed listed equities**



# Storebrand Asset Management

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

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

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

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

SG 01.3

Indicate if the investment policy covers any of the following

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

<b>SG 01.4</b>	Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.
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Storebrand's Group Policy on sustainable investments is an overarching structure stating Storebrand's vision and goal on sustainable investments. Storebrand's work on sustainable investments is motivated by the following factors

- secure long term returns
- avoid complicity to breaches of international norms or conventions through our investments.
- contribute to positive impact on society and the environment

The Group Policy references the UN PRI framework and has included existing policies and guidelines on more specific issues as reference documents. Scope, responsibilities, follow up and reporting is also defined in this overarching policy. Storebrand's Group Policy on sustainable investments covers all asset classes and geographical regions, as well as all externally managed assets,

In addition Storebrand has policy documents relating to the definition and implementation of the Storebrand standard. The standard applies to all AUM and guides work on exclusions and on active ownership. The policy documents are broken into subject areas (eg. corruption, human rights and environmental degradation) and outline relevant international conventions, motivation and methodology.

Policy documents also exist on Storebrand's position on global sustainability trends and on the relationship between sustainability and financial returns.

<b>SG 01.5</b>	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]
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In addition, a set of policies apply to the selection of external asset managers. Comprehensive ESG guidelines are outlined in the selection process with sustainability being one of the key selection criteria. In addition policies regarding follow up and monitoring of external fund managers ensure quarterly screening and engagement with managers.

No

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

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

	URL/Attachment
--	----------------

URL

	URL
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<https://www.storebrand.no/en/sustainability/guidelines>

Attachment (will be made public)

Attachment

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

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

<https://www.storebrand.no/en/sustainability/storebrand-standard>

Attachment (will be made public)

Attachment

[File 1:2016 September Storebrand Analysis Criterion - Environmental damage.pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

<https://www.storebrand.no/en/sustainability/storebrand-standard>

Attachment (will be made public)

Attachment

[File 1:Storebrand Analysis Criterion - Human Rights.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

<https://www.storebrand.no/en/sustainability/storebrand-standard>

Attachment (will be made public)

Attachment

[File 1:2016 Storebrand Analysis Criterion - Corruption and financial crime.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.storebrand.no/en/sustainability/storebrand-standard>

Attachment (will be made public)

Attachment

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

Engagement policy

URL/Attachment

URL

URL

<https://www.storebrand.no/en/sustainability/guidelines/attachment/4823?ts=15457c4c9f3>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

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

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

URL/Attachment

URL

URL

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

Attachment

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

URL/Attachment

URL

URL

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

Attachment

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

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

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

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

Attachment

Active ownership approaches

URL/Attachment

URL

URL

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

Attachment

Reporting

URL/Attachment

URL

URL

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

Attachment

Climate-related issues

We do not publicly disclose any investment policy components

**SG 02.3** Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

URL

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

No

**SG 02.4** Additional information [Optional].

Please see the newly published integrated Annual Report for the Storebrand Group in English.

URL: <https://www.storebrand.no/investor-relations/arsrapporter>

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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**SG 03.1** Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

No

**SG 03.3** Additional information. [Optional]

No explicit policy, but acting on the principle that no parties will receive preferential treatment with respect to engagement, exclusion or voting.

In addition the internal Investment committee whose responsibility it is to make the final decision on excluded companies does this without knowledge of the company name. All documents prepared on exclusion cases are anonymous.

<b>SG 04</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 04.1</b>	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
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- Yes
- No

<b>SG 04.2</b>	Describe your process on managing incidents
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Our data provider Sustainalytics continually screens our entire Investment universe of 3500 Companies for incidents that may be in breach of our minimum Sustainability standard. Alerts are sent to Storebrand monthly.

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>SG 05.1</b>	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

<b>SG 05.2</b>	Additional information. [Optional]
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All group sustainability objectives are reviewed twice a year, including RI objectives.

In addition the sustainable investment team conducts a strategy seminar at the beginning of each calendar year to decide on focus areas and new innovation/developments for the coming year. The previous year is also reviewed in terms of ESG, financial and communication outcomes.

<b>SG 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 06.1</b>	List the main responsible investment objectives that your organisation set for the reporting year.
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	Responsible investment processes
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- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

	Key performance indicator
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New page on website describing in detail main engagement activities

Progress achieved

Better communication through establishment of website. All main engagements for 2017 are published together with ongoing engagements for 2018.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

New engagement strategy implemented in 2017. Focus on collaborative and proactive engagements. Climate.

Progress achieved

Increased number of collaborative and pro-active initiatives in 2017.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

Implementation of daily automatic reading of selected ESG information into internal database from external ESG data provider. For example % revenues from fossil fuels.

Progress achieved

Database in daily use.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

Proportion of AUM invested in solution Stocks and renewable energy



Progress achieved

Result for 2017: 1,80% of total AUM.

- Improve ESG ratings of portfolio

Key performance indicator

Optimisation on ESG ratings implemented for new funds

Progress achieved

Implementation and management of targets for ESG ratings on selection of ESG funds. For example 80% in average ESG rating for fund compared to 70% for benchmark.

- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives
- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

## Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
<b>SG 07.1</b>	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.			

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
  - Head of Sustainable Investment team**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

10

**SG 07.4**

Additional information. [Optional]

Dedicated RI staff include

- 7 ESG analysts in Front Office
- 2 ESG analysts at subcontractor Cognizant
- 1 Environmental Manager (Real Estate)
- 2 dedicated Responsible Investment communication managers in Storebrand and SPP
- 6 Portfolio managers with dedicated ESG products.

**SG 08**

Voluntary

Public

Additional Assessed

General

**SG 08.1**

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan
- None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Other C-level staff or head of department****Head of Sustainability team**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Portfolio managers**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**ESG portfolio manager**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Investment analysts**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Dedicated responsible investment staff**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

<b>SG 08.3</b>	Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment.
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Annual fund review with internal fund managers incorporates responsible investment performance as integrated module. Follow up on average sustainability rating of funds/portfolios and individual portfolio company ratings.

<b>SG 08.4</b>	Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.
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CEO of Storebrand Asset Management has experience with design and implementation of in-house Sustainability ratings from previous position as Chief Investment Officer.

**Promoting responsible investment**

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

- Participated in the UNPRI Working Group Indigenous Rights Collaborative Initiative as one of lead organisers i.e. organising calls, finding speakers, as chair for discussions and giving updates on companies engaged
- Investor statement to banks financing the Dakota Access Pipeline (DAPL). Co-lead investor together with Boston Caommon Asset Management. Participating in the discussions that led to the statement and the editing of the statement.
- Signed Global Action 100+. Co-lead investor for Statoil
- Developing a case study for the UN PRI TCFD disclosure pilot group using listed Norwegian oil company as example
- PRI-coordinated collaborative engagement on methane risk. Supporting investor
- Signed investor letter for the Banking on a low carbon future initiative. Supportitng investor
- Signed statement against child labour in cocoa supply chains. Supporting investor

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

During 2017, Storebrand was involved in a letter to non-disclosing companies to ask them to disclose environmental data by signing the letter and sending the letter selv to companies regarding climate change. Some companies answered directly to Storebrand but dilogue continued with CDP.

- CDP Forests
- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

In 2017, Storebrand provided CEO level supporting quote for CDP Water disclosure disclosure initiative.

- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- ESG Research Australia
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Cooperation with IIGCC via Climate Action 100+

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
NORSIF Board member and chair in NORSIF Active Ownership Group.  
SWESIF Board member  
Member of Norwegian Committee for Corporate Governance

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Part of the nominating committee in Swesif.

Board member in Norsif.

Chair in NORSIF Active Ownership Working Group.

Actively contributing to events arranged by both organizations and in working groups. Initiative taker to new common working group on active ownership for the two organisations.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Active members, particularly in the PSI initiative.

Member of new Investor Pilot Group for implementation of TCFD guidelines.



- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Participating in the Nordic network, reporting on Advanced level.

- Other collaborative organisation/initiative, specify

Sustainable Value Creation, Sweden

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic  
 Moderate  
 Advanced

- Other collaborative organisation/initiative, specify

International Indigenous Working Group (IIWG): Gathers NGOs, investors, academia and private citizens to advocate for the rights of indigenous peoples..Organizer: Boston Common Asset Management

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Storebrand is part of the group since its establishment in 2016. The group meets monthly. Storebrand has contributed to the group by suggesting ways of advocating for indigeous peoples rights towards companies and authorities and giving updates and experiences regarding dialogue with companies regarding these issues. Main focus throughout 2017 has been on the DAPL

- Other collaborative organisation/initiative, specify

Signatory to the Montreal Pledge on climate disclosure

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

Member of the Portfolio Decarbonisation Coalition: Commitment to reduce carbon footprint of Portfolios.

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Participation in coalition meetings.

SG 09.2	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.

%

100

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Client Meetings on monthly basis

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

#### Description

Provided academic support for both Masters and PhD students on a continual basis.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

#### Description

Contact with Portfolio Companies on disclosure of key ESG metrics - Norwegian oil company and TCFD disclosure as an example

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Spoke publicly at events and conferences to promote responsible investment

#### Description

participation in wide range of events as key-note speakers, panel participants and other roles.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

#### Description

Responded to Ethical Bank Guide survey, feedback to RSPO and a number of swedish questionnaires on sustainable Investments Soderberg and Partners, Max Mathissen.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published articles on responsible investment in the media

#### Description

Many articles on topics such as water risk, corruption and climate adaption

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- A member of PRI advisory committees/ working groups, specify

#### Description

Please see CG 09 on participation in PRI initiatives

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

#### Description

Board member of NORSIF and SWESIF

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Other, specify
- No

#### SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

Storebrand is a key participant in the Norwegian and Swedish public debate on responsible investments, for instance through opinion pieces in print/online media, broadcast media, social media.

Furthermore, we provide extensive training for clients, brokers, investment consultants and external fund managers, in addition to speaking at a range of conferences.

Storebrand also participates in international RI debates and events, as well as providing comments and interviews to international media.

External fund managers are subject to extensive RI requirements (policies, implementation, quarterly screening of portfolio ESG quality and controversial investments). External fund managers are also encouraged to adopt the UNPRI. Storebrand actively seeks funds from external managers with high ESG profile.

Updated in house White Paper on the link between responsible investment and financial returns, including review of studies/metastudies on this theme.

Published a number of articles/interviews on divestment from coal ( companies with more than 30% of revenues from coal) and divestment from fossil fuels.

Our press release and subsequent interviews on Storebrand exclusion of companies with planned coal fired plants in late 2017 reached an estimated 1 billion potential readers.

Member of NORSIF board and active participant in arranging NORSIF events and membership seminars, Member of working group for Active Ownership.

Member of SWESIF board.

<b>SG 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 4,5,6</b>
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**SG 11.1** Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

- Yes
  - Yes, individually
  - Yes, in collaboration with others

**SG 11.2** Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

**SG 11.3** Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

**SG 11.4** Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Meetings conducted with:

- METI (Ministry of Economy Trade and Industry in Japan) on climate change issues
- Luxembourg Environmental Ministry on climate change issues
- Regulators/ Policy makers in New York City on climate change issues

## Outsourcing to fiduciary managers and investment consultants

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1** Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 13.1** Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities

Is this scenario analysis based on a 2°C or lower scenario?

- Yes
- No
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

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

We do the following

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

**Asset class implementation not reported in other modules**

SG 16	Mandatory	Public	Descriptive	General
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Property	<p>With respect to investments in nonlisted real estate and property, Storebrand mainly invests in Norway and Sweden.</p> <p>The Norwegian property company is certified under environmental management scheme Eco-Lighthouse. The Environmental Manager, Real Estate, is responsible for ESG issues and reports to the Managing Director at Storebrand Real Estate. An environmental action plan has been developed, comprising energy management, environmental management systems for building operations and environmental strategy for new developments.</p> <p>Environmental certification through Breeam NOR In-Use for existing properties, BREAAAM NOR Very good for re-habilitation projects and BREAAAM NOR Excellent for new projects.</p> <p>Storebrand has received an international sustainability rating according to the Global Real Estate Sustainability Benchmark - GRESB. Number 2 in Scandinavia.</p> <p>In operations, data on energy and water use, waste production and recycling monitored on a weekly and monthly basis, and is reported quarterly (internal), and annually (external). Currently, the main focus is on the implementation of energy efficiency measures , transition from fossil energy to renewable energy, the use of life cycle assessments when replacing technical installations, quarterly reviews of the environmental accounts of suppliers, Environmental reporting and environmental strategy for the portfolio of external managers is to be further developed.</p>

SG 17	Mandatory	Public	Descriptive	General
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SG 17.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - SSA	<p>Storebrand aims to invest in corporations and countries that contribute actively to sustainable development. We believe such practices - when integrated in core business - will be financially rewarded. Based on this, Storebrand will not invest in government bonds from countries that</p> <ol style="list-style-type: none"> <li>a. Are systematically corrupt</li> <li>b. Systematically suppress basic political and civil rights</li> <li>c. Are subject to sanctions imposed by the UN Security Council</li> </ol> <p>Data is obtained from publically available sources such as UN Sanctions list, Transparency International Corruption Perceptions Index and Freedom House indexes.</p>
Private equity	<p>Investments are conducted through fund-of-funds structures, and as part of the due diligence process, external managers are rated on ESG implementation. A minimum score is required to qualify for investment. Evaluation includes formal adaption of ESG principles, managers' attitudes to ESG, as well as resources and practical implementation of ESG in their investment activities. If RI is not sufficiently covered by general investment criteria/fund terms, Storebrand requires a side letter recognizing the Storebrand Standard with objective excuse rights from participating in selected investments .ESG has also been adopted as a secular investment theme for the PE team, for example energy/waste/water.</p>



## Innovation

SG 18	Voluntary	Public	Descriptive	General
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<b>SG 18.1</b>	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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☉ Yes

<b>SG 18.2</b>	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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In the course of 2017 Storebrand developed a number of products and initiatives which are innovative within the RI field. The most important were

### 1. Storebrand Asset Management further developed its **fossil free range of products**

These funds exclude companies with over 5% revenue from fossil fuels and/or over 100 million ton CO2 embedded in fossil reserves. Despite the significant exclusion list this criteria entails (400+ companies) the fund is managed in such a way that the tracking error is <1. The funds also have higher sustainability rating and lower carbon footprint than their reference indexes.

New fossil free funds in 2017:

Storebrand Global ESG Plus Storebrand Global Kreditt IG Storebrand Norge Fossilfri

### 2. New fund in 2017 **optimised on our in-house Sustainability rating**

Storebrand Global ESG

### 3. **Sustainable Development Goals rating on 2600 companies**

One of the most innovative methods that the Storebran sustainability team has under development is the in-house Sustainable Development Goals rating. This rating is currently still under development, though some indicators are already in use. Full implementation of the final rating system is expected in June 2018-

In house Sustainability research produces sustainability rating awarded to companies and utilised in both fixed income and equity teams. **Storebrand is currently developing its rating to assess if portfolio companies are in-line with financially relevant Sustainable Development Goals.** The goals the Sustainability team has identified (through a literature review and analysis) are as follows

SDG 13 Climate Action

SDG 7 Affordable and Clean Energy

SDG 3 Good Health and Well Being

SDG 6 Clean Water and Sanitation

SDG 8 Decent Work and Economic Growth

SDG 11 Sustainable Cities and Communities

SDG 12 Responsible Consumption and Production

SDG 16: Peace and Justice

The rating assesses both risks and opportunities associated with these goals.

The total rating consists of

a. **Basic ESG score** provided by Sustanalytics. 70-90 individual indicators on each company, score of 1-100, 2600 companies

b. **SDG rating:** Risks and Opportunities related to above prioritised SDG's

Examples of indicators used are as follows

- **Gender Equality: Number of women on board (SDG 8)**

- **Corruption risk: Company systems + sector risk + geographical risk (SDG 16)**

- **Energy efficiency: Energy use divided by revenue (SDG 7)**

The research is SDG theme specific, comprising design of ESG KPIs with relevance to cash flow and value creation of target companies. The majority of peer ESG ratings still concentrate on risk factors, as well as retrospective analysis, thus Storebrand's ability to combine data and develop financially relevant KPIs should be viewed as innovative.

Moreover, the utilisation of ESG research is seen as particularly innovative when utilised in modelling (quant team) and the combination of corporate ESG scoring and project quality in green bonds (fixed income team).

4. Storebrand's approach to climate risk reduction (i.e. the exclusion of oil sand, coal, coal utilities and palm oil plantation owners) has been seen as innovative and a significant contribution to the international debate regarding climate risk with asset owners/asset managers.

In **2017 Storebrand expanded its coal exclusion criteria to also exclude companies that have new coal fired plants planned over 1000MW capacity**. This move created a great deal of discussion in the media with the press release reaching an estimated audience of just under 1 billion people worldwide.

5. Storebrand developed a **new method for carbon footprint measurement of fixed income funds. The weighted average method is utilised**. These types of funds have never been footprinted before and thus this approach is innovative and ground breaking. Results have been shared with clients and will be published on Storebrands fund list in Q2 2018.

No

## Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
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**SG 19.1** Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
	<p>Disclosure to public and URL</p> <p><input type="radio"/> Broad approach to RI incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</p>
	<p>Frequency</p> <p><input checked="" type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>
	<p>URL</p> <p><a href="https://www.storebrand.no/en/sustainability/investments">https://www.storebrand.no/en/sustainability/investments</a></p>

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	<a href="https://www.storebrand.no/en/sustainability/active-ownership">https://www.storebrand.no/en/sustainability/active-ownership</a>

**Listed equity – (Proxy) Voting**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<b>Disclosure to public and URL</b>	
	<p><b>Disclosure to public and URL</b></p> <p><input type="radio"/> Explain all voting decisions</p> <p><input type="radio"/> Explain some voting decisions</p> <p><input checked="" type="radio"/> Only explain abstentions and votes against management</p> <p><input type="radio"/> No explanations provided</p>
	<p><b>Frequency</b></p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>
	<p><b>URL</b></p> <p><a href="https://www.storebrand.no/en/sustainability/active-ownership/attachment/8980?ts=160502a4c6b">https://www.storebrand.no/en/sustainability/active-ownership/attachment/8980?ts=160502a4c6b</a></p>

**Listed equity - Incorporation**

**Do you disclose?**

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used	
Frequency	
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
<a href="https://www.storebrand.no/en/sustainability/investments">https://www.storebrand.no/en/sustainability/investments</a>	

# Storebrand Asset Management

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

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## ESG incorporation in actively managed listed equities

### Implementation processes

LEI 01

Mandatory

Public

Core Assessed

PRI 1


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

LEI 01.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening and integration strategies
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied	 <p>100</p>
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- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

At Storebrand we believe that a multi-layered approach to sustainable investing is required in order to adequately address all risks and investment possibilities in the ESG area.

Screening: Is used as a basis for our strategy. Storebrand has one of the markets most stringent minimum standards and applies it to all assets under management, without exception. Screening of companies according to this standard allows us to capture operational ESG risks and to assure our clients that their assets not invested in companies that breach fundamental norms and conventions. The Sustainable Investment team is responsible for screening with input from an external data provider, and results are made available to fund managers in a quarterly report. Compliance is run daily. In 2017 Storebrand has extended the standard specifically in the area of coal exclusions, including new coal fired power plants of 1000 MW capacity.

In addition Storebrand has established an extra criterion on production of fossil fuels. This criterion excludes all companies with over 5% of revenue from the production or distribution of fossil fuels and applies to a range of fossil free funds offered in Sweden; SPP Plus Sweden, SPP Global Plus and SPP Emerging Markets Plus. The



criterion is designed to meet increasing demand for fossil free investments from institutional clients. In 2017 we launched two new following fossil free funds; Storebrand Global ESG Plus and Storebrand Norge Fossilfri.

**Integration:** The objective of integrating ESG into all investment activities is based on our belief that understanding ESG risks and opportunities will be a prerequisite for securing long term returns. Storebrand own literature reviews in 2016 and 2017 have revealed that there is mounting evidence in international studies that the link between ESG performance and financial returns is strengthening. Our own internal analysis have also identified long term ESG trends that we believe will influence companies financial performance over the long term. Thus we see ESG integration in mainstream management of equities as necessary to capture the risks and market possibilities that apply to individual sectors/industries/companies. It is also a matter of strategic positioning to the Storebrand Group, and is utilised as a differentiating factor. Fund Managers are responsible for incorporating ESG factors into management with input from the Sustainable Investment team.

The launch of the SPP fossile free Plus funds from March-September 2016 marked a significant milestone in integration at Storebrand. Product development was fund manager driven and integrated ESG elements (carbon footprint/fossil screening and sustainability rating) into existing quantitative management models. the result is a family of funds that are low risk (<1 in tracking error) but that still manage to be fossile free, have a high sustainability rating and a low carbon footprint compared to the reference index.

**Thematic:** Storebrand does ESG analysis on specific themes and incorporates results into investment decisions. Themes are identified on a sector basis in annual sector analyses conducted by the Sustainable Investment team. Access to Medicine in Health Care, Renewable Energy Mix in Utilities and share of green buildings in real Estate are all examples of themes that directly affect investment decisions in these sectors.

In the light of the Paris Agreement on Climate Change Storebrand has had a focus throughout 2017 on climate risk and adjustment. Storebrand has strengthened its exclusion criteria on coal, developed fossil free criteria and launched fossil free funds, engaged with palmoil companies, explored the possibility of setting Science Based Targets for our portfolio and begun a research project financed by Vinnova in Sweden that seeks to quantify the effects of coal exclusions. Our portfolios have also been stress tested against a 2 degrees scenario.

The recommendations of the taskforce on Climate Related Financial Disclosures have been followed up in 2017, with special focus on an engagement process with alarge Norwegian oil and gas company on Best Practice TCFD disclosure.

### LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

The exclusion strategy comprises all assets managed in-house, and thus reduces the investment universe for all portfolio managers. On average 6-7% of the reference index is excluded.

The main tool of integration is the Sustainability Rating 0-100 which is made available to fund managers in their internal systems. The rating is utilised in various ways by different teams. Active managers have lower limits for sustainability scores for individual companies. Holdings in companies with scores below this limit (for example 25% in Developed markets funds) triggers a discussion with the Sustainable Investment team and a collaborative decision on further investment in the company. Passive managers of selected index funds/portfolios have begun to utilise methodology to optimise the sustainability rating of index near funds up til + 10%.

The global equity fund Storebrand Global Solutions/SPP Global Solutions is Storebrand's flagship Sustainability fund and selects companies based on the Sustainability Rating; i.e. investing only in top performers of each sector, combining thematic and screening methodology.

The family of Plus funds described above combine the following strategies

- screening based on Storebrand standard, fossile free criteria, and additional criteria
- optimisation based on carbon footprint and sustainability rating
- selection of "climate solution portfolio"

## (A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
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LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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**Type of screening**

- Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

**The Storebrand Standard** applies to **all internally managed funds and portfolios**, and covers: 1) Product related exclusions: controversial weapons (landmines, cluster munitions, nuclear weapons, chemical/biological weapons) and tobacco 2) Controversial issues: human rights and international humanitarian law, corruption and economic crime, environmental degradation 3) Sector specific exclusions: lowest performing companies in high risk industries + climate related (companies with more than 30% of revenues from coal, or planned coal fired plants over 1000MW, oil sand companies, palm oil companies involved in extensive deforestation)

Extra ethical criteria in addition to the Storebrand standard applies to some dedicated Sustainability funds. The extended Storebrand standard is has additional screening criteria such as revenues from alcohol, pornography, gambling and defence contracts. There is also extra fossil free criteria that excludes all companies with over 5% of revenues from the production and/or distribution of fossil fuels. Companies with over 100 million tonnes CO2 embedded in reserves are also excluded on this criteria.

- Positive/best-in-class screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

Our in-house ESG team analyses the constituents of MSCI All Country World Index + largest companies listed on the Oslo and Stockholm Exchanges with respect to ESG performance. The Sustainability Rating is 0-100, sector based and comprises:

- A) ESG management systems (policies, practice and performance) (40% of score)

B) Positioning for shifting business frameworks and global sustainability trends (40% of score) These trends are

- Population Growth and Resource Scarcity
- Growth in Emerging Markets
- Increased demand for Sustainable Products

C) Financial robustness (20% of score): based on Piotroski F-score

The companies that perform best in this screen can generally be said to demonstrate: - solution based products and services relative to exposure to growth markets by sector/region - risk management quality relative to risk exposure (sector/region) - efficient use of resources relative to resource constraints

Norms-based screening

**Screened by**

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Description
-------------

The Storebrand Standard is described under negative/exclusion screening above, which is based on a range of international conventions (all relevant conventions are listed in a detailed framework document for each topic).

<b>LEI 04.2</b>	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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The negative and norms-based screening criteria have been developed over the past 20 years, mainly by in-house ESG analysts, with the support of external expert advice. Important clients have also been included in the development of criteria.

The Storebrand Standard has been approved by the Executive Committee. Clients are informed of major changes through news letters, KAMs, and/or tailored reporting. The standard is reviewed continually with changes being made to existing criteria or new criteria being implemented.

The sector research (positive screening) has been developed over the past 20 years, mainly by in-house ESG analysts, in cooperation with CIO and portfolio managers. continuously improved by the ESG research team. In 2017 more focus has been put on opportunity/product based indicators which apply to a smaller number of companies within a sector.

The Storebrand Investment Committee meets quarterly to decide on exclusions and can also decide on new interpretation of existing criteria.

<b>LEI 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 05.1**

Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

**LEI 05.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 05.3**

Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

**LEI 05.4**

Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

**LEI 05.5**

Additional information. [Optional]

Continual screening of 3500 companies by external data provider Sustainalytics.  
Monthly incident reports on possible criteria breaches.

**(B) Implementation: Thematic**

LEI 07	Mandatory	Public	Descriptive	PRI 1
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**LEI 07.1** Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

**LEI 07.2** Describe your organisation's processes relating to sustainability themed funds. [Optional]

Our Sustainability funds are based on a combination of methods designed to enhance sustainability factors within existing mandates. The following tools are used

- Storebrand standard screening for all funds
- Additional Ethical criteria for specific clients
- Fossil free screening Based on a screen from data provider Trucost that excludes all companies with over 5% revenue from the production and/or distribution of fossil fuels
- Optimisation on sustainability rating (higher average sustainability score than index)
- Optimisation on carbon footprint (significantly lower than index)
- Investment in 5-10% climate solutions portfolio

**New Sustainability equity products 2017**

Storebrand Global ESG Plus

Storebrand Global ESG

Storebrand Norge Fossilfri

**Current equity products from before 2017**

Storebrand Global Solutions

SPP Sverige Plus:

SPP Global Solutions:

SPP Global Plus:




SPP Emerging Markets Plus:

SPP GodFond Sverige och Varden

**(C) Implementation: Integration of ESG issues**

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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**LEI 08.1** Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	 <p>Environmental</p> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>
Social	 <p>Social</p> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>
Corporate Governance	 <p>Corporate Governance</p> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>

**LEI 08.2** Additional information. [Optional]

Our In house Sustainable Investment team performs annual analyses of

- The most important ESG international trends, based on literature review
- The KPI's used (E,S and G) used in sector analyses. The sector analyses conducted are the basis for the internal Sustainability rating 0-100.

External financial research providers only occasionally review the potential significance of ESG issues.

The Norwegian equities team performs an ongoing analyses of portfolio companies, primarily on corporate governance issues.

**ESG incorporation in passively managed listed equities**

<b>LEI 11</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 11.1**

Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

Yes

**LEI 11.2**

Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

(% of total passive listed equity funds)

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 11.3**

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
<p>The screening criteria and process that applies to Storebrand's internally managed listed equity, applies to all of Storebrand's passively managed listed equity funds and portfolios. See questions LEI 06 and 07 for more information.</p> <p>The Plus fund family of funds are index near funds and have fossil free screening in addition to the Storebrand standard.</p>	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 2

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
<p>P8103: SPP Traditional Life portfolio:</p> <p>The average sustainability rating of the index portfolio is enhanced through systematic selection of companies with higher sustainability rating where possible. It is possible to achieve a 10% higher average sustainability score while keeping tracking error within acceptable levels for an index near portfolio. Implemented since March 2015.</p>	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 3

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
P982: Norway Traditional Life portfolio See description of methodology over.	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 4

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
P993: Norway Deposit Portfolio See description of methodology over.	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

Index/fund 5

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
SPP Plus fund family: SPP Global Plus, SPP Sweden Plus, SPP Emerging Markets Plus, Storebrand Global ESG Plus, - fossil free funds. Exclude companies with over 5% revenue from production and/or distribution of fossil fuel - optimised on sustainability rating (over benchmark) - optimised on carbon footprint (significantly under benchmark) - 5-10% portfolio invested in "global climate solutions" portfolio Under 1 in tracking error.	<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG issues <input type="checkbox"/> Other

No



# Storebrand Asset Management

## Reported Information

### Public version

### Direct - Listed Equity Active Ownership

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## Engagement

### Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

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

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Attach or provide a URL to your engagement policy.

Attachment provided:

URL provided:

URL

[https://www.storebrand.no/en/sustainability/guidelines/\\_attachment/4823?\\_ts=15457c4c9f3](https://www.storebrand.no/en/sustainability/guidelines/_attachment/4823?_ts=15457c4c9f3)

LEA 01.3

Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

**LEA 01.4**

Provide a brief overview of your organization's approach to engagement

Active ownership and engagement is an important part of Storebrand's approach to sustainable investments. During Q4 2016, Storebrand carried out an evaluation of its active ownership and engagement practices in order to align them better with Storebrand group's purpose, "A future to look forward to" and the values that come with it. As a result, our investment policy is being updated to reflect that our main objectives to reduce risk, safeguard and create value on behalf of shareholders also explicitly refer to environmental, social and governance value. Creating financial value for our clients is important but it is also extremely important that the world and planet where our clients retire is a good place to live in. Accordingly, in 2017 we started implementing our engagement strategy by transitioning from redressing wrongs to actually having a positive impact.

Our former Governance Committee, which oversaw the framework and principles for active ownership/engagement and especially controversial cases has become an Engagement committee. Its role is more active since it supervises, selects and prioritizes all engagement cases with special focus on theme proactive engagement. It includes financial analysts as well as ESG analysts and the head of Storebrand Asset Management. It reports to the board.

No

**LEA 01.6**

Additional information [optional]

Adapting our engagement strategy from redressing wrongs to actually having a positive impact results in a new active ownership/engagement strategy where we prioritize engagements where we think we can have a better opportunity to obtain good results and we have allocated more time and resources to those. This means better quality engagements with fewer companies for longer periods of time and when possible with other investors for more leverage. This also allows for more proactive engagement since our resources are not used on every controversial case (reactive engagement).

Engagement activities continue to be based on the Norwegian and Swedish Governance Codes, as well as the EU Shareholder Rights Directive. Storebrand is a member of the Norwegian Committee for Corporate Governance which outlines Best Practice for Norwegian companies and provides a solid basis for engagement. Our main form of active ownership is direct dialogue with companies alone or together with other investors, with a focus, but not exclusively, in Norway and Sweden.

**LEA 02****Mandatory****Public****Gateway****PRI 1,2,3****LEA 02.1**

Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers <div style="background-color: #0070C0; color: white; padding: 5px; margin-top: 10px;">Please specify why your organisation does not engage via service providers.</div> <p>Storebrand has a dedicated sustainable investments team of analysts with diverse backgrounds and ESG knowledge which allows us to carry out these engagements directly.</p> <p>This leads to increased knowledge in the team about different ESG issues as well as specific industries and companies. This is also an opportunity to further integrate our team with Storebrand's portfolio managers since in some cases we carry out engagements together. The information collected in this way also furthers the integration of ESG issues in financial decisions as well as gives more complete information for our sustainability analysis. Collaborative engagements provide an opportunity for industry insights. This information has proven useful when designing KPIs for sector research and/or in the process of selecting top performers or assessing company sustainability scores and divesting from high risk companies.</p> <p>We feel that we would not be able to get the same benefits if we engaged indirectly via service providers.</p>

**Process**

**Process for engagements run internally**

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 03.1**

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

**LEA 03.2**

Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography / market of the companies
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts that have already occurred.
- As a response to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- As a follow-up from a voting decision
- Client request
- Other, describe

No

**LEA 03.3**

Additional information. [Optional]

Storebrands policy for engagement and active ownership states that resources will be channelled and prioritised to the following companies

- companies where Storebrand's equity share is over 3% in Norway and 0.7% in Sweden
- companies involved in controversial cases, including governance, environmental and social issues
- companies where the equity share of individual funds is over 5%

Storebrand will mainly address the following topics: incentive structures, capital utilisation, board composition, board member ownership, corruption and economic crime, human rights and international humanitarian law, severe climate- and environmental degradation.

Activities will be prioritised with respect to significance of ownership, risk and/or relevance to value creation, including positive impact. Activities will normally be decided and conducted by responsible portfolio managers (equity and fixed income) and/or ESG analyst. The Engagement Committee oversees framework and policies in this area in addition to supervise, select and prioritize all engagement cases. There is a special focus on theme proactive engagement. It is also a place where active ownership/engagement best practice is discussed. The committee includes financial analysts as well as ESG analysts and the head of Storebrand Asset Management.

Policies/procedures specific to ESG analysts: 3500 companies are monitored by a sustainability data provider to detect potential violations with the Storebrand Standard. The data provider is also in contact with these companies to include all company measures and corporate behaviour changes regarding all potential violations of the Storebrand standard. Potential violation cases where possibilities for changed corporate behaviour are detected are sent by the ESG team to the Engagement Committee for review. The ESG team will also send for review potential theme engagement cases that are detected as opportunity or risk for an industry during our biannual sustainability rating analysis of all companies in our investment universe.

Prior to each engagement process, specific goals are established for the engagement process, in order to ensure clear communication with investees as well as ease the measurement of engagement success. ESG analysts record the level of engagement success in each engagement process. There are four steps, where the fourth level is aligned with the UN PRI definition of success: "The measures taken were all or mostly completed after Storebrand contacted the company". Hence, we can assume our engagement efforts have contributed to the improvement, although it is rarely possible to determine with certainty Storebrand's particular effect on the outcome.

In instances where the engagement process does not lead to the required improvement *in reactive engagement processes*, Storebrand may exclude a company from investments (Storebrand Standard). In case of exclusion, formal reporting procedures are in place to inform both company, portfolio managers, as well as in-house compliance officers.

Excluded companies are reviewed regularly (every six months), in order to request information on any improvements and/or seek to establish a dialogue.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>LEA 04.1</b>	Indicate if you define specific objectives for your engagement activities.
-----------------	--

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

<b>LEA 04.2</b>	Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.
-----------------	---

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

<b>LEA 04.3</b>	Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.
-----------------	---

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

<b>LEA 04.4</b>	Additional information. [Optional]
-----------------	------------------------------------

Prior to 2016 the goals of each engagement have usually been in the area of measures to remedy any violation of the Storebrand Standard (reactive engagement); measures to reduce the risk of recurrence; as well as reporting on these measures publicly. The specific goals may be adjusted, usually enhanced and/or detailed, as the engagement process proceeds.

Ideally, the measures taken by the company should meet best practice standards. However, a reactive engagement is terminated if the company complies with the initial requirements and the risk of recurrence is considered to be reduced to an acceptable level. Typically, we would expect company to meet industry average level.

Storebrand measures and registers all engagement with companies on the following internal scale.

Level 1: Company contacted (explanation of concerns+ request for company practice improvement); no response

Level 2: Company contacted; unsatisfactory response

Level 3: Company contacted: satisfactory response

Level 4: Company contacted: Improved business practice (aligned with PRI definition of success: "The measures taken were all or mostly completed after Storebrand contacted the company")

In 2016 Storebrand started focusing on increasing the amount of proactive engagements. This focus was consolidated in 2017. These engagements can have different goals and a milestone evaluation approach (from basic to advanced practice) might be used; However, so far, we are measuring progress by using the same scale depending on how receptive the company is to achieve those goals.

The progress of engagement is discussed in a monthly meeting in the Sustainable Investment team including minimum requirements, alternative approaches to achieve or improve dialogue, and whether or not to escalate an engagement.

**Escalation of engagement**, if the company does not meet our minimum requirements (or communicate such actions), after repeated attempts at dialogue. "Escalate" might be to contact executive level staff at domestic offices to obtain contact with headquarter staff, involve Storebrand executives in the dialogue, collaborate with other investors etc. As a last resort, the case will be presented before the Sustainable Investment Committee, to make a final decision on whether or not to exclude the company from investments. If excluded, the company is always informed of the decision, and contacted regularly afterwards to encourage improvement.

## Process for engagements conducted via collaborations

LEA 05

Mandatory

Public

Core Assessed

PRI 2

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

LEA 05.1

Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

Yes

LEA 05.2

Describe the criteria used to identify and prioritise collaborative engagements.

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred.
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, describe

other description

The type of engagement: proactive, and the theme or the ESG topic are also a factor. see additional information

No

**LEA 05.3** Additional information [Optional]

Storebrand tends to prioritize collaborative engagements regarding proactive initiatives and certain pre-identified engagement themes for the year.

This is because we think we can obtain better results in proactive cases when we work together with other investors. In 2017, Storebrand decided that climate should be the main engagement theme. Therefore Storebrand became a more active participant in certain PRI proactive engagement initiatives related to climate. So the type of engagement, proactive, and the theme or the ESG topic are also a factor.

<b>LEA 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 06.1** Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

**LEA 06.2** Indicate if you monitor the actions companies take during and following your collaborative engagements.

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

**LEA 06.3** Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff



**LEA 06.4** Additional information. [Optional]

Monitoring and evaluation of progress depends on the type of collaborative engagement. For engagements aimed to improve the practice of an industry (proactive), we might use a milestone evaluation approach (from basic to advanced practice), and companies are benchmarked against each other. In engagements requiring a specific corporate action (i.e. withdrawing from a territory, cleaning up a polluted area, enforcing a judgment), progress is evaluated by responsiveness of the company/companies and actions taken to meet our demands. The objective is not met until the company/companies actually perform(s) the specific activity.

In most collaborative engagements, we seek to define a specific time period. If there is limited progress, we may decide to escalate the engagement, or, alternatively decide to leave the collaborative engagement and divest (if in breach of the Storebrand Standard). See LEA 04.4 Additional information for a detailed description on how Storebrand assesses progress.

Collaborative engagements provide an opportunity for industry insights. This information has proven useful when designing KPIs for sector research and/or in the process of selecting top performers and divesting from high risk companies.

**General processes for all three groups of engagers**

<b>LEA 09</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**LEA 09.1** Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 09.2** Additional information. [Optional]

Outcomes from engagement processes are discussed continually with internal investment managers and quarterly with external managers.

<b>LEA 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 2</b>
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**LEA 10.1** Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

**LEA 10.2** Additional information. [OPTIONAL]

Engagement is tracked and registered in our internal CRM system. Please see LEA 04.4 and LEA 06.4 for more detailed information

## (Proxy) voting and shareholder resolutions

### Overview

LEA 15

Mandatory

Public

Core Assessed

PRI 1,2,3

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

**LEA 15.1**

Indicate whether your organisation has a formal voting policy.

Yes

**LEA 15.2**

Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

**LEA 15.3**

Attach or provide a URL to your voting policy. [Optional]

URL

<https://www.storebrand.no/en/sustainability/guidelines/attachment/4823?ts=15457c4c9f3>

**LEA 15.4**

Provide a brief overview of your organization's approach to (proxy) voting.

Storebrands prioritises its presence and voting at AGMs to the following companies:

- companies where Storebrand's equity share is over 3% in Norway and 0.7% in Sweden
- companies involved in controversial cases, including governance, environmental and social issues
- companies where the equity share of individual funds is over 5%

Storebrand will mainly address the following topics: incentive structures, capital utilisation, board composition, board member ownership, corruption and economic crime, human rights and international humanitarian law, severe climate- and environmental degradation.

Activities will be prioritised with respect to significance of ownership, risk and/or relevance to value creation, including positive impact.

No

**Process**

LEA 16	Mandatory	Public	Descriptive	PRI 2
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**LEA 16.1** Indicate how you typically make your (proxy) voting decisions.

**Approach**

- We use our own research or voting team and make voting decisions without the use of service providers.

**Based on**

- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

**LEA 16.2** Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

Storebrand is deeply involved in voting activities in the Norwegian market, primarily on governance and transparency issues.

In 2017 Storebrand conducted a bidding process where 3 Proxy voting providers were assessed. Storebrand has retained ISS Voting Services for Proxy voting from the 2018 season. Storebrand aims to vote on an additional 50-100 companies internationally in 2018.

**LEA 16.3** Additional information.[Optional]

Storebrand's main tool in active ownership is direct dialogue with companies. It is our experience that direct dialogue (i.e. by qualified personnel) is a resource efficient way of achieving improvements, and one that is also valued by the corporates of which we hold equities or bonds.

Voting activities thus far have been limited to domestic markets, and follow the Governance Code and prioritised issues as described earlier. In 2018, as described above, this policy will be extended to international markets.

Voting is performed via third party, but any voting processes require significant quality control at several stages by in-house resources, both in Operations and Front Office.

LEA 20	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 20.1** | Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

**LEA 20.2** | Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

**LEA 20.3** | Additional information. [Optional]

Our policy is that we always discuss issues with companies before casting our vote. There are no exceptions to this rule.

**Outputs and outcomes**

LEA 21	Mandatory	Public	Core Assessed	PRI 2
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**LEA 21.1** | For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

1.5

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

**LEA 21.2** Explain your reason(s) for not voting certain holdings




- Shares were blocked
  - Notice, ballots or materials not received in time
  - Missed deadline
  - Geographical restrictions (non-home market)
  - Cost
  - Conflicts of interest
  - Holdings deemed too small
  - Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
  - On request by clients
  - Other
- We do not track or collect this information

LEA 22	Mandatory	Public	Additional Assessed	PRI 2
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**LEA 22.1** Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

**LEA 22.2** Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 <p>80</p>
Against (opposing) management recommendations	 <p>15</p>
Abstentions	 <p>5</p>

100%

**LEA 22.3** Describe the actions you take in relation to voting against management recommendations.

As explained above we always discuss our voting intentions with companies in advance.

- No, we do not track this information

# Storebrand Asset Management

## Reported Information

### Public version

### Direct - Fixed Income

## PRI disclaimer

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

## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			



SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>100</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	100	Thematic alone	0	Integration alone	0	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	<b>Total</b>	<b>100%</b>
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	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

**Screening:** Storebrand has chosen a comprehensive screening approach that covers all fixed income investments to reduce the risk of being involved in or supporting unethical/irresponsible business practices. See explanation below for corporate and sovereign bonds

**Thematic:** Storebrand has developed a market leading approach to investments in Green Bonds to enable our clients to invest in climate/social solutions. A European first Green Bond fund was launched in Sweden in March 2015 and now has 3,7 billion SEK in AUM.

**Integration:** The Sustainable Investment team has, together with portfolio managers identified risk based issues that are most relevant to global bond markets. As a result, tailored corruption analyses are delivered from the sustainability team to PM's.

**FI 01.3** Additional information [Optional].

**Screening for Corporate Bonds**  
Corporate Bonds are covered by the Storebrand Standard which has been explained earlier in the equities sections.

**Screening for Sovereign Bonds**  
Storebrand aims to invest in corporations and countries that contribute actively to sustainable development. We believe such practices - when integrated in core business - will be financially rewarded. Based on this, Storebrand will not invest in government bonds from countries that

Are systematically corrupt Systematically suppress basic political and civil rights Are subject to sanctions imposed by the UN Security Council

As a responsible long term investor, with a geographically diverse investment portfolio, it is in Storebrand's interests to promote good governance, stability and the maintenance of basic political and civil rights. Therefore Storebrand's goal is to avoid purchasing bonds from governments that are systematically corrupt, unstable and/or oppressive. To achieve this goal, Storebrand utilizes two corruption indexes, a political and civil rights index and the list of countries subject to UN Security Council sanctions. The indexes and lists chosen are issued by reliable and well respected sources, are methodically rigorous and are updated regularly.

**Corruption indexes**  
Transparency International's Corruption Perceptions Index (CPI), published annually since 1995, has been widely credited for putting the issue of corruption on the international policy agenda. The CPI ranks almost 200 countries in terms of perceived levels of corruption, as determined by expert assessments and opinion surveys. These

assessments and surveys include questions relating to bribery of public officials, kickbacks in public procurement, embezzlement of public funds, and questions regarding the strength and effectiveness of public sector anti-corruption efforts. [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi)

The World Bank Worldwide Governance Indicators; Control of Corruption Index has been published annually since 1996. The index captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption and "capture" of the state by elites and private interests. Information to put together the index is obtained from business providers, surveys of firms and households, non-governmental organisations and public sector data providers. Exclusion criterion: Countries ranking among the 10 percent worst performers on the Transparency International CPI index and/or the World Bank Control of Corruption index will be excluded from investments at Storebrand. The 10 percent threshold includes any country with the same numerical score as the best performer of the group.

#### Political and Civil Rights Index

Freedom House Freedom in the World index has been published annually since 1972 and ranks over 200 countries and disputed territories countries according to political and civil rights and freedom. To compile the index, analysts used a broad range of sources of information, including foreign and domestic news reports, academic analyses, non-governmental organizations and visits to the region. Exclusion criterion: Countries and territories which are given the lowest rating of 7 will be excluded from investments at Storebrand. Countries are given a rating of 7 when political and civil rights are absent or virtually nonexistent and the nature of the regime is characterised by severe oppression.

#### UN Sanctions

Under Article 41 of the UN Charter, the UN Security Council may call upon Member States to apply measures not involving the use of armed force in order to maintain or restore international peace and security. Such measures are commonly referred to as sanctions. Current practice at the UN Security Council is to impose targeted measures aimed at removing the circumstances that have led to a threat to, or breach of, international peace and security. Exclusion criterion: Countries that are subject to sanctions imposed by the UN Security Council will be excluded from investments at Storebrand. Countries will not be excluded in cases where sanctions are targeted specifically at independent groups within a country and not at the government of the country.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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<b>FI 03.1</b>	<b>Indicate how you ensure that your ESG research process is robust:</b>
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- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

<b>FI 03.2</b>	<b>Describe how your ESG information or analysis is shared among your investment team.</b>
----------------	--

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

<b>FI 03.3</b>	Additional information. [Optional]
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Both exclusion lists and ESG ratings are read into company databases quarterly and are available to all investment staff.

Formal fund review meetings are conducted annually where sustainability indices are a central part of the discussion. Portfolio Managers are required to explain investment in poor ESG performers and the fund's overall sustainability rating is assessed relative to peers.

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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<b>FI 04.1</b>	Indicate the type of screening you conduct.
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Select all that apply

	<b>SSA</b>	<b>Corporate (financial)</b>		
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Positive/best-in-class screening	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

<b>FI 04.2</b>	Describe your approach to screening for internally managed active fixed income
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**Negative and Norm based screening**

The Storebrand Standard applies to all internally managed funds and portfolios, including all Fixed Income investments, and covers:

- 1) Product related exclusions: controversial weapons (landmines, cluster munitions, nuclear weapons, chemical/biological weapons) and tobacco
- 2) Controversial issues: human rights and international humanitarian law, corruption and economic crime, environmental degradation
- 3) Sector specific exclusions: lowest performing companies in high risk industries + climate related (companies with over 30% of revenues from coal or planned coal fired plants over 1000MW, oil sand companies, palm oil companies causing deforestation).

As of Q4 2017 196 companies were excluded.

**Positive/Best in Class screening**

The Storebrand Sustainability rating covering 2600 companies also includes fixed income funds and portfolios. Ratings are on a 1-100 scale and consist of companies ESG practice, financial robustness and positioning for global sustainability trends. Analyses leading to the rating are sector based. Some types of bonds (Norwegian regional banks, Swedish Covered Bonds and Bonds issued by Norwegian/Swedish communes are given a group score based on ratings from the Financial sector.

On the basis of this sustainability rating, fixed income funds are rated on a scale of 1-10.

FI 05	Mandatory	Public	Descriptive	PRI 1
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FI 05.1	Indicate why you conduct negative screening.
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**SSA**

SSA
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- For legal reasons
- For non-legal reasons

**Corporate (financial)**

Corporate (fin)
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- For legal reasons
- For non-legal reasons

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
---------	--

Storebrand aims to ensure that its clients assets are not exposed to companies that breach international norms and conventions, including breaches of humanitarian law, human rights, labor rights, corruption guidelines and environmental laws. From a legal perspective Storebrand believes that it has a duty under the UN Guiding Principles for Business and Human Rights to avoid being complicit in breaches of human rights and humanitarian law.

FI 07	Mandatory	Public	Core Assessed	PRI 1
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FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

<b>FI 07.2</b>	Additional information. [Optional]
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Quarterly reports with updated exclusion ratings and ESG ratings are sent from the Sustainability team to Compliance functions. Automated, daily compliance checks for both Storebrand Standard (exclusions)

If breaches of the exclusion criteria are found fund managers are immediately notified and required to rectify the breach. Compliance breaches of the Storebrand standard are reported at board level.

ESG rating thresholds are monitored and followed up in periodic fund review meetings

**(B) Implementation: Thematic**

<b>FI 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 09.1</b>	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

<b>FI 09.2</b>	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
----------------	--

All acquisitions of Green Bonds are done in accordance with the Green Bond Principles. All Green Bonds are verified by a 3rd party. These 3rd parties have most often been Cicero or DNV\_GL.

A misuse of bond proceeds would prompt direct contact with the issuer by the fund manager.

<b>FI 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 10.1</b>	Indicate how you assess the environmental or social impact of your thematic investments
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

<b>FI 10.2</b>	Additional information. [Optional]
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Storebrand requires reporting from issuers of Green Bonds in line with the Green Bond Principles.

## (C) Implementation: Integration

<b>FI 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>FI 11.1</b>	Describe your approach to integrating ESG into traditional financial analysis.
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The sustainability team rates 2600 issuers with an ESG rating of 0-100. Each issuer is rated on 70 to 100 individual indicators. These indicators form the basis for integration of ESG issues into traditional financial analyses. Storebrand seeks to tailor the ESG input to Portfolio Managers according to the unique set of risks and opportunities that are relevant for portfolio companies.

In 2017 Storebrand has implemented fossil free criteria to three fixed income funds. Definition of these criteria is the responsibility of the Sustainability team while implementation lies with fund managers. Compliance is run daily on these exclusions.

	Corporate (financial)
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Corporate risk is focused heavily on Governance issues. The Storebrand sustainability team has, together with portfolio managers, identified corruption as a key financially material ESG factor in corporate bonds and delivers specific corruption analysis on portfolio companies in specific funds. By using the analysis provided portfolio managers are able to limit exposure to companies classified as high risk.

<b>FI 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 12.1</b>	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply



	<b>Corporate (financial)</b>		
ESG analysis is integrated into fundamental analysis	<input type="checkbox"/>		
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>		
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>		
ESG analysis is a standard part of internal credit ratings or assessment	<input type="checkbox"/>		
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>		
ESG analysis is regularly featured in internal research notes or similar	<input type="checkbox"/>		
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>		
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>		
Other, specify	<input type="checkbox"/>		

FI 13	Mandatory	Public	Additional Assessed	PRI 1
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**FI 13.1** Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
Corporate (financial)	<div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

Corporate (financial)

All ESG factors are systematically reviewed for financial relevance by the sustainable investment team. However Governance factors have been selected for further development because of the growing body of literature that points to the specific relevance of this pillar in fixed income management.

# Storebrand Asset Management

## Reported Information

### Public version

### Assurance

## PRI disclaimer

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

## Assurance

CM1 01.1	Mandatory	Public	Core Assessed	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input checked="" type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year) <input type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above	

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
<input type="radio"/> Whole PRI Transparency Report will be assured <input checked="" type="radio"/> Selected data will be assured	

CM1 01.8b	Selected data will be assured
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	Expected date the assurance will be complete
12.03.2018	

	What data will be assured
<input type="checkbox"/> Financial and organisational data <input checked="" type="checkbox"/> Data related to RI activities <input checked="" type="checkbox"/> RI policies <input checked="" type="checkbox"/> RI processes (e.g. engagement process) <input checked="" type="checkbox"/> ESG operational data of the portfolio <input type="checkbox"/> Other	

### Relevant modules

- Organisational Overview
- Strategy and Governance

### Corresponding Indicator number

Entire Strategy and Governance module is covered by assurance.

- Direct - Listed Equity Incorporation

### Corresponding Indicator number

LEI 01, LEI 04 to LEI 12

- Direct - Listed Equity Active Ownership

### Corresponding Indicator number

LEA 01 to 06 and LEA 11 to LEA 16

- Direct - Fixed Income

### Corresponding Indicator number

FI 01 to FI 13

### Who will conduct the assurance

Deloitte AS has conducted the assurance

### Assurance standard to be used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

### Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent
- We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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**CM1 01.3** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report

**CM1 01.9b** Selected data was assured in last year's PRI Transparency Report

What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI policies
- RI processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Relevant modules

- Organisational Overview
- Strategy and Governance

Corresponding Indicator number

Strategy and Governance - Entire section all indicators

- Direct - Listed Equity Incorporation

Corresponding Indicator number

LEI 15, LEI 17,

- Direct - Listed Equity Active Ownership

Corresponding Indicator number

, LEA 01, LEA 02,

- Direct - Fixed Income

Corresponding Indicator number

FI 04, FI 06, FI 11, 12 and 13

Who has conducted the assurance

Deloitte

Assurance standard used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Link to auditors report

<https://digital.storebrand.no/2016/en/>

We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
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**CM1 01.4** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings

**CM1 01.12** Describe the process of external/third party ESG audit of holdings, including which data has been assured.

Description of process (including what data has been assured)

Annual audit of operational processes in the sustainability team conducted by Deloitte AS.

- Other, specify
- None of the above

CM1 01.5	Mandatory	Public	Descriptive	General
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**CM1 01.5**

Provide details related to the third party assurance over selected responses from this year's PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year

**What data has been assured**

- Financial and organisational data
- Data related to RI activities
- RI Policies
- RI Processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

**Relevant modules**

- Organisational Overview
- Strategy and Governance

**Corresponding Indicator number**

All indicators

- Direct - Listed Equity Incorporation

**Corresponding Indicator number**

LEI1 and LEI 04 to LEI 12

- Direct - Listed Equity Active Ownership

**Corresponding Indicator number**

LEA 01 to 06; LEA 11 to LEA 16

- Direct - Fixed Income

**Corresponding Indicator number**

FI 01 to FI 13

**Who has conducted the assurance**

Deloitte AS

#### Assurance standard used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

#### Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

#### Please provide:

##### Link to auditors report

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

##### Link to original data source (if public)

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