

Opportunities for a Better pension.

SUSTAINABILITY REPORT

your pension figure
3,757,849 NOK

65

When do you want to retire?

70

How much will you earn in percentage of current income?

Calculate

Sustainability

Storebrand's goal is to be the leader in sustainability in the Nordic region, and one of the foremost companies in the world in the area of sustainable investments.

Sustainable development is development that meets current needs, without being at the expense of opportunities for future generations to satisfy their needs. For Storebrand, sustainability is a matter of our own long-term outlook and security for our customers. As a supplier of pension saving solutions, it is essential that we are able to take a long-term perspective and generate a return for our customers, without making a negative impact on the world in which our customers will retire.

SUSTAINABILITY IS PART OF OUR DNA
At Storebrand, sustainability is fully integrated into our core operations. This means that in addition to financial parameters, we also take consideration of the social and environmental aspects of all decisions made within the group. All business areas and departments are responsible for integrating relevant sustainability issues into their activities, helping reduce their ecological footprint, and increasing our benefit to society.

It is our ambition that all employees of Storebrand are aware of the outcome of our sustainability work, and find it important. We are therefore pleased to see that in-house support for Storebrand's work increases every year. We believe that our 2,000 employees are our leading ambassadors for long-term sustainable saving and transition to a sustainable world.

SECURITY FOR OUR CUSTOMERS
As suppliers of pension saving, we must be able to apply a long-term perspective to our thinking and action. We have a long history of work with sustainable investments, and our strategy covers all investment classes. This is important in order to reduce the risk in our investments and for the customer to be able to feel assured that the investments live up to

international norms and rules. Ethical and responsible advisory services for customers are of utmost importance at Storebrand. All financial advisers are trained in advisory service ethics and other relevant subjects every year to ensure that customers receive advice that secures their interests.

WE LIVE AS WE LEARN
The group makes high demands on the companies we invest in, and we make the same high demands on ourself. By making sustainability a clear requirement in our procurements, we play a role in the development of better and a larger number of sustainable products. We are a member of the Swan eco-label's purchaser club. In 2013 we received the Swan Award as Best Purchaser. At present the group has excluded 171 companies from investment, and these companies have been disqualified as suppliers to us for several years.

HR has a sharp focus on equal opportunities, development of talent, job satisfaction and a good working environment, and every department works to reduce our environmental footprint by constantly focusing on resource use. We offset our emissions arising from travel and energy consumption through the purchase of UN-certified emission reductions.

Our ethical rules are an important tool in our daily operation, and are followed up every year through training and monitoring. We also monitor and follow up work against financial crime and corruption.

We want to be transparent, and we are therefore reporting sustainability data to a number of sustainability indices, including the Carbon Disclosure Project, the Dow Jones Sustainability Index, Vigeo, Sustainability and FTSE4Good. Our sustainability reports follow the guidelines from the Global Reporting Initiative. Our main office in Oslo has held environmental certification from the Eco-Lighthouse Foundation

for several years, and a process is currently under way to environmentally certify SPP's office in Stockholm.

STAKEHOLDER DIALOGUE
We have an impact on our society, and our society has an impact on us. Our sustainability work relies on a close dialogue with key players in society. The dialogue is partly achieved through our annual discussions with players on sustainability matters. We are active in key sustainability organizations like UNEP FI, Norsif, Swesif and the Swedish Sustainable Value Creation collaborative project for investors.

The main channel for dialogue with the outside world is social media, where both Twitter and Facebook are important channels for feedback from relevant communities, and for availability for dialogue and questions.

KEY PRINCIPLES OF OUR WORK

Storebrand has signed the UN's principles for responsible business, the Global Compact. These principles provide a foundation for our sustainability guidelines. We support the UN's human rights conventions, the UN's environmental conventions, the ILO's core conventions and the UN Convention against Corruption. We have also signed the UN's Principles for Responsible Investment (PRI) and the UN's Principles for Social Insurance (PSI). Both provide a basis for our sustainability strategy.

A guiding star for our work is the vision of a sustainable world in 2050 which we developed and supported several years ago, in collaboration with many other large companies within the framework of the World Business Council for Sustainable Development: 9 billion people are living well within the resource limits of the planet.

A STRONG VOICE IN SOCIETY FOR SUSTAINABILITY AND A LONG-TERM PERSPECTIVE

Our ambition to be a leader in sustainability includes an ambition to be a strong voice in the public discourse, and also to form opinion. During the year, the sustainability team participated in over 175 debates, lectures, podcasts and events, which had an impact on the discourse, also in relation to investment in fossil fuels. We have conducted a dialogue with politicians and ministers on the measures required to achieve a more sustainable financial sector. In connection with the UN Climate Change Conference in Warsaw in November, two leading representatives of Storebrand wrote an open letter to the ministers of the environment in Norway and Sweden, presenting the financial sector's wish list in advance of the conference. This received great attention during the discussions.

COMMUNITY ENGAGEMENT

Storebrand has cooperated with the Norwegian Cancer Society in the fight against cancer for a number of years. In Sweden, SPP has cooperated with Fryshuset, which supports vulnerable children and young people, since 2011. This cooperation has, for example, contributed to increasing young people's knowledge and understanding of personal finance and the importance of long-term savings.

The Group's commitment to local communities has manifested itself in the You Can scholarship. Grants are awarded annually to projects or associations that require a small amount of money to start or develop an idea that can make the world a better place.

RECOGNITION OF OUR WORK

We aim to be a leader in sustainability in our industry. We are therefore proud that Storebrand qualified for the 15th year in a row for the Dow Jones Sustainability Index, as one of the ten per cent most sustain-

THE STOREBRAND GROUP'S SUSTAINABILITY GUIDELINES

Sustainability is integrated into Storebrand's assessments, our vision, our core values and our promises to customers. The following guidelines are fundamental to our work:

- The Group's ambition is to contribute to solving society's problems and to create sustainable development locally and globally through its products and services.
- The Group will combine profitable business operations with social, ethical and environmental goals and activities.
- We have implemented requirements with regard to sustainability, corporate social responsibility, environmental work and ethics within the Group and for all of our partners and suppliers.
- Sustainability must run through our development of new financial products and services, and must be fully integrated with our asset management.
- The Group will ensure a constantly lower environmental impact from our operations.
- We will actively seek to prevent any activities that are harmful to society and criminal acts in connection with our operations.
- The Group will have a transparent management structure in accordance with national and international corporate governance standards.
- Storebrand's goal is to be the leader in sustainability in the Nordic region, and one of the foremost companies in the world in the area of sustainable investments.
- All of the Storebrand Group's self-managed assets are subject to the Minimum Standard for Sustainable Investments, as defined by the executive management.

able companies in the world. Storebrand has also qualified for the TSE4Good and Global 100. This year we received the

IAIR Award for Excellence in Sustainable Investments for our work with sustainable investments. We were also placed 11th by the Asset Owners Disclosure Project, which ranks the climate change work by investors around the world.

Read more about our sustainability scorecard reporting for 2013 on pages 170-172.

Certified by:



We support:



Qualified to:



Sustainable Investments

GREEN TRANSITION

Throughout 2013, the green transition has occupied an important place on the agenda of the financial industry. The focus is no longer just on niche investments in renewable energy, but rather on how the international financial sector as a whole manages climate risk. When the British organisation, the Carbon Tracker Initiative, presented its analysis of the carbon bubble, it was a catalyst for discussions on the valuation and pricing of listed companies.

If international climate policy is successful and we manage to limit global warming to two degrees Celsius, it will mean that a large proportion of the world's fossil reserves cannot be extracted as a source of energy or fuel. Some reserves will end up being worthless, in turn affecting the valuation of fossil exposed companies. To ensure stable, long-term returns for our customers, we must understand how global trends, such as the scarcity of resources and population growth will affect profitability in large, listed companies.

Climate change is likely the greatest global challenge of our time. The framework for business is already changing, through stricter regulation and greater unpredictability in the ecosystem services on which we are all dependent. Population growth and resource scarcity will likely have different impacts on different industries, regions and companies, making it more challenging to do business in the coming years. However, these challenges may also represent business opportunities for companies that are efficient, well-prepared and well-positioned with smart products and services.

INVEST MORE IN THE SOLUTIONS

The focus on sustainable investments is strategically important to the Group, as we believe that it is a prerequisite for creating stable long-term returns for our customers.

Therefore, Storebrand invests an increas-

ing share of capital in the most sustainable securities. An analysis of companies' sustainability performance forms the basis for this work. In annual sector analyses, 2,500 companies are compared with their peers, and receive a rating from 0 to 100 comprising both risk and opportunities. The best companies are financially robust, and demonstrate good quality management systems and efficient use of resources. In addition, these companies seek profitable growth through products and services that contribute to sustainable development.

The Group aims to increase the average sustainability score for our largest portfolio of listed companies from 53 to 58 over a five year period from 2012 to 2017. As of 31 December 2013, the average score was 57. We have also defined a NOK 2,000 million target for assets under management in our flagship sustainability funds, Storebrand Trippel Smart and SPP Topp 100 during the same period. As of 31 December 2013, the amount was NOK 1,074 million.

The Group has also invested SEK 750 million in a climate bond issued by the European Investment Bank (EIB), which was the largest climate bond issued in Swedish kroner in 2013. A share of our customers pensions will thus be invested in renewable energy and energy efficiency projects, which are smart for the climate and pay attractive returns. Storebrands forestry investments in the Nordics, North-America and Africa also contribute to a reduction of greenhouse gases in the atmosphere.

REDUCED RISK – SECURITY FOR OUR CUSTOMERS

To ensure that our customers' savings are managed in the most sustainable manner possible, it is also necessary to reduce exposure to businesses that make a negative contribution. We therefore divest from companies that we believe are high risk – either through their core activities or due to lack of management and control. As of

31 December 2013, there was a total of 176 such companies.

A key component of this work is reducing exposure to fossil fuels:

- In the Oil and Gas sector, 13 coal mining companies have been excluded
- In the Oil and Gas sector, the six largest oil sands companies have been excluded
- In the Utilities sector, 10 companies have been excluded for basing their electricity production largely on coal.

To effectively limit greenhouse gas emissions, it is critical to preserve tropical rainforests. The production of palm oil is one of the main drivers of deforestation, and recently we have seen several indications of stricter regulation of this type of business globally. Therefore 11 palm oil plantation owners have been excluded from our portfolios as of 31 December 2013.

INFLUENCING IMPROVEMENT

Our main task is to secure long-term returns for our customers. Thus, we work systematically to increase our investments in assets that contribute to more sustainable development, while at the same time reducing the exposure to high risk companies. As an active owner, we engage in dialogue with several hundred listed companies on issues related to corporate governance, environmental management, anti-corruption and human rights. This work is of utmost importance in ensuring that the companies act in accordance with the interests of the owners. In 2013, we were in dialogue with 44 companies regarding sustainability risks, and we have seen significant improvements with four of these companies.

Scorecard Sustainability - results

	Status 2012	Status 2013	Target 2013-2014
Economic Value Creation			
Shareholders			
Solvency margin of Storebrand Life Insurance	162%	176%	> 150%
Dow Jones Sustainability Index	79 points	75 points	80 points
Social Responsibility			
Customers			
UN's principles for responsible investments (UN PRI) ¹		Discontinued	Develop indicator + baseline assessment
Average sustainability score for the life balance sheet investments	Baseline assessment; score 53 of 100 points	57 of 100 points	55 of 100 points
Investments in microfinance - social impact ²	-	Discontinued	
Volume sustainability fund – Storebrand Trippel Smart Global Topp 100 ³	481 NOK million	1074 NOK million	850 NOK million
Net Promoter Score ⁴	Replaces previous indicators	- 32	-3
3rd Customer promise – All our relationships, solutions and measures are sustainable ⁵	Baseline assessment; score 54 of 100 points	55 av 100 poeng	60 av 100 poeng
Prevention and detection of fraud, money laundering, and corruption	Maintained	Partially maintained	Maintained
Processing time for complaints	70% within 3 weeks	69% within 3 weeks	70% within 3 weeks
Employees			
Ethics work in the Group ⁶	80%	90%	85%
Sick Leave	3.4%	3.5%	3.5%
Employee job satisfaction	69 of 100 points	69 of 100 points	71 of 100 points
Proportion of female managers	43%	44%	Within 40-60%
Diversity	77 of 100 points	77 of 100 points	77 of 100 points
Employees' awareness and support of Storebrand's corporate responsibility work	83%	84%	86%
Suppliers			
Environmental requirements for suppliers ⁷	24%	57%	50% of main agreements contain environmental requirements
Environmental considerations			
Society			
CO2-emissions (metric tonnes) ⁸	0.97 tons/FTE	0.95 tons/FTE	Stable level
Air travel (individual flights) ⁹	4.6 individual flights/FTE	4.4 individual flights/FTE	Stable level
Head office:			
Energy consumption	189 kWh/m ²	185kWh/ m ²	Stable
Water consumption	0.35 m ³ /m ²	0.33 m ³ /m ²	Stable
Waste – rate of recycling	69%	75%	72%
Managed properties:			
Energy consumption	234 kWh/m ²	215 kWh/m ²	Reduce 6%
Water consumption	0.44 m ³ /m ²	0.43 m ³ /m ²	Stable
Waste – rate of recycling	57 %	62 %	62%

	Status 2012	Status 2013	Target 2013-2014
Environmental considerations			
Society			
Externally managed properties:			
Energy consumption	238 kWh/m ²	232 kWh/m ²	Reduce 5 % to 226 kWh/ m ²
Environmental certification of managed properties	75%	75%	100%
Paper consumption ¹⁰	70 tons	57 tons	Reduce 10%

1) Status 2013 discontinued due to implementation of the new UNPRI model. Reporting will be resumed and new targets for 2014 set when the new model has been implemented with baseline assessment.

2) Discontinued. Indicator is included in the average sustainability score of the life and balance sheet investments.

3) Result in 2012 are for the period from the Fund was launched on 1 October 2012 to 31 December 2012. Assets under management in the sustainability fund SPP Global Top 100, including Storebrand Triple Smart.

4) Baseline assessment for 2012 applies to Norway Retail only.

5) Assessment for Norway Retail only.

6) Measures employee awareness, proportion of employees who complete e-learning course (every 3rd year), proportion who participate in dilemma training and proportion of managers who have reported on compliance with the code of ethics.

7) Results for 2012 applies to all contracts.

8) Results for 2012 is changed due to updated figures

9) Results for 2012 is updated with correct FTE figures

10) Results for 2012 is changed with updated information from the suppliers

ABOUT OUR WORK ON SUSTAINABILITY

Storebrand has signed the UN Global Compact on responsible business practices. The principles encompass human rights, labour standards, and environment and anti-corruption standards. We support the UN Principles for Responsible Investment (PRI) and the UN Principles for Sustainable Insurance (PSI). Storebrand has been a driving force behind the development of the World Business Council for Sustainable Developments Vision 2050, and we are thus working towards a world in 2050 where "9 billion people are living well within the resource limits of the planet". Our sustainability work is regulated by guidelines that are revised annually and adopted by the Board of Storebrand ASA.

ABOUT SUSTAINABILITY REPORTING

Storebrand has published environmental and corporate social responsibility reports since 1995, integrated into the Group's annual report since 2008. Storebrand uses the Global Reporting Initiative (GRI) guidelines as a tool for reporting on sustainability. Our reporting practice is essentially in accordance with GRI's reporting principles and satisfies level B+. See storebrand.no for references as to where information on the individual indicators can be found, and for whether they have been answered in full or in part. Further details regarding the scorecard indicators are also described here. Storebrand desires transparency and requires compliance and quality in its sustainability work. The results have therefore been reviewed and certified by Deloitte AS. This increases the credibility of the reporting and data, and also engenders greater internal confidence that the information has been collected, analysed, and the quality assured in a proper manner.

ABOUT THE SCORECARD

The sustainability scorecard shows the sustainability indicators defined by the Group – those that are the most important for Storebrand to report to the stock market. They are a key element in the reports submitted to relevant indices, such as the Dow Jones Sustainability Index and FTSE4Good. The Group's sustainability manager owns and follows up the sustainability scorecard. Ownership of the indicators is well-established within the Group. The sustainability manager and executive vice presidents for the business areas jointly set targets for Storebrand's sustainability work. Quarterly status reports are submitted to the executive management, and annual reports are submitted to the Board of Directors.

TARGETS 2013-2017

Sustainability is a long term issue. Therefore Storebrand has supported our two-year goals with long-term five-year goals. The following targets have been set for the main areas within the Group's long-term commitments to sustainability:

	Targets 2013-2017
Dow Jones Sustainability Index	Industry leader
Average sustainability score for the life balance sheet investments	58 of 100 points
3rd Customer promise – All our relationships, solutions and measures are sustainable.	67 of 100 points Two out of three customers should experience the deliverance of the 3rd customer promise.
Net Promoter Score (NPS)	Top 3 in the industry, retail and corporate, Norway and Sweden
Volume Sustainability fund - Storebrand Trippel Smart - SPP Global Topp 100	2 000 NOK million
Employee job satisfaction	73 of 100 points


SUSTAINABLE INVESTMENTS

	2013	2012
Number of dialogues with companies on violations of the Minimum standard	44	51
Number of external managers contacted about violations of the Minimum standard	18	12
Number of excluded companies ¹	176	120
Violation of human rights and international law	27	24
Corruption and financial crime	16	15
Environmental degradation	46	6
Controversial weapons ²	26	20
Low sustainability rating – companies	44	40
Tobacco	21	21
Low sustainability rating – sovereigns	30	32
Number of included companies	36	9

1) Some companies are excluded for more than one criterion.

2) Previous classification of anti-personal mines, cluster munitions and nuclear weapons are reported as controversial weapons in 2013.

Find *your* pension figure at
[Storebrand.no/pensjonstall](https://www.storebrand.no/pensjonstall)

 storebrand

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