

# CORPORATE RESPONSIBILITY

Action Plan 2005-2006





All of Storebrand's investments are subject to environmental and social responsibility criteria. Storebrand's Butterfly symbol is awarded to companies that are leaders in taking environmental and social responsibility.

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**LONG-TERM FINANCIAL  
WORTH PAGE 8**



**A COMPREHENSIVE  
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RESPONSIBILITY PAGE 14**



**REDUCING OUR ENVIRON-  
MENTAL IMPACT PAGE 22**



Storebrand is a leading player in the market for long-term savings and life insurance. We have a strong position in life, pensions and health insurance as well as in banking services and asset management. Storebrand seeks to create value through strong customer focus, highly motivated employees and profitable operations. The company's activities therefore combine environmental, social and financial targets. The Storebrand group is made up of three business areas: life insurance, asset management and banking. The group offers a comprehensive product range for private individuals, companies, municipalities and other public sector bodies. Storebrand principally operates in Norway, but also has some activities in Denmark and Sweden. Storebrand ASA is listed on Oslo Stock Exchange.

**Our vision:** Storebrand shall be the leading and most respected business partner in the Norwegian market for long-term savings and life insurance.

**Our core values:** Storebrand is committed to being seen as dependable, forward-looking, enabling and easy to work with.

**KEY FIGURES**

**2004**

Assets under management	NOK 165 billion
Pension payments	NOK 5 billion
Number of employees	1 300
Average age of employees	42 years
Percentage of employees above the age of 50	27%
Average length of service with Storebrand	11 years
Illness absence rate	41%
Male/female ratio	50/50%
Percentage of management positions held by female employees	38%
Percentage of employees with higher education qualifications	65%



## OBJECTIVES AND REPORTING

We report our performance using the triple bottom line approach, including financial results, environmental impact and social responsibility. In addition, this action plan is structured around our relationships with our most important stakeholders; customers, employees, shareholders, suppliers and society as a whole both in Norway and internationally. The action plan is fully supported and approved by the Executive Management and the Board of Directors. All measures are developed and monitored throughout the group.

	Stakeholder group	We measure our performance by:
<b>Financial return</b> 	SHAREHOLDERS	Return on capital employed Percentage of post-tax group profit distributed as dividend Sound capital adequacy Storebrand Life Insurance solvency margin Inclusion in the Dow Jones Sustainability Index and FTSE4Good Index
	CUSTOMERS	Percentage of non-error Internet customer enquiries Answer 80% of all telephone calls within 20 seconds Customer satisfaction – corporate market Customer satisfaction – retail market  Improved complaint procedures
	EMPLOYEES	Percentage of female managers Percentage of employees satisfied with career opportunities in Storebrand Ratio of women/men on management development programs Percentage of employees aware of Storebrand's corporate responsibility program
<b>Social responsibility</b> 	CUSTOMERS	Storebrand Life Insurance aims to maintain its position within Socially Responsible Investments Avoid investment in companies involved in corruption Investment returns from Storebrand Global SRI <sup>31</sup> relative to benchmark index Criteria for investment in emerging market debt (EMD) Environmental and social responsibility criteria included in Storebrand Bank's credit approval process Introduce new insurance concept aiming to reduce illness absence and long-term invalidity for corporate customer employees
	EMPLOYEES	Employee satisfaction survey – all employees Annual rate of absence due to illness Employee satisfaction survey – senior employees Percentage of employees with a clear understanding of ethical guidelines
	SOCIETY	Financial support for charitable organisations and other measures for society as a whole Employee satisfaction with our charity partners Charity partners' satisfaction with Storebrand (MOT and Norwegian Red Cross) International collaboration: Member of WBCSD and UNEP Fair Trade Labelled coffee (Max Havelaar) at the head office
<b>Environmental impact</b> 	SUPPLIERS	Environmental and social responsibility standards for suppliers
	SOCIETY	Energy consumption per square metre – Storebrand's head office Energy consumption per square metre – properties managed by Storebrand Quantity of waste recycled – Storebrand's head office. Waste recycled as percentage of total waste Quantity of waste recycled – tenants of all properties managed. Waste recycled as percentage of total waste Monitor and quantify internal paper consumption, set reduction targets – Storebrand's head office Water consumption – Storebrand's head office Re-use and recycling of electronic equipment 'Living forest' certification for Værdalsbruket

Storebrand aims to align its guidelines for corporate responsibility as closely as possible with the internationally accepted standards set out in the Global Reporting Initiative (GRI). We recognise the value of a unified reporting standard, and use the GRI guidelines wherever appropriate. Storebrand's web site provides a summary of the specific GRI indicators, as well as a full report of the group's performance in respect to our 2003-2004 targets. See [www.storebrand.com](http://www.storebrand.com).

Further information on GRI can be found at [www.globalreporting.org](http://www.globalreporting.org)

Status 2002	Target 2004	Status 2004	Target 2006	Page
-9.8%	Improve return on equity	25.1% <sup>1)</sup>	15% (2007)	Page 8
-	-	78% <sup>2)</sup>	> 30%	
-	8% capital ratio	15.3%	At least 10%	
-	-	169.4%	> 150%	
Included	Included	Included	Included	
99.2%	99.5%	97.8%	98%	Page 10
-	-	80%	80%	
-	-	Industry leader	Industry leader	
59/65 for customers given/not given financial advice Measures planned - bank & life insurance.	60/65 for customers given/not given financial advice None set	62 (all customers) In progress	68 (all customers) Project completed	
36%	40%	38%	40%	Page 11
79%	80%	80.3%	80%	
50/50	50/50%	48/52%	At least 40/60%	
66%	70%	78.5%	80%	
-	-	Leading, globally	Leading, globally	Page 14
-	-	Criteria introduced	Quarterly updates	
-	-	1.49% better than benchmark	Better than benchmark	
-	-	New objective	Monitor SRI criteria	
-	-	Criteria introduced	Continuous development	
-	-	New target	Launch 2005	
94%	90%	93.4%	90%	Page 15
4.5%	4%	4.1%	Maximum 4%	
-	-	89%	90%	
91%	90%	94.7%	100%	
NOK 3.8 mill. New target 2002 New target 2002 Member -	NOK 3.8 mill. 80% 80% Member -	NOK 3.5 mill. 77% (2003) 74% Member New target	No target set 80% 80% Member Start in 2005	Page 16
New target 2002	Produce standards	Initiated	Criteria in place	Page 22
266 kWh/m <sup>2</sup>	Reduce	331 kWh/m <sup>2</sup>	Reduce 7%	Page 22
-	-	285 kWh/m <sup>2</sup>	Reduce 5%	
45.5%	Increase proportion	53%	60%	
New objective 2002	Implement	37%	50%	
New objective 2002	Monitor and quantify	56,251 kg	Targeted reduction	
-	-	26,636 m <sup>3</sup>	Monitor consumption	
Implemented	100%	100%	100%	
Certified	Certified	Certified	Certified	

<sup>1)</sup> Including gain from the sale of If

<sup>2)</sup> Including extraordinary dividend following the sale of If

<sup>3)</sup> Socially Responsible Investments



## STOREBRAND'S COMMITMENT TO CORPORATE RESPONSIBILITY

**The primary duty of a business is to contribute to value creation for society through its profitability. Storebrand's objective is to fulfil this duty by being the leading and most respected business partner in the Norwegian market for long-term savings and life insurance.**

*Leiv L. Nergaard, Chairman of the Board and Idar Kreutzer, Group CEO*

Our corporate vision emphasises the concepts of respect and partnership. This means that Storebrand's commitment to corporate responsibility is firmly anchored in the company's corporate values and business plans.

Storebrand's current work on corporate responsibility issues continues a long tradition in the group. We have emphasised training and personal development for employees, environmental responsibility, supporting charitable organisations, Socially Responsible Investments and developing products and services to give people security in old age and ill health through all our activities. Storebrand has worked with corporate responsibility for a number of years, publishing reports in 1995, 1998, 2000 and 2003.

Storebrand firmly believes that corporate responsibility must be an integrated part of the company's activities. Our two-year action plan sets concrete targets and we monitor and report on our performance annually. The action plan deals with issues relevant to our most important stakeholders, and demonstrates how we intend to create financial, social and environmental benefits for these groups.

**Financial, social and environmental objectives** Storebrand's principal resources are its employees and the expertise they represent. The company's products are financial services linked to life insurance and long-term savings.

Our overriding financial objective is to create shareholder value. This objective is based on the clear correlation we see between creating financial value and the relationships we have with customers, employees and other stakeholders. Our corporate governance policies and practices ensure that activities at all levels support the group's overall objectives.

**POLICY:** We create added value for our stakeholders by basing our activities on a combination of financial, social and environmental objectives. Storebrand's commitment to corporate responsibility represents a long-term strategy that is firmly anchored in the company's corporate vision and values. Our corporate responsibility action plan sets clear objectives against which we regularly monitor and report our progress. Storebrand aims to be a leading player for corporate responsibility in its industry.

**Financial objectives:** Storebrand's primary objective is to create shareholder value. This objective is supported by Storebrand's level of ambition towards other stakeholders, which include defined social and environmental targets. There is a clear correlation between creating financial worth and our relationships with customers, employees and other stakeholder groups. A defined and transparent corporate governance policy helps to ensure that Storebrand's business activities fully reflect its objectives at all levels of the group.



In Storebrand, corporate responsibility has taken a number of directions. We are committed to providing an inclusive working environment, ensuring employee satisfaction and high awareness of ethical issues throughout the group. Environmental and social responsibility criteria are applied to our investment activities. Through our co-operation with Norwegian and international organisations and authorities, we aim to play a role in promoting sustainable development.

Storebrand sets clear targets for energy consumption, paper consumption and waste management. We are also in the process of establishing environmental and social responsibility standards for our suppliers. Being one of the largest owners of rented commercial property in Norway, Storebrand's environmental standards for property management represents a major contribution within this area.

**Challenging objectives** Storebrand has met most of the challenging objectives set in our previous action plan (2003–2004). Some of these targets are no longer relevant, while others proved to be too ambitious for the time available. We have also implemented additional measures that were not part of the original plan. The most important of which is the far-reaching extension of Storebrand Life Insurance's Socially Responsible Investment criteria. This Action Plan (2005–2006) extends existing targets, and introduces some new areas of attention.

**Stakeholder relationships** Storebrand recognises that its employees are central to achieving the group's objectives. An internal survey carried out in February 2005 found that 94.6 per cent of Storebrand's employees believe that Storebrand should take a leading role in corporate responsibility. This finding is in line with the results of external surveys. For example, MMI Univero's market profile survey in 2004 found that 74 per cent of respondents ranked corporate responsibility and business ethics as the major factor in their choice of employer and consumer goods.


Maintaining a dialogue with stakeholder groups plays an essential role in developing our commitment to corporate responsibility. Our contacts with customers, employees, shareholders and other stakeholders provide the most important feedback in this respect. As part of our preparations for this action plan, we organised a stakeholder conference on 21 September 2004. Storebrand would like to thank all participants for valuable contributions.

Storebrand is a member of international organisations including the United Nations Environment Program (UNEP), Transparency International (TI) and the World Business Council for Sustainable Development (WBCSD). Dialogue with global players helps us meet our local and national challenges. Our partners in Norway, the MOT foundation and the Norwegian Red Cross, also provide valuable insight and support.

This Action Plan represents a continuation of Storebrand's commitment to corporate responsibility. The plan aims to enhance the group's ability to reach its overall business targets. Thus, we seek to encourage Norwegian business and industry to support sustainable development of the society in which it plays an important part.



Leiv L. Nergaard



Idar Kreutzer

**Social responsibility:** Storebrand is committed to creating an inclusive working environment, focusing on employee well-being, and seeking full awareness of the group's ethical guidelines. Socially Responsible Investments is the company's major contribution to sustainable development, and we apply specific environmental and social responsibility criteria to companies in which we invest. We also help to promote sustainable development through collaboration with national and international organisations.

**Environmental impact:** Storebrand is committed to limiting its environmental footprint and to saving costs by reducing the consumption of energy and resources, and by recycling waste. We also expect our suppliers to meet specific environmental and social responsibility standards. Environmental standards are also pursued in Storebrand's property management.



**STAKEHOLDER DIALOGUE PLAYS AN IMPORTANT ROLE IN THE PREPARATION OF OUR ACTION PLANS**

**Storebrand strives to maintain a close dialogue with customers, shareholders, employees and other stakeholders. We carry out annual customer and employee satisfaction surveys, providing valuable input to our improvement programs.**



"Companies are now showing greater awareness of their corporate responsibilities, and we are very encouraged by this trend. It used to take a scandal to force companies to change their behaviour, but we now see the corporate world thinking ahead rather than reacting after an event. Businesses certainly benefit from taking corporate responsibility seriously. I believe this new approach will gather momentum, not least because companies find that thinking about the world beyond their offices and factories creates real benefits for them over the longer term."

Jonas Gahr Støre, Secretary General of the Norwegian Red Cross, commenting on Storebrand's action plan

"In order to have a beneficial effect on the world in which they operate, businesses must recognise a broader responsibility than just their own interests. We can only win our customers' confidence if we work with them as a partner committed to creating value in the broadest sense. Winning trust through the way we operate demands understanding and commitment from employees."

Thor Bergby, Managing Director of Linjegods, speaking at Storebrand's stakeholder conference on 21 September 2004



"I believe that Storebrand's commitment to corporate responsibility plays an important role in strengthening Storebrand's corporate culture, its reputation, its ability to attract and retain good staff and its ability to give its employees and its families something more than just a salary. It would not surprise me to find that a positive approach to corporate responsibility also has a positive effect on the company's bottom line..."

Atle Vårvik, founder of the MOT Foundation, commenting on Storebrand's action plan



As part of our work on the corporate responsibility action plan, we hold a bi-annual stakeholder conference. Moreover, interested parties are invited to submit comments and questions about Storebrand's corporate responsibility to a dedicated e-mail address ([samfunnsansvar@storebrand.no](mailto:samfunnsansvar@storebrand.no)).

This action plan is based on the interaction between our business activities and our most important stakeholders. Active dialogue with stakeholders plays a central role in the development of Storebrand's commitment to corporate responsibility.



"Storebrand is a company that leads the way in Socially Responsible Investments and corporate responsibility. You are an important player, both in Norway and abroad, and you are showing other companies the way forward – a way that is not only profitable but also sensible. Storebrand is a valuable partner for the Norwegian authorities in this respect – for example by bringing into focus the challenges we will be discussing today."

Hilde Frafjord Johnson, Minister of International Development, speaking at Storebrand's seminar on Socially Responsible Investments on 4 February 2004

"We are now facing global environmental challenges on a scale that society has never seen before. Insurance companies, banks and other financial institutions can play a key role in creating more sustainable global growth. They are in a position to take a firm stance, and can avoid investing in or financing companies and projects that do not further the objectives of sustainable development. It is very important that leading companies such as Storebrand seize this unique opportunity to take the lead in encouraging a forward-looking commitment to social and environmental responsibility."

Øystein Dahle, Chairman of the Worldwatch Institute, commenting on Storebrand's action plan



"Companies that recognise the interests of a broad group of stakeholders through targeted work on corporate responsibility are better equipped to generate sustainable long-term profitability."

Jørgen Randers, Professor at the Norwegian School of Management BI, commenting on Storebrand's action plan



## Long-term financial worth

**Storebrand's primary objective is to create shareholder value. This objective is supported by Storebrand's level of ambition towards other stakeholders, which include defined social and environmental targets. There is a clear correlation between creating financial worth and our relationships with customers, employees and other stakeholder groups. A defined and transparent corporate governance policy helps to ensure that Storebrand's business activities fully reflect its objectives at all levels of the group.**

### CORPORATE GOVERNANCE

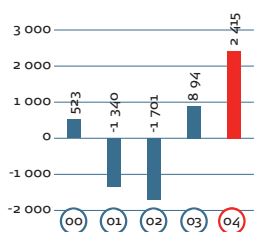
Storebrand is listed on the Oslo Stock Exchange, and plays an important role in Norway's economy and society. We are committed to building good relationships with our stakeholders, including customers, shareholders, corporate bodies, management, employees, lenders, and society as a whole. Storebrand intends to play a leading role in promoting good corporate governance practices in Norway.

For a financial services group such as Storebrand, numerous aspects of corporate governance are covered by law and regulations. It is crucial to us that Storebrand is seen as a trustworthy company and that stakeholders have confidence in our business activities. Thus, we go beyond legal requirements, seeking to ensure that the group follows all recognised principles of good governance. These principles form the basis of Storebrand's group management structure and its value-based management system.

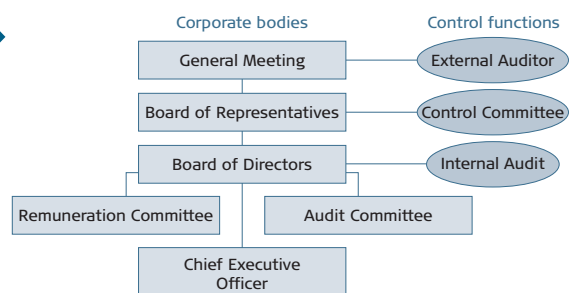
Storebrand has sought to develop a management structure that ensures coordinated management and control of all group activities across different legal entities and business areas. Storebrand's corporate governance policies aim to ensure that all parts of the organisation fully embrace the same corporate values and adhere to the group's guidelines. This means that clear limits and authorities are in place for all stages of decision-making and internal control.

It is, however, the attitudes and behaviour of each employee that determines how well Storebrand practices corporate governance. We have put considerable effort into ensuring that all employees have an active understanding of the group's guidelines, including rules on business ethics. In order to prevent insider trading, we have established particular rules for transactions in Storebrand shares made by employees with access to market sensitive information. The Storebrand intranet site has a dedicated

GROUP PROFIT (NOK MILLION)



### Corporate bodies and control functions



security portal providing easy access to practical information and regulations on internal information confidentiality and security, backup planning, as well as money laundering and financial crime.

Storebrand's commitment to corporate governance was recognised in 2004 by the jury for the Farmand prize and the Ernst & Young survey of corporate governance in Norwegian annual reports. The Storebrand group is subject to continual change and development, and will therefore maintain an active commitment to improving its corporate governance policies and practices. During the action plan period, Storebrand will pay particular attention to:

- following the new Norwegian Code of Practice for Corporate Governance
- providing a detailed account of corporate governance in its Annual Reports
- providing additional information on corporate governance on the Storebrand web site
- extending the group's information on corporate governance provided in English

Further information on Storebrand's approach to corporate governance can be found in the Annual Report and on the Storebrand web site [www.storebrand.com](http://www.storebrand.com).

## SHAREHOLDERS

	Status 2004	Target 2006
Return on capital employed	25.1% <sup>1)</sup>	15% (2007)
Percentage of post-tax group profit distributed as dividend	78% <sup>2)</sup>	> 30%
Sound capital adequacy	15.3%	At least 10%
Storebrand Life Insurance solvency margin	169.4%	> 150%
Inclusion in the Dow Jones Sustainability Index and FTSE4Good Index	Included	Included

<sup>1)</sup> Including gain from the sale of If.

<sup>2)</sup> Including extraordinary dividend following the sale of If.

Storebrand strives to give its shareholders a competitive return on invested capital. Value creation cannot be achieved by short-term financial results alone, but through a long-term approach also taking into account sustainable development. The group seeks to combine short-term financial objectives with long-term profitability and sustainable development. We believe that this approach to value creation will serve, over time, to reduce the risk associated with investments, credit exposure and new business opportunities, as well as reducing operational and financial costs.

Storebrand aims to play a pioneering role in the Nordic financial services sector. Storebrand also emphasises openness and transparency on the group's objectives, activities and business processes, and we aim to be an initiator for transparent communication practices in the financial services industry.

Our long-term objective is to achieve a 15 per cent return on book equity for the Storebrand group. We also aim to distribute an annual minimum of 30 per cent post-tax group profit to shareholders. In addition, the Storebrand group will maintain a sound capital structure, with an equity ratio above the legal minimum (8 per cent), namely 10 per cent.

Storebrand Life Insurance will maintain sound capital adequacy, and we have a solvency margin target of 150 per cent. The legal requirement is 100 per cent. Storebrand has been qualified for inclusion in



Storebrand's employees can seek guidance on ethical dilemmas by submitting questions anonymously to an electronic mailbox on the company's intranet.



Through its work on corporate responsibility, Storebrand has qualified for a number of SRI funds and indices, including Dow Jones Sustainability Index and FTSE4Good Index.

the Dow Jones Sustainability Index since its launch in 1999. We seek to stay in regular dialogue with the Socially Responsible Investment community, and will work hard to maintain our qualifications in both the Dow Jones Sustainability Index and the FTSE4Good Index.

### CUSTOMERS

	Status 2004	Target 2006
Percentage of non-error Internet customer enquiries	97.8%	98%
Answer 80% of all telephone calls within 20 seconds	80%	80%
Customer satisfaction – corporate market	Industry leader	Industry leader
Customer satisfaction – retail market	62	68
Improved complaints procedures	In progress	Project completed

**Service accessibility** The availability of Storebrand Bank's Internet services for retail customers has been monitored since 2001. This parameter is an important part of customer satisfaction. Availability in 2004 was 99.7 per cent as compared to a target of 99.5 per cent.

Storebrand receives a weekly 100 000 customer enquiries via Internet, and in order to gain a better understanding of how customers experience these services, we have been monitoring their fault rate since 2004. This monitoring includes technical faults, response time and response rates. In 2004, we found that 97.8 per cent of enquiries were successfully completed, and our target for 2006 is 98 per cent. The availability is monitored between the hours of 07.00 and 01.00.

Our response rate target for the group's customer centres and central switchboard is to answer 80 per cent of all calls within 20 seconds. This is taken forward from the previous action plan period, and 2004 statistics show that this target has been achieved. An 80 per cent response rate is regarded a common standard for the financial services industry.

**Customer satisfaction** Storebrand's objective is to be the most respected and customer-oriented business partner in the Norwegian market for long-term savings and life insurance. Our aim is that Storebrand's customers enjoy the best possible financial advice and services, and that they feel they are in good hands with Storebrand.

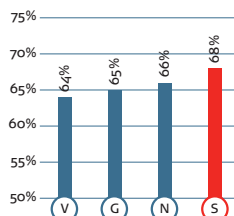
Storebrand carries out annual customer satisfaction surveys (since 1995) in order to ensure that corporate customers are receiving the expected level of service. We have achieved significant improvement in customer satisfaction for all market segments. To further our ambition of being an industry leader, we employ the Norwegian Customer Barometer – a service offered through the Norwegian School of Management BI – to measure our relative position in the corporate market. In 2004, Storebrand was ranked the most trustworthy insurance company also enjoying the highest level of customer satisfaction.

Storebrand's objective is to maintain its position as the top-ranked insurance company for customer satisfaction in the corporate market. We also aim to improve the absolute level of customer satisfaction as measured by the Norwegian Customer Barometer surveys.

#### CUSTOMER SATISFACTION IN THE CORPORATE MARKET

Independent surveys  
of customer satisfac-  
tion rank Storebrand  
no. 1.

- Ⓟ Vital
- Ⓒ Gjensidige Nor
- Ⓝ Nordea
- Ⓢ Storebrand



CUSTOMER SATISFACTION >  
STOREBRAND'S OBJECTIVE IS TO  
BE THE MOST CUSTOMER-ORIENTED  
AND RESPECTED COMPANY IN THE  
NORWEGIAN MARKET FOR LONG-TERM  
SAVINGS AND LIFE INSURANCE.

Customer satisfaction and customer loyalty are the best measures of Storebrand's performance as a supplier of products and services. Customer satisfaction surveys in the retail market are conducted every six months, to monitor our performance and ensure continuous improvement. In 2004, the overall satisfaction score was 62 on a scale from 1-100. The target for 2006 is 68.

**Customer complaints** In order to reduce the number of customer complaints, we have introduced new guidelines for financial advice and ethical considerations. These guidelines are now included in the initial training for all new financial advisers and in the ongoing training for existing advisers.

We intend to look into the background to customer complaints, and over the course of the action plan period we will use this to establish a more unified, group wide complaints system. These plans include setting specific response time targets. We are committed to ensuring that our customers will not find it necessary to make a complaint, and that if they do, complaints will be handled seriously and professionally, regardless of the outcome.

## EMPLOYEES

	Status 2004	Target 2006
Percentage of female managers	38%	40%
Percentage of employees satisfied with career opportunities in Storebrand	80.3%	80%
Ratio of women/men on management development programs	48/52	At least 40/60
Percentage of employees aware of Storebrand's corporate responsibility program	78.5%	80%

"The overriding objective of Storebrand's Human Resources Policy is to ensure that the group attract, retain and develop skilled and motivated employees with a readiness and ability to manage change in order to meet market demands. Thus, the group will seek to create the right conditions for a high level of job satisfaction, and for employees to be proud of Storebrand as employer". (Extract from Storebrand's Human Resources Policy).

Storebrand recognises all employees as being of equal value regardless of gender, age, disability, religious belief, cultural differences or sexual orientation. Individual personal qualities are respected and valued, and all employees are treated fairly and equally. As part of our efforts in promoting diversity, Storebrand has set a target for at least 40 per cent of management positions to be held by women by 2006. While we did not meet the equivalent target in the previous action plan period, the proportion of female managers did increase from 36 per cent to 38 per cent. Women accounted for 58 per cent of the delegates on Storebrand's Young Professionals Program in 2003. We are dedicated to meeting our target of 40 per cent female managers by 2006.

Over the two-year period of this action plan, Storebrand will extend its focus on staff development and communication. It is our objective that a minimum of 80 per cent of employees shall be satisfied with career development opportunities in Storebrand.

Corporate responsibility is an important element of Storebrand's profile. Our target is that 80 per cent of employees are aware of and understand Storebrand's corporate responsibility policies and programs.

## STOREBRAND MANAGEMENT DEVELOPMENT PROGRAMS

- › The Experienced Professionals Program is an internal management development program for experienced managers.
- › The Young Professionals Program is an internal management development program for young managers with great management potential.
- › The Mentor Program was established in 1994 and is now run by the Administrative Research Fund. This program aims to attract a broad range of candidates into corporate management, with particular focus on female candidates.
- › Female Future is a program run by the Confederation of Norwegian Business and Industry, aiming for gender equality, with a particular focus on increasing female representation in participating companies' senior management and board positions.
- › The Storebrand Corporate Trainee Program was established in 1996. All trainees work in four different departments during the 2 year training period, providing experience within a variety of career paths. Storebrand's trainee program has been voted the best graduate trainee program in the financial sector for several consecutive years.





**STOREBRAND CREATES ADDED VALUE FOR ITS STAKEHOLDERS BY TAKING INTO ACCOUNT A COMBINATION OF FINANCIAL, SOCIAL AND ENVIRONMENTAL PERFORMANCE FACTORS.**

Storebrand's commitment to corporate responsibility is a long-standing tradition for the company, firmly anchored in our corporate vision and values. Storebrand's objective is to be a leading player for corporate responsibility in the financial services industry.





Storebrand sets clear targets for corporate responsibility and the group monitors and reports its performance annually.

Socially Responsible Investments is Storebrand's major contribution to sustainable development.



Egil Thompson, Executive Vice President, Corporate Communications and Brands, and Christine Tørklep Meisingset, SRI analyst, on a visit to Bjerke Senior High School.



## A comprehensive approach to social responsibility

Storebrand is committed to creating an inclusive working environment, focusing on employee well-being, and seeking full awareness of the group's ethical guidelines. Socially Responsible Investments is the company's major contribution to sustainable development, and we apply specific environmental and social responsibility criteria to all the companies in which we invest. We also promote sustainable development through our collaboration with national and international organisations.

### CUSTOMERS

The financial industry's most important contribution to sustainable development is to apply environmental and social responsibility criteria to its investments. Storebrand has been a leading player in this area for many years, and Socially Responsible Investments is an inherent aspect of our business. An in depth article on Socially Responsible Investments can be found on pages 20-21.

	Status 2004	Target 2006
Include environmental and social responsibility criteria in Storebrand Bank's credit approval process	Criteria introduced	Continuous development
Introduce new insurance concept aiming to reduce illness absence rates and long-term invalidity for corporate customer employees	New objective	Launch 2005

**Lending** Storebrand Bank is a commercial bank focusing on the retail banking market and selected niches of the corporate market in Norway.

Storebrand Bank's commitment to corporate responsibility has mainly been concentrated on the procedures and criteria applied to lending, including not only the formal credit committee and the board of directors but also the attitudes of individual lending officers. The bank's lending officers receive regular training through credit courses and frequent departmental meetings.

The bank's credit approval process ensures that lending officers take into account sub-surface surveys prior to building processes, the use of environmentally friendly building materials and hazardous waste management. Moreover, the bank insists that all projects follow relevant Norwegian Standards for building



Storebrand employees crowd together to form the Storebrand logo. This picture symbolises the central importance of the people who work at Storebrand. The pictures were taken on the Storebrand Day 2004, an annual celebration held for company employees.

contracts. The bank refuses to finance projects that it considers ethically unsound or socially detrimental, and it also refuses to deal with customers who cannot demonstrate good conduct.

Storebrand Bank has established close working relationships with external professional advisers to ensure that its projects adhere to building regulations and all other official requirements.

Storebrand Bank is committed to promoting awareness and understanding of its corporate responsibility among its employees, and thus the Credit Handbook is fully up-dated on environmental and social responsibility issues.

**Insurance** The Storebrand Co-ordinated Consultation and Advice service (CCA) allows corporate customers to refer employees who are on long-term illness absence to specialist advice. Surveys show that our customers have good experiences with the CCA service.

Storebrand is now extending the range of preventive measures offered to corporate clients within health, safety and environment (HSE). We will be offering companies a new insurance concept aiming to reduce illness absence rates and thus reduce long-term invalidity and disability. In addition to the health consultation and advice already provided through the CCA service, this recent concept will include treatment for the complaints that most frequently cause absence from work. In an attempt to improve working environments and consequently reduce illness absence rates, Storebrand will also provide specialist HSE expertise. HSE is an area in which Storebrand has extensive experience, and we wish to share this with our customers. This new concept is also designed to help companies achieve the targets set by the national scheme "Inclusive Workplace".

**EMPLOYEES**

	Status 2004	Target 2006
Employee satisfaction survey - all employees	93.4%	90%
Annual rate of absence due to illness	4.1%	Max. 4%
Employee satisfaction survey - senior employees	89%	90%
Percentage of employees with a clear understanding of ethical guidelines	94.7%	100%

"Storebrand strives to ensure that employees enjoy a sound and healthy balance between their working life and private life. Meetings will not generally extend beyond normal office hours. Incentive arrangements will be linked to individual performance, and not to additional time spent in the office. Storebrand willingly arranges for home offices as long this is appropriate for the work of the department in question." (extract from Storebrand's Human Resources Policy)

All Storebrand employees are entitled to some 50 employee benefits including:

- attractive pension arrangements
- comprehensive personal insurances both at work and outside working hours
- leave of absence with full pay for personal situations beyond those required by law
- health insurance for all employees
- five weeks holiday leave and flexible working hours allowing up to ten days compensation time



The objectives of the Inclusive Workplace scheme:

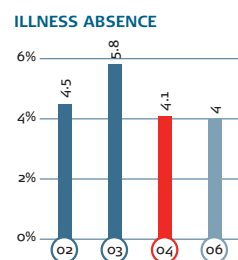
1. Reduce illness absence
2. Recruit and retain more employees with disabilities
3. Raise the average age of retirement

90%

Our target is that 90 per cent of our employees are satisfied with their jobs

MAX 4%

Our target for illness absence for 2006 is not to exceed 4 per cent



\* Procedures for recording illness absence were improved following the signing of the Inclusive Workplace scheme in 2002. The large increase reported for 2003 reflects these changes.

Storebrand encourages a close dialogue between its employees and their managers, and seeks to take employees' views into account by implementing measures to improve their everyday work experience. Our objective is for 90 per cent of all employees to enjoy a high level of job satisfaction.

**The Inclusive Workplace scheme** Storebrand was the first financial institution in Norway to sign up for the National Insurance Administration's Inclusive Workplace scheme in 2002. Since joining the scheme, Storebrand has committed considerable resources to reducing illness absence. Reporting and monitoring procedures have been improved, and absence due to illness has improved from 5.8 per cent in 2003 to 4.1 per cent in 2004. Storebrand's objective for 2006 is to bring absence due to illness down below 4 per cent.

Storebrand is committed to encouraging senior employees to stay in employment up to, and preferably beyond, the normal retirement age. In the previous action plan, our objective was that we employ a certain proportion of employees over 50 years. However, for the coming action plan period, we will rather be monitoring employee satisfaction in this age group on an annual basis. The objective we have set in this respect clearly demonstrates Storebrand's commitment to its senior employees. Our objective is for 90 per cent of all employees above the age of 50 to be satisfied with Storebrand as an employer. Employees in this age group enjoy an additional holiday leave, and employees over 60 years of age are offered 80 per cent work time while receiving a 90 per cent salary.

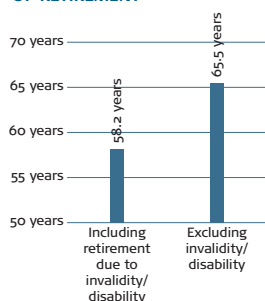
**Ethics** Storebrand is dependent on maintaining the market's trust and confidence. Any ethically questionable behaviour amongst employees or management will damage Storebrand's reputation. It is therefore our duty to ensure that all employees are aware of the importance of correct behaviour, and demonstrate by their actions that the company has a zero tolerance to corruption and financial crime.

Storebrand works continuously to promote our ethical guidelines. We have set an ambitious target for 100 per cent of employees to have a clear understanding of how Storebrand's ethical guidelines apply to their daily responsibilities. Managers at all levels of the organisation have a particular responsibility to ensure that their own and their colleagues' conducts follow the group's ethical guidelines. We make it clear that if anyone is at all uncertain whether a particular course of action is ethically correct, they must either refrain from acting or seek guidance from their manager. Storebrand's Intranet provides an e-mail service for employees to anonymously submit ethical dilemmas to the Executive Vice President for Human Resources. Questions and answers are published on the Intranet as part of our awareness program.

**SOCIETY**

	Status 2004	Target 2006
Financial support for charitable causes	NOK 3.5 mill.	No target set
Employee satisfaction with charity partners	77% (2003)	80%
Charity partners' satisfaction with Storebrand (MOT and Norwegian Red Cross)	74%	80%
International collaboration: Member of WBCSD and UNEP	Member	Member
Fair Trade Labelled coffee (Max Havelaar) at the head office	New target	Start 2005

**AVERAGE AGE OF RETIREMENT**



Invalidity and disability are the main reasons for the average retirement age being as low as 58.2 years. The average age of retirement would, under normal circumstances and including the early retirement scheme, be 65.5 years. Long-term illness absence often leads to early retirement, thus measures to reduce long-term absence are of vital importance to increasing the average retirement age.

Source: Norwegian National Insurance Administration (2002)



**Partnership with national organisations** Storebrand seeks to work as a partner by sponsoring organisations that share our values and work in areas related to our business activities.

Storebrand has worked with the charitable sector for many years, and decided in 2000 to make this the foundation for the group's sponsorship strategy. Since 2003 we have concentrated on two main partners, namely the Norwegian Red Cross and the MOT Foundation. Storebrand shares underlying values with these organisations, and both MOT and the Norwegian Red Cross provide crucial contributions to society. Storebrand is engaged in the safety of all members of society, and works towards securing the future for people of all ages. We will continue our financial support to charity for the coming action plan period, and the level of annual sponsorship will be accommodated to the scope of our agreements with these charities.

It is important to Storebrand that our collaboration with charitable organisations is acknowledged by both parties. Therefore, we have set a target for 80 per cent of our employees and charitable partners to be satisfied with these arrangements.

**The Norwegian Red Cross** The Norwegian Red Cross is committed to combating human suffering and providing caring support. It does this through preventive measures, providing aid, as well as by influencing public opinion and decision makers. The Norwegian Red Cross society has 180,000 members and 28,000 volunteers throughout Norway. See <http://www.redcross.no>

As part of our collaboration, the Norwegian Red Cross organises courses in first aid for Storebrand employees. We encourage our employees to support Red Cross projects and to work as volunteers, and we recruit blood donors. We also arrange collection days for the Red Cross. One of the main projects supported in 2004 was the opening of a Red Cross resource centre in Bergen. Storebrand also provided financial support for a Red Cross clinic in Hargeisha in Somalia that fits artificial limbs for victims of landmines. There is a clear link between our support for this project and Storebrand's stance on not investing in landmine manufacturing companies.

The Norwegian Red Cross opened its first Norwegian resource centre outside Oslo in 2004. The Red Cross House in Bergen will be a focal point for the Red Cross's activities and humanitarian work. Important contribution areas for the centre include organising support for refugees, a children's help line, first aid volunteering and various social support activities at the new premises. Storebrand has provided both financial support and volunteers for the new centre. Six of Storebrand's employees in Bergen have offered their services as volunteers for the centre's activities and evening events. The Red Cross already operates four such centres in Oslo and plans to extend this service across the country.

**The MOT Foundation** MOT is a charitable organisation that works to create a more caring and secure environment for children and young people. This is pursued through school visits, talks, presentations and other forms of training for young people and adults, as well as through collaboration with companies and official bodies. MOT's 25 employees and over 300 volunteers make several thousand school visits annually and also give talks to groups of parents, associations and companies. For more information about MOT, see <http://www.mot.no>.



**BJERKE SENIOR HIGH SCHOOL**  
Storebrand supports the work of MOT at Bjerke Senior High School in Oslo, where two Storebrand employees work as MOT volunteers.



**Norges Røde Kors**



Storebrand works with MOT to offer courses for its employees in teambuilding, motivation and communication. We arrange an annual 'MOT Day' on 23 November, Christmas happenings and other events. We also promote the work of the MOT at Bjerke Senior High School, where two Storebrand employees work as MOT volunteers.

Storebrand has entered into a collaboration agreement with the Bjerke Senior High School in Oslo. Through our partnership with MOT, we arrange for two Storebrand employees to spend some of their working time as MOT volunteers. They work with MOT staff and volunteers to visit Bjerke pupils five times a year; they give presentations and talk to pupils on MOT initiatives. Thus, Storebrand contributes to MOT's objective of creating a more caring and secure environment for children and young people.

**Support for research and development** Storebrand seeks to ensure that higher business and economics education in Norway includes an element of understanding and appreciation for corporate responsibility. Thus, we support research in areas relevant to the group's activities. Constructive collaboration between companies in the financial services industry and the Norwegian higher education sector is a source of strength. In 2002, we therefore decided to sponsor a five-year professorship in financial economics at the Norwegian School of Economics and Business Administration, the topic for the professorship being insurance-related asset management. In addition, Storebrand will be the Norwegian School of Economics and Business Administration's main partner for the Business Symposium 2005, as we were in 2003. Storebrand also collaborates with the Norwegian School of Management BI, where we contribute to mutual development of expertise in corporate responsibility.

**The 'You can' competition** Storebrand runs the 'You can' scheme to support projects of social value that promote initiative and innovation. The competition is intended to encourage forward-looking projects providing social benefits on a local level. The areas eligible for support are the environment, society, training and personal development, life and health. This competition reflects Storebrand's long-standing tradition of support for charitable work. Further information on the 'You can' competition can be found at <http://www.storebrand.no/dukan>.

**International involvement** Storebrand has played an active role for a number of years as a member of international bodies that promote the corporate sector's commitment to sustainable development. Storebrand now principally operates in Norway and thus, we have reduced the scale of our international activities over recent years. Although we are a small company in international terms, we are affected by what happens internationally and wish to play our role in influencing these developments. Our involvement in the United Nations Environmental Programme (UNEP) and World Business Council for Sustainable Development (WBCSD) has helped to equip Storebrand to meet its corporate responsibility challenges.

Storebrand has been a member of the WBCSD since 1995, and Storebrand's Group CEO is a member of the Council's advisory board. We are active in two of the council's initiatives, namely "Sustainability and the Financial Sector" and "Tomorrow's Leaders". The project group "Sustainability and the Financial Sector" works on sustainable development issues for the financial services industry, also involving other industries in order to give a broader market perspective. The "Tomorrow's Leaders" group is working on a vision for the role of companies in the society of the future. This group is made up of senior executives from 8 member companies, including Storebrand's Group CEO. It will present a first draft of its vision to





a meeting of the WBCSD Advisory Board in June 2005, and the group intends to complete its work during 2005.

Storebrand was one of the founding members of UNEP's Insurance Initiative in 1995. UNEP has combined its Insurance and Finance initiatives, and Storebrand is a member of the joint initiative now known as the UNEP Finance Initiative. We also participate in the UNEP Nordic network, where members are given the opportunity to share valuable experiences with companies in the same industry.

Storebrand supports the Global Compact's 10 principles, and is committed to observing the principles in its business activities:

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour,
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against all forms of corruption, including extortion and bribery.

Storebrand is a member of Transparency International Norway and supports the organisation's work against corruption. Transparency International has assisted Storebrand in drawing up its newly established corruption criteria for investment management, and has also been involved in the operational implementation of these criteria, which form an important part of Storebrand's commitment to Socially Responsible Investments.

**Max Havelaar coffee** Storebrand's 900 employees at Filipstad Brygge head office in Oslo represent a sizeable group of consumers. Storebrand has decided to contribute to fair trade by purchasing Max Havelaar coffee for the head office. The Max Havelaar guarantee ensures that coffee producers in developing countries receive a UN agreed minimum price for the quality coffee they produce. The guaranteed minimum price covers production costs and also ensures a sustainable income for the producers.

#### STOREBRAND'S ART COLLECTION

Storebrand has a collection of almost 2500 works of art. Displaying works of art in open office areas provides a more pleasant work environment. Storebrand trusts that our employees will appreciate the sharing of such a collection of art. The collection represents an integral part of the group's commitment

to creating a positive corporate culture that encourages creativity, commitment, new ideas and diversity. Storebrand also feels it is important that our collection is accessible to a wider public, and thus we lend art works to museums and exhibitions on a regular basis.

#### INTERNATIONAL RECOGNITION AND INVOLVEMENT

Transparency International Norway	Member	Nordic Sustainability index	Qualified
United Nations Environmental Programme, UNEP	Member	Oekom (German rating agency)	Qualified
World Business Council for Sustainable Development, WBCSD	Member	Robur Environmental Fund	Qualified
FTSE4Good Index	Qualified	Extractive Industries Transparency Initiative	Signed
CIES (French pension fund)	Qualified	Carbon Disclosure Project	Signed
Dow Jones Sustainability Index 2005	Qualified	The Global Compact	Signed
		Inclusive workplace	Signed
		The London Principles	Signed



**SOCIALLY RESPONSIBLE INVESTMENTS (SRI)**

	Status 2004	Target 2006
Storebrand Life Insurance aims to maintain its position within Socially Responsible Investments	Leading, globally	Leading, globally
Avoid investment in companies involved in corruption	Criteria introduced	Quarterly updates
Investment returns from Storebrand Global SRI <sup>1)</sup> (mutual fund) relative to benchmark index	1.49% better than benchmark	Better than benchmark
Criteria for investment in emerging market debt (EMD)	New target	Monitor SRI criteria

<sup>1)</sup> Socially Responsible Investments (SRI)

Storebrand's commitment to Socially Responsible Investments is the company's most important contribution to sustainable development. All of Storebrand's pension, insurance and mutual fund products have a Socially Responsible Investment profile.

Storebrand has offered Socially Responsible Investment products since 1995, and is a leading name for SRI in the insurance industry. All investments in shares and corporate bonds must meet a minimum standard for social responsibility. In addition, 67 per cent of all Storebrand's investments satisfy more comprehensive environmental and social responsibility criteria.

Storebrand adopted the following policy for all its investments in 2004:

"Storebrand Investments shall contribute to promotion of corporate responsibility ideals. We will also refrain from investing in companies that are accomplice to violations of human and labour rights, or that otherwise conduct unacceptable business practices".

In practical terms, this means that Storebrand does not invest in companies involved in serious breaches of human rights, corruption or the manufacturing of landmines.

**Analysis and dialogue** Storebrand has developed an analytical framework for screening investments on the basis of environmental and social responsibility. We apply proactive and restrictive investment criteria, and active ownership. These methods are used separately or in combination. Decisions concerning the exclusion of companies from our investment universe (restrictive analysis) are updated quarterly. Analyses prior to selecting the 'Best in Class' companies (proactive analysis) are carried out on an industry-by-industry basis on a 2-4 year cycle. Active ownership involves constructive dialogue with companies as part of our analysis. Moreover, Storebrand exercises its voting rights at invested companies' general meetings, seeking to influence certain issues with environmental or social responsibility relevance.

**Life insurance** Storebrand Life Insurance has a stated objective of maintaining its position as one of the global insurance leaders within Socially Responsible Investments. All pension and life insurance investments are subject to criteria that exclude companies involved in manufacturing landmines, cluster bombs or tobacco products. As mentioned above, all investments are subject to the exclusion of companies involved in corruption or human rights violations. Our anti-corruption criterion was introduced in 2004 and will be reviewed quarterly. Storebrand Life Insurance also excludes the 10 per cent of companies with the weakest environmental and social responsibility performance within chemical, pharmaceutical, oil and gas, mining, shipping, textile, paper and forest product and electric utility industries.

**67%** All Storebrand's investments in shares and corporate bonds must meet a minimum standard for social responsibility. In addition, 67 per cent of all Storebrand's investments satisfy more comprehensive environmental and social responsibility criteria.



**30%** Storebrand awards its 'Best in Class' seal of approval to companies that are among the leading 30 per cent in their industry, with regard to environmental and social responsibility criteria. The Butterfly logo identifies those companies judged worthy of special mention by Storebrand's SRI analysts.

**Mutual funds** Storebrand also offers designated mutual funds with environmental and social responsibility criteria. These funds only invest in companies with a leading record for environmental and social responsibility in their industrial sector. In addition, the funds apply restrictive criteria to exclude companies associated with human rights violations, corruption, defence contracts and the manufacture of landmines, cluster bombs or atomic weapons, as well as producers of tobacco products or alcohol.

**Emerging markets** Bonds issued by governments and companies from emerging economies (Emerging Market Debt) represent a new area of investment for Storebrand. We are in the process of implementing the following criteria on these investments: "Storebrand will not invest in government or corporate bonds from countries where corruption is particularly widespread or where the controls in place to prevent money-laundering are clearly deficient."

**SRI does not mean lower returns** Our experience shows that our environmental and social responsibility criteria do not weaken the investment returns. The charts at the bottom of this page show that the Storebrand Global SRI fund – which applies the most stringent SRI criteria – produces a positive return on the triple bottom line, namely financial returns, environmental benefits and social improvement. As the charts show, this fund's investments produce environmental benefits and social improvements well beyond the market average as represented by the fund's benchmark index. The target for the coming period is for Storebrand Global SRI fund to produce a better financial return than the Morgan Stanley Capital International World Index.

**Seminar and meeting place** Storebrand's annual seminar on Socially Responsible Investments has become a meeting place for the Norwegian SRI community. The seminar also provides an opportunity for Storebrand to exchange views with customers, NGOs and other stakeholders.

See [www.storebrand.com](http://www.storebrand.com)

**CASE STUDY:  
CHILD LABOUR IN BAYER'S COTTON SEED PRODUCTION**

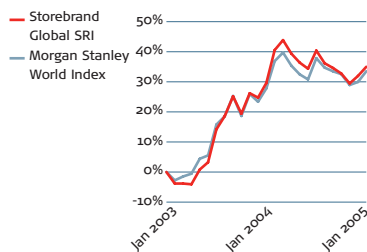
Bayer – a leading chemical and pharmaceutical company – is among the companies that Storebrand invests in. In 2003, Bayer was accused of employing children at its Indian subsidiary in the production of hybrid cotton seeds. Storebrand has been in dialogue with the company and Bayer demonstrated openness, as well as serious commitment to improvement initiatives.

Bayer has a clear policy against child labour, and the company has seen that these challenges require closer co-operation with all stakeholders, such as farmers, village elders, education and labour authorities on state and local levels, contractors and local NGOs

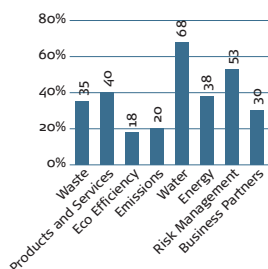
actively working to eradicate child labour. The company's cotton seed production is monitored regularly. Bayer will also introduce a number of incentives for local farmers in the 2005 planting season to prevent the employment of children.

Its initiatives have already led to improvements, and third party reports have confirmed a decline in the number of child labourers. Storebrand is confident that Bayer's newly introduced action plan will further improve the situation. Therefore, Storebrand has decided to uphold Bayer's status as qualified for investment.

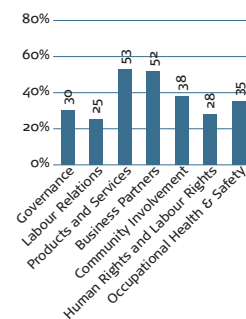
**FINANCIAL RETURN**



**ENVIRONMENTAL BENEFITS (%)**



**SOCIAL IMPROVEMENT (%)**



These bar charts show that invested companies in Storebrand Global SRI beat market average emissions by almost 70%, and health and safety performances by about 50%.



## Reducing our environmental impact

Storebrand is committed to limiting its effect on the environment and to saving costs by reducing energy and resource consumption, and by recycling waste. We also expect our suppliers to meet specific environmental and social responsibility standards. Moreover, environmental standards are pursued in Storebrand's property management division.

### SUPPLIERS

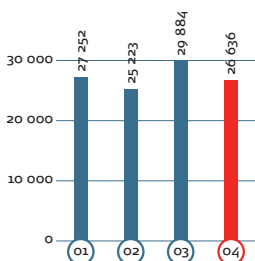
	Status 2004	Target 2006
Environmental and social responsibility standards for suppliers	Initiated	Criteria in place

Storebrand uses external suppliers for a wide range of services including IT, office services, personnel administration and accounting. In the previous action plan, we had a target of setting specific environmental standards for major suppliers and purchased products. This task is underway, but has proven more extensive than originally expected. Storebrand will continue to work towards achieving this objective in the coming action plan period, and we will extend the scope of the project by adding social responsibility criteria. This means that we will now set standards for the origin of the products we purchase, in terms of the producer's record on human rights and employment rights. Moreover, our standard form of contract to be introduced in 2006 for all major suppliers, will include these criteria.

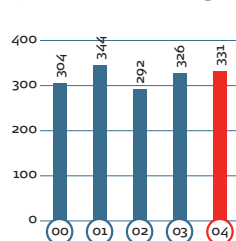
### SOCIETY

	Status 2004	Target 2006
Energy consumption per square metre		
- Storebrand's head office	331 kWh/m <sup>2</sup>	7% reduction
Energy consumption per square metre - properties managed by Storebrand	285 kWh/m <sup>2</sup>	5% reduction
Quantity of waste recycled - Storebrand's head office.		
Waste recycled as percentage of total waste	53 %	60 %
Quantity of waste recycled - tenants of all properties managed.		
Waste recycled as percentage of total waste	37 %	50 %

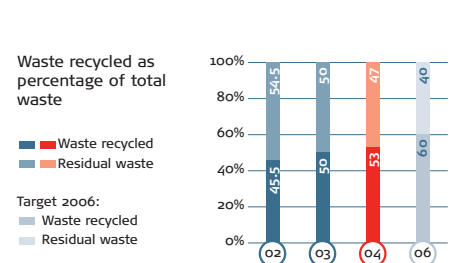
ANNUAL WATER CONSUMPTION AT STOREBRAND'S HEAD OFFICE (m<sup>3</sup>)



ANNUAL ENERGY CONSUMPTION AT STOREBRAND'S HEAD OFFICE (kWh/m<sup>2</sup>) (53,723 kWh/m<sup>2</sup> excluding car parking)



RECYCLING OF WASTE AT STOREBRAND'S HEAD OFFICE



Monitor and quantify internal paper consumption,

set reduction targets – Storebrand's head office	56,251 kg	Targeted reduction
Water consumption – Storebrand's head office	26,636 m3	Monitor consumption
Re-use and recycling of electronic equipment	100 %	100 %
'Living Forest' certification for Værdalsbruket	Certified	Certified

Storebrand continuously strives to reduce the environmental impact of its business activities. In both the current and previous action plan, we have concentrated on reducing energy consumption and the use of paper, recycling of waste and electronic equipment. Action in these areas reduces Storebrand's environmental impact while at the same time saving costs. We apply environmental measures to our own premises and to investment premises let to external tenants.

**Energy** Storebrand's head office at Filipstad Brygge in Oslo is heated solely by district heating and regenerated heat. Thus, our energy consumption does not generate direct CO<sub>2</sub> emissions. Our cooling systems utilise seawater to reduce energy consumption. We have not yet achieved the reductions planned for, and investigations in autumn 2004 found that heat exchange systems were not functioning at an optimal level. Steps have been taken to rectify this. These technical problems explain much of the increase in energy consumption, and can also explain the difference in energy consumption between Storebrand's head office and properties let to tenants. In addition, the head office has a seven floor high reception atrium, leaving marked effects on our figures for energy consumption per square metre. Energy use is being monitored through quarterly reports, which allows us to follow the effects of implemented measures. Our target is a 7 per cent reduction in energy consumption by 2006.

**Paper and waste** We intend to reduce our paper consumption – both printed material sent to our customers and our internal use. Storebrand is making increasing use of electronic methods for communicating with customers. Combined photocopying and printing equipment has been installed, and this will enable us to quantify paper consumption and document the effect of reduction measures in the future.

All waste is source separated, and our target is to increase the proportion that is recycled. Waste that cannot be recycled is partly utilised by district heating incineration plants, partly landfilled. All discarded electronic equipment is either sent to recycling through the Elretur collection scheme, or reused through a contract with the company Alternativ Data. This contract makes Storebrand an important supplier of second-hand computer equipment to schools. During the 2005–2006 Action Plan period, we will install collection points for office consumables on every floor of the head office.

**Water consumption** Freshwater is a scarce resource, thus, we intend to start monitoring water consumption at the head office. Once we have collected sufficient information on current consumption we will reduction measures will be considered.

**Travel** We have looked into various approaches to reducing the scale of business travel or reducing the environmental impacts of travelling. However, the costs involved have, per se, by far outweighed potential environmental gains. Storebrand runs a fleet of 80 company vehicles. As diesel vehicles are expected to have a lower environmental impact than petrol vehicles, we aim to increase this proportion. Over the past two years, the proportion of diesel vehicles in the Storebrand fleet has increased from 11 per cent



Storebrand's head office is heated solely by district heating and recycled heat, and this energy consumption therefore does not generate any direct CO<sub>2</sub> emissions.

Storebrand Eiendom plays an active role in Grønn Byggallianse, an environmental network representing the largest commercial real estate managers in Norway. The network provides an arena to develop their commitment to environmentally responsible real estate management, and to improve environmental effectiveness by sharing experiences.



to 25 per cent. We are also looking into the possibility of prioritising environmentally responsible hotels for business travel, courses and conferences.

**Værdalsbruket** Værdalsbruket is one of the largest forest and mountain estates in Norway, with extensive limestone deposits. 17,000 hectares are dedicated to timber production. Storebrand has owned this 90,000 hectare estate since 1930. Værdalsbruket accounts for 60 per cent of the Verdal municipality, which is equivalent to an area twice the size of the City of Oslo.

Storebrand is committed to managing the forest resources and wilderness areas in a socially responsible manner. This means taking into account the natural environment and catering for recreation and outdoor activities as well as optimising timber production. Storebrand allows public access to the Værdalsbruket estate for hunting and fishing.

In 2003, Storebrand returned part of the surplus generated by Værdalsbruket to the local community. Contributions to the Stiklestad National Cultural centre, the local golf club and the MOT Foundation in Verdal and others totalled NOK 800,000. Værdalsbruket's forestry has received a 'Living Forest' certification for sustainable forestry production.

**Real estate management** Around 10 per cent of Storebrand Life Insurance's assets are invested in real estate, principally office buildings in the Oslo area managed by Storebrand, as well as larger Norwegian shopping centres and office buildings managed by Steen og Strøm ASA and Avantor AS respectively. Storebrand also invests in international real estate funds. Storebrand's real estate expertise is concentrated in Storebrand Eiendom AS, a wholly owned subsidiary of Storebrand Life Insurance.

Storebrand sets high standards for the environmental impact of our premises, indoor climate and resource utilisation, and we strive to create additional value for our tenants by introducing environmental measures that also reduce costs. The environmental measures introduced have so far been more extensive in Storebrand's own properties, and for the coming period we aim to pay greater attention to establishing environmental measures in the properties managed by Steen og Strøm ASA and Avantor AS.

**Properties managed by Storebrand** In order to ensure efficient and environmentally appropriate management of its properties, Storebrand Eiendom has implemented an environmental management programme and external consultants have been appointed to assist with strategic environmental advice. These steps allow for the design and implementation of a variety of environmental measures.

Storebrand ensures that its tenants are fully aware of the recycling opportunities available. Proper waste management reduces both the cost of waste removal and its environmental impacts. Improvements are achieved through training of cleaning personnel, and by providing information to occupants of all offices.

High quality indoor climate requires stable temperatures throughout the year, as well as ventilation systems ensuring satisfactory rates of air replacement. Unfortunately, this typically also implies increased energy consumption. Nonetheless, Storebrand intends to reduce energy consumption wherever possible, seeking assistance and co-operation with ENOVA, a state-owned organisation set up to promote environmentally sound restructuring of Norway's energy use and energy generation.

Tenants' behaviour has a major impact on energy consumption: technical systems installed (heating and cooling), temperatures set for each season of the year, the use of blinds in sunny weather, switching off lights and reducing air conditioning outside working hours, variation in temperature from office to office etc. Tailor made operating manuals increase awareness of these issues. Storebrand also arranges presentations for tenants, seeking to employ janitors with a high level of technical expertise.

**Real estate funds** Storebrand has invested in eight international real estate funds, which manage investments in 13 EU countries. When evaluating international real estate funds, environmental and social responsibility guidelines are considered prior to investment selection. All funds in which Storebrand Eiendom AS invests, meet these criteria. They are designed to limit the risk of involvement with parties involved in weapons manufacturing, money laundering, pornography and similar undesirable activities.



## Terms and expressions

**ACTIVE OWNERSHIP:** We use our position as a shareholder in a company to encourage improved performance. In practical terms, active ownership involves voting at annual general meetings on issues we consider relevant. Active ownership can also involve direct dialogue with a company, and monitoring the measures they take in respect of identified problems.

**TRIPLE BOTTOM LINE:** Companies report their efforts and results in the three areas of financial results, environmental impacts and social responsibility benefits.

**DOW JONES SUSTAINABILITY INDEX:** This index tracks the financial performance of the leading sustainability-driven companies world-wide. See <http://www.sustainability-index.com/> for more information.

**FTSE4GOOD INDEX:** This index measures the performance of companies that meet globally recognised corporate responsibility standards, and facilitates investment in these companies. See <http://www.ftse.com/ftse4good/> for more information.

**GLOBAL COMPACT:** An international initiative launched by the United Nations in 1999. The initiative aims to involve business and industry in a partnership with United Nations organisations and society as a whole to support 10 principles in the areas of human rights, environment, employment rights and corruption. See <http://www.unglobalcompact.org/> for more information.

**GLOBAL REPORTING INITIATIVE (GRI):** The Global Reporting Initiative is an independent institution established in 1997 with a mission to develop and disseminate globally applicable corporate responsibility reporting guidelines. GRI has developed a reporting methodology aimed at ensuring that companies and other organisations use the same reporting structure, aiming to make their performance comparable. See <http://www.globalreporting.org/> for further information.

**HSE:** Health, safety and environment. Refers to policies of personal health and safety (occupational health, the working environment and personal safety), the environment (waste and pollution) and operational safety (prevention of material damage, e.g. fire prevention).

**INCLUSIVE WORKPLACE:** A voluntary collaboration between companies and the Norwegian National Insurance Administration (Trygdeetaten). Its objectives are to reduce illness absence, increase employment of individuals with limited capability and extend the age at which employees typically retire. Further information (in Norwegian only) can be found at <http://ffu.trygdeetaten.no/>

**MMI UNIVERO'S PROFILE SURVEY:** MMI Univero is one of Norway's largest agencies in market research. MMI Univero carries out an annual survey of the market profiles of major Norwegian companies. MMI Univero surveys a representative cross-section of

the Norwegian population to provide information on the market profiles of the major companies. Respondents are asked their views on companies in terms of overall impression, environmental awareness, corporate responsibility and ethical stance, financial standing and profitability, advertising and information. See <http://www.mmi.no/> for further information.

**THE NORWEGIAN 'CUSTOMER BAROMETER' (NCB):** NCB is a market survey carried out annually by the Norwegian School of Management BI. The NCB survey investigates the relationship between customers and suppliers. See <http://www.kundebarmeter.com/> for further information.

**NORWEGIAN STANDARDS:** The Norwegian Standardisation Organisation work to improve efficiency and profitability for producers of goods and services. This includes publishing standards for environmental issues. See <http://www.standard.no/> for further information.

**PROACTIVE ANALYSIS:** Proactive analysis involves identifying leading companies within the environmental and social responsibility. The indicators applied (e.g. environmental management and human rights policies) and their weighting, differ according to industry, and the particular risks involved.

**RESTRICTIVE ANALYSIS:** Restrictive analysis involves establishing absolute criteria that exclude companies from investments. Exclusions are conducted based on a company's business activities (e.g. manufacturers of cluster bombs) or its handling of a particular issue (e.g. human rights violations).

**SRI:** Socially Responsible Investments. SRI criteria are applied in order to deliver the same or better return to customers while having an additional positive effect on environmental and social responsibility performance. Storebrand applies three methods for managing SRI investments: Pro-active analysis, restrictive analysis and active ownership.

**TRANSPARENCY INTERNATIONAL (TI):** TI is an international organisation founded in 1993 to fight corruption. TI is an independent non-governmental organisation. The Norwegian chapter of TI was established in 1999. See <http://www.transparency.no/> for further information.

**UNITED NATIONS ENVIRONMENT PROGRAM (UNEP):** UNEP works to provide leadership and encourage partnership in caring for the environment and promoting sustainable development. See <http://www.unep.org/> for further information.

**WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (WBCSD):** WBCSD is an international organisation that works with the corporate sector to promote sustainable development. See <http://www.wbcsd.org/> for further information.



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