

Key Performance Indicators for Sustainability 2019

For detailed KPI definitions, see page 5-6.

Key performance indicators	Result 2017	Result 2018	Result 2019	Goal 2020	Goal 2025
Return On Equity	11.3%	13.7%	8.0%	>10%	>10%
Solvency II	172%	173%	176%	>150%	>150%
Dividend pay-out ratio	40%	68%	73%	>50%	>50%
Percentage AuM screened for sustainability	100%	100%	100%	100%	100%
Billion NOK invested in fossil-free products ²¹⁾	60	68	277	N/A	N/A
Carbon footprint from equity investments: tonnes CO ₂ e per 1 million NOK/SEK sales revenue (vs. index)	28 (18)	22 (32)	17 (22)	N/A	N/A
Carbon footprint from bonds investments: tonnes CO ₂ e per 1 million NOK/SEK sales revenue (vs. index)	New	New	8(15)	N/A	N/A
Investment in solutions (solution companies, Green Bonds, and real estate with Green Building Certificate): Billion NOK/percentage of AuM ²²⁾	New	38.8 BNOK / 5.5%	53.7 BNOK/6.5%	8%	15%
Investment in green bonds, Billion NOK/Percentage total bond investments	New	8.4 / 2.9%	12.4 / 3.1%	-	-
Investment in solution companies, Billion NOK/Percentage equity investments	New	New	24.3 / 9.3%	-	-
Certified green property, Billion NOK/Percentage total real estate investments ²³⁾	New	New	17 / 41%	-	-
Number/percentage companies excluded from investment universe in Storebrand Group	New	171 / 5.9%	182 / 4.3%	N/A	N/A
Number / percentage company engagements to discuss ESG issues ²⁴⁾	New	314 / 10.8%	408 / 9.7%	N/A	N/A
Number / percentage votes at AGM to promote ESG issues ²⁵⁾	New	530 / 41,6%	151 / 4.3%	N/A	N/A
Energy intensity, real estate investments	189 kWh/m ²	198 kWh/m ²	184 kWh/m ²	183 kWh/m ²	172 kWh/m ²
Water intensity, real estate investments	0,36m ³ /m ²	0,38m ³ /m ²	0.43m ³ /m ²	0,34m ³ /m ²	0,32m ³ /m ²
Percentage of real estate investments with green certificate	26%	30%	41%	48%	74%
CO ₂ emissions real estate investments ²⁶⁾ : total / tonnes CO ₂ e per m ²	10551 / 10.25	10818 / 9.96	10228 / 9.12	8.6	6,5
Percentage waste sorted for recycling ²⁷⁾	71%	75%	71%	75%	80%

²¹⁾ Fossil-free products are one of several ways to reach our overall goal of becoming net zero and we have therefore not set a specific goal for the amount invested in fossil-free products

²²⁾ We have decided to set an overall goal for 2020 and 2025, and not for each asset class

²³⁾ We have discontinued reporting total solutions as a percentage of AuM and replaced this with a more granular level of reporting, where the previous figure is divided into solution companies, green bonds and green certified real estate investments.

²⁴⁾ The number of companies engaged with has increased, while the percentage of investment universe has decreased due to an overall increase in the number of companies in our investment universe.

²⁵⁾ The total number of votes in 2018 was significantly higher in 2018 due to us testing out this model for engagement. In 2019, we launched our policy for voting, incorporating lessons learned from 2018. This has resulted in a more goal-oriented approach to active ownership, despite a reduction in total votes

²⁶⁾ Emissions factors have increased since we reported in 2018. We have therefore recalculated our emissions for 2017, 2018 and 2019 using the new factors in order to provide comparability over this three-year period

²⁷⁾ Direct real estate investments in Norway only. Due to an earlier error in our calculation of sorted waste, this number has been revised for 2017 and 2018. Goals for 2020 and 2025 have also been increased to drive performance further.

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Key performance indicators ³³⁾	Result 2017	Result 2018	Result 2019	Goal 2020	Goal 2025
Customer satisfaction ³⁴⁾	#4	#4	#4	Top 3	Top 3
Market Share: Savings, Retail Market Norway	22%	21%	20%	Increase	Increase
Market Position: Pension, Corporate Market Norway	#1	#1	#1	#1	#1
Percentage female: pension savings	43%	43%	44%	Increase	Increase
Recognised for sustainable value creation (Retail Market Norway)	New 2019	New 2019	#3	Top 3	#1
Recognised for sustainable value creation (Corporate Market Norway)	New 2019	New 2019	#1	#1	#1
Customer satisfaction (Net Promoter System, Corporate Market Sweden)	#8	#7	#5	Top 3	Top 3
Expected pension as percentage of salary (My Pension)	58%	59%	60%	Increase	Increase

33) We have discontinued reporting for two indicators from 2019: a) GDPR courses, due to this being an important indicator to check implementation of new routines. We are however confident that these routines work well and that all relevant employees receive GDPR training as part of their induction; b) Sustainable Brand Index scores for UK and Sweden are being replaced by other indicators. In addition, complaints are now discussed under section 6 below.

34) Net Promoter System, Retail Market Norway

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All indicators in this table include Skagen, Cubera and Værdalsbruket. This gives a 100% coverage for all social indicators expressed in the table below

Key performance indicators	Result 2017	Result 2018	Result 2019	Goal 2020	Goal 2025
Indicators	2017	2018	2019	2020	2025
Sick leave Norway	3.5%	2.7 %	3.1 %	<3.5%	<3.5%
Sick leave Sweden	3.5%	3.3 %	2.5 %	<3.5%	<3.5%
Number of employees (headcount)	New	1667	1742	N/A	N/A
Gender balance, management	38%	39%	39%	50%	50%
Percentage women at management level 1-3 ³⁸⁾	New	44%	39%	50%	50%
Percentage men at management level 1-3	New	56%	61%	50%	50%
Percentage women at management level 3	New	46%	41%	50%	50%
Percentage men at management level 3	New	54%	59%	50%	50%
Turnover rate for women for group	New	4.1 %	4.7 %	-	-
Turnover rate for men for group	New	3.9 %	5.5 %	-	-
New recruits to the group	New	220	204	-	-
Number women hired during the year	New	78	78	-	-
Number men hired during the year	New	116	126	-	-
Male employees under 30	New	115	109	-	-
Female employees under 30	New	102	117	-	-
Male employees 30 - 50	New	526	531	-	-
Female employees 30 - 50	New	408	379	-	-
Male employees over 50	New	235	264	-	-
Female employees over 50	New	284	302	-	-
Female in Group Executive Management Team	New	3 out of 9	3 of 10	50%	50%
Female Directors in Group Board	New	5 out of 9	4 of 9	50%	50%
Average salary female employees ³⁹⁾ , Norway (NOK)	New	699,228	743 684	-	-
Average salary male employees, Norway (NOK)	New	871,146	914 107	-	-
Average salary female employees, Sweden (SEK)	New	608,551	644 484	-	-
Average salary male employees, Sweden (SEK)	New	762,151	811 717	-	-
Extended top management, share of men's salary per position category (haygrade 21-23)	New	110.3 %	100.5 %	100%	100%
All employees excluded for senior level staff, women's share of salary per position category (haygrade 13-20)	New	99.2 %	99.1 %	100%	100%
CEO - Average worker pay ratio	New	New	8.2:1	-	-

38) From 2019 gender indicators for management levels 1-3 will only be reported as percentage

39) Changes to the reported figures for average salaries for 2018 are due to the fact that the boundary for reporting people data now includes Skagen, Cubera and Værdalsbruket.

This also applies to share of salary for men/women using the Hay grade scales.

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Greenhouse gas emissions and indicators related to "main offices" are excluding Skagen, Cubera and Værdalsbruket as well as offices with less than 5 employees. This entails a coverage for environmental indicators of 96%.

Key performance indicators	Result 2017	Result 2018	Result 2019	Goal 2020	Goal 2025
Environmentally-certified procurement ⁴⁵⁾	38%	46%	57%	55%	60%
Total GHG emissions ⁴⁶⁾ (Scope 1-3) tCO ₂ e / tCO ₂ e per FTE	1484 / 0.9	1444 / 0.9	1519 / 0.92	0.8	0.6
Scope 1 emissions tCO ₂ / tCO ₂ per FTE	1.9 / 0	1.4 / 0	1.1 / 0	-	-
Scope 2 emissions tCO ₂ / tCO ₂ per FTE	320 / 0.19	201 / 0.13	179 / 0.11	-	-
Scope 3 emissions tCO ₂ / tCO ₂ per FTE	1162 / 0.71	1241 / 0.77	1339 / 0.81	-	-
tCO ₂ e emissions per FTE from air travel ⁴⁷⁾	0.64	0.69	0.74	-	-
Energy use, main offices (kWh per m ²)	151	147	150	150	145
Water use ⁴⁸⁾ , main offices (m ³ per m ²)	0.3	0.29	0.32	0.31	0.3
Total waste Headquarters (total tonnes / kg per FTE)	201 / 122	209 / 130	203 / 123	200 / 121	190 / 110
Amount of waste sorted for recycling, main offices (percentage total waste)	82%	72%	72%	79%	82%
Paper use, main offices (total kg / kg per FTE)	58952 / 50	41138 / 37	59199 / 36	35	30
CDP rating	B	A -	A -	A	A
E-learning ⁴⁹⁾ completed: ethics (total / percentage of FTE)	New	New	1518 / 88.9 %	100%	100%
E-learning completed: anti-corruption (total / percentage of FTE)	New	New	1479 / 86.6 %	100%	100%
E-learning completed: anti-money laundering and financial crime (total / percentage of FTE)	New	New	1523 / 89.2 %	100%	100%
Number of complaints handled by the Norwegian Financial Services Complaints Board	New	135	192	N/A	N/A

45) New goals have been set for 2020 and 2025 on the basis of exceeding performance expectations for 2019.

46) Emissions from Storebrand Group offices in Sweden and Norway. Emissions factors have increased and we have therefore recalculated our GHG emissions for 2017 and 2018 to provide for comparability. GHG emissions include all greenhouse gases and are therefore expressed as CO₂e. We have set a goal for our total GHG emissions not for each scope.

47) We have discontinued reporting on average number of flights per FTE. This is not perceived as a relevant indicator due to the fact that a flight will have a very different impact on the environment depending on the distance travelled. kgCO₂e per FTE relating to air travel therefore replaces this indicator from 2019. CO₂ emissions from air travel has been recalculated for 2017 - 2019 due to updates to emissions factors in our travel agency's systems.

48) Our paper consumption goal has been revised to further drive performance

49) From 2019 we start reporting for each course separately. Historical data for 2017 and 2018 refers to all courses at an aggregate level, for new employees only. Data for 2019 refers to the percentage of all permanent employees employed throughout the year. Turnover and new recruits explains the deviation from our goal of 100%.

Definitions key performance indicators

These definitions refer to the tables of key performance indicators in sections 3-6 of this report.

3. FINANCIAL CAPITAL AND INVESTMENT UNIVERSE

Return On Equity: Return on equity

Solvency II: Common European regulatory framework for insurance regulation. Under Solvency II, the size of the capital requirement will be determined by how much risk the company is exposed to.

Dividends: (see Dividend Policy on p.70)

Percentage AuM screened for sustainability: All companies in our investment universe is screened for sustainability according to our standards:<https://www.storebrand.no/en/sustainability/investments>.

Fossil-free products: These companies should not have more than 5% revenue from the production or distribution of fossil fuels, and fossil reserves should not exceed 100 million tonnes of CO₂.

Carbon footprint from investments: Results per Q3 2018 based on TCFD's definition. Total carbon footprint is the sum of the companies' carbon emissions over the companies' revenues, weighted for our ownership in the respective companies. The measurement unit shows carbon emissions per million fund currency in NOK. The method is the same for equities and bonds.

Investment in solutions (solution companies, Green Bonds, and real estate with Green Building Certificate): clean tech and renewable energy and green bonds in both equity and interest investments in Storebrand and SPP. Direct Real Estate investments under operational control in Norway and Sweden with a Green building certification.

Investment in green bonds: Green Bonds enable capital-raising and investment for new and existing projects with environmental benefits.

Investment in solution companies: Investments in sustainable companies through our portfolio of clean tech and renewable energy investments in Storebrand and SPP.

Certified green property: Direct real estate investments under operational control in Norway and Sweden with a Green building certification.

Energy intensity, real estate investments: Temperature corrected energy consumption per gross square meter of heated property area in direct real estate investments under operational control in Norway and Sweden. Consumption measured by energy suppliers (electricity, district heating/cooling and other) and registered in the environmental monitoring system.

Water intensity, real estate investments: Water consumption in cubic meters per square meter of heated property area in direct real estate investments under operational control in Norway and Sweden. Consumption measured and registered in the environmental monitoring system.

CO₂ emissions real estate investments: GHG emissions from direct real estate investments, per square meter of gross heated area. Includes direct and indirect emissions (scope1-3), including tenants' energy and water consumption as well as waste production. The carbon footprint is calculated by CemaSys AS according to the GHG protocol. Nordic mix emission factor is the basis for the calculation of emissions from electric power with "location based" method.

Percentage waste sorted for recycling: Rate of waste from building operations including tenants, sorted at the source for recycling. The rest fraction is further sorted mechanically at the waste recycling centre, where non-recyclables goes to incineration with heat recovery. Includes direct real estate investments under operational control in Norway.

4. CUSTOMER AND COMMUNITY RELATIONS

Net Promoter System: Net Promoter System (NPS) is a measurement tool for customer satisfaction where the customer gives a score from 0 to 10 with 10 as the best result.

Market Share: Savings, Retail Market Norway Based on Q3 figures from Finance Norway and VFF (Verdipapirfondenes forening).

Market Position: Pension, Corporate Market Norway: Based on Q3 figures from Finance Norway.

Percentage female: pension savings: Share of female customers who are saving for pension.

Recognised for sustainable value creation: Results from survey asking how many connect the Storebrand brand name with sustainability, environmental stewardship and corporate responsibility.

Expected pension as percentage of salary: The pension percentage (median) is the customers expected pension from all sources (including private savings, folketrygden, AFP and defined benefit/defined contribution pension), as a percentage of customer's existing salary.

5. PEOPLE

Sick leave: Number of sick leave hours divided by number of hours worked Storebrand/SPP.

Number of employees: Number of employees working at Storebrand Norway + SPP Sweden as of 31.12.19.

Gender balance, management: Share of female employees. Defined as a management position with personnel responsibilities. Project managers are not included.

Management level 1-3:

Level 1 = Chief Executive Officer

Level 2 = Executive management

Level 3 = Reporting to executive management

Turnover rate: Number of exits (excluding retirement) from 1st January to 31st December / average number of employees during the same period.

New hires: Number of hires during from 1st January to 31st December in Norway and Sweden.

Hay Grade: The figures only applies for Storebrand in Norway. Hay Grade above 24 is not included, as only men are represented here (applies for 3 positions only). Hay Grade is a widely recognised method to enable organisations to map and align roles. The system is used by several organisations in Norway and internationally. The system allows for comparisons of salaries for positions with similar demands to competence, experience and complexity. The system is used for comparing salaries for positions across the organisation and similar positions with similar Hay Grade in the labor market.

CEO - Average Worker Pay Ratio: Basic salary as a ratio of mean average salary for all employees.

6. KEEPING OWN HOUSE IN ORDER

Environmentally-certified procurement: Percentage of spend for contracts with a total value exceeding 1 million NOK with active suppliers certified or fulfilling requirements according to one or several of the following environmental certifications: Miljøbas, Eco-Lighthouse, Svanen, ISO 14001, CO2 neutral, ISO 14001.

GHG emissions (tonnes CO2e / tonnes CO2e per FTE): GHG emissions per FTE from the Group's Norwegian and Swedish operations. Includes direct and indirect emissions, including air travel and other transportation, energy consumption and waste (scope 1-3). The carbon footprint is calculated by CemaSys AS according to the GHG protocol. Nordic mix emission factor is the basis for the calculation of emissions from electric power with "location based" method.

CO2e emissions from air travel: Total CO2e emissions from air travel divided by the average number of number of full-time equivalent employees in Norway and Sweden from 1st January to 31st December.

Scope 1 emissions: Ton CO2-equivalents, measured in accordance to Greenhouse gas protocol, per FTE.

Scope 2 emissions: Ton CO2-equivalents, measured in accordance to Greenhouse gas protocol, per FTE.

Scope 3 emissions: Ton CO2-equivalents, measured in accordance to Greenhouse gas protocol, per FTE.

Energy use: Temperature corrected energy consumption per square meter heated area in head offices in Norway and Sweden. Consumption measured by the energy suppliers, electricity and district heating/cooling and registered in the environmental monitoring system.

Water use: Water consumption in cubic meters per square meter of heated area in head offices in Norway and Sweden. Consumption measured and registered in the environmental monitoring system.

Amount of waste sorted for recycling: Rate of waste sorted at the source for recycling in head offices in Norway and Sweden. Non-sorted waste is further sorted mechanically at the waste recycling centre, where non-recyclables go to incineration with heat recovery. Includes direct real estate investments under operational control in Norway.

Paper use: Consumption of office paper (copy- and bond paper), envelopes, advertising, including externally reprinted and regulatory letter attachments in Kg per full time employee in Norwegian and Swedish operations.

CDP rating: Rating received from CDP.

E-learning completed: Employees who are registered as having completed the e-learning course in our learning management system.

Number of complaints handled by the Norwegian Financial Services Complaints Board: Complaints being handled by Norwegian Financial Services Complaints Board (Finansklagenemnda) throughout the year.