PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

Storebrand Asset Management

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

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

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

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

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	-	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
OA 14	Allocation of assets to environmental and social themed areas	-	n/a	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	-	n/a							✓

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PRI Principles for Responsible Investment

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	-	n/a	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	-	n/a	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	-	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	🔒	n/a	✓						
LEI 11	Review ESG issues while researching companies/sectors	🔒	n/a	✓						
LEI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
LEI 13	Aspects of analysis ESG information is integrated into	🔒	n/a	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

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PRI Principles for Responsible Investment

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	-	n/a	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	-	n/a		✓					
LEA 20	Securities lending programme	-	n/a		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	-	n/a		✓					
LEA 24	Shareholder resolutions	-	n/a		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

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Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	-	n/a	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	-	n/a	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	-	n/a		✓					
FI 20	Engagement with government issuers	-	n/a		✓					

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PRI Principles for Responsible Investment

Storebrand Asset Management

Reported Information

Public version

Organisational Overview

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PRI Principles for Responsible Investment

Basic Information

OO 01	Mandatory	Gateway/Peering	General

OO 01.1 Select the category which best represents your primary activity.

- ○ Non-corporate pension or superannuation or retirement or provident fund or plan
- ○ Corporate pension or superannuation or retirement or provident fund or plan
- ◉ Insurance company
- ○ Foundation or endowment
- ○ Development bank
- ○ Reserve - sovereign or government controlled fund
- ○ Other, specify

OO 02	Mandatory	Peering	General

OO 02.1 Select the location of your organisation's headquarters.

Norway

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

- ○ 1
- ◉ 2-5
- ○ 6-10
- ○ >10

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

	FTE

2100

OO 03	Mandatory	Descriptive	General

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ○ Yes
- ◉ No

OO 04	Mandatory	Gateway/Peering	General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

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PRI Principles for Responsible Investment

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		487	000	000	000
Currency	NOK				
Assets in USD		80	174	934	279

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

○ Approximate percentage breakdown to the nearest 5% (e.g. 45%)

◉ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06 | **Mandatory** | **Descriptive** | **General**

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

◉ Publish our asset class mix as broad ranges

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

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Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General

OO 07.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

	% of externally managed assets
Segregated mandate(s)	○ 0% ◉ <10% ○ 10-50% ○ >50 %
Pooled fund(s)	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Total externally managed assets	*100%*

OO 07.2 Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	○ 0% ○ <10% ○ 10-50% ◉ >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General

OO 08.1 Indicate the breakdown of your organisation's AUM by market.

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Market breakdown	% of AUM
Developed Markets	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Emerging, Frontier and Other Markets	○ 0% ◉ <10% ○ 10-50% ○ >50 %

Gateway asset class implementation indicators

OO 10 | **Mandatory** | **Gateway** | **General**

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

☑ We incorporate ESG issues into investment decisions on our internally managed assets

☑ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes

☑ We engage with companies on ESG issues via our staff, collaborations or service providers

☑ We cast our (proxy) votes directly or via service providers

☐ None of the above

OO 10.2

Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

◉ Yes, our total listed equities are 10% or more of our total AUM

○ No, our total listed equities are less than 10% of our total AUM

OO 11 | **Mandatory** | **Gateway** | **General**

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

☑ Fixed income – corporate

☑ Fixed income – government

☑ Fixed Income – other

☐ Private debt

☑ Property

☑ Forestry

☐ Cash

☐ None of the above

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OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

☑ Private equity

☐ Hedge funds

☑ Inclusive finance

☐ None of the above

OO 12	Mandatory	Gateway	General

OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity incorporation

☑ Listed Equity incorporation

	Direct - Listed Equity active ownership

☑ Engagements

☑ (Proxy) voting

	Direct - Fixed Income

☑ Fixed Income - Corporate

☑ Fixed Income - Government

	Direct - Other asset classes with dedicated modules

☐ Property

RI implementation via external managers

	Indirect - Selection, Appointment and Monitoring of External Managers

☐ Listed Equities

☐ Private Equity

☐ Inclusive Finance

Closing module

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☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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PRI Principles for Responsible Investment

Storebrand Asset Management

Reported Information

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Overarching Approach

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PRI Principles for Responsible Investment

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General

OA 01.1 Indicate if you have a responsible investment policy.

- (•) Yes
- ( ) No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- (•) Yes
- ( ) No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Storebrand's Group Policy on sustainable investments represents a general superstructure stating Storebrand's vision and goal on sustainable investments. Storebrand's motivation for responsible investments is twofold; to secure long term returns, as well as to avoid contributing to breaches of international norms or conventions through our investments.

The Group Policy references the UN PRI framework and has included existing policies and guidelines on more specific issues as reference documents. Scope, responsibilities, follow up and reporting is also defined in this overarching policy. Storebrand's Group Policy on sustainable investments covers all asset classes and geographical regions, as well as all externally managed assets, and is approved by the executive committee. The Managing Director of Storebrand Asset Management is responsible for its implementation.

In a reference document called the Minimum Standard, sustainability issues that are given particular attention, has been defined: Storebrand will seek only to invest in companies which respect human rights and international law, systematically address good governance, anti-corruption and environmental impacts. Storebrand will not invest in companies that are involved in the production of controversial weapons or tobacco. In addition, we do not invest in companies with critically inadequate sustainability risk management, operating in high impact industries. RI-requirements for government bonds are concentrated within the areas of corruption, UN sanctions, democracy and human rights.

In addition, a corporate governance code and voting policy applies to Norwegian and Swedish assets (Storebrand's domestic markets).

Routines on sector analyses (positive screening) and engagement, as well as the guidelines for externally managed funds are other important reference documents to the Group Policy.

OA 02	Mandatory	Core Assessed	PRI 6

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PRI Principles for Responsible Investment

OA 02.1 Indicate if your responsible investment policy is publicly available.

◉ Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

http://www.storebrand.no/site/stb.nsf/Get/get54ad66453572ae7ab11228ab177961b7/$FILE/RetningslinjerforbaerekraftigeinvesteringerEnglish.pdf

○ No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

◉ Yes

○ Yes, all

◉ Yes, some

OA 02.4 List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Minimum Standard	http://www.storebrand.no/site/stb.nsf/Get/get5773cc2574cf4b034bcceb18c35ca410/$FILE/MinimumStandard-eng.pdf
Corporate Governance Policy	http://www.storebrand.no/site/stb.nsf/Pages/eierprinsipperstorebrandengelsk.html

○ No

OA 03 | **Mandatory** | **Core Assessed** | **PRI 1,2**

OA 03.1 Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

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Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach ☑ (Proxy) voting policy ☑ Engagement/active ownership policy ☑ Specific guidelines on corporate governance ☑ Specific guidelines on environmental issues ☑ Specific guidelines on social issues ☑ Asset class-specific guidelines ☑ Screening/exclusion policy ☐ Other, specify ☐ Other, specify	◉ Applicable policies cover all AUM ○ Applicable policies cover a majority of AUM ○ Applicable policies cover a minority of AUM

OA 03.2 Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

The (Proxy) voting policy is applicable to Norwegian and Swedish assets (Storebrand's domestic markets).

OA 04 | Mandatory | Core Assessed | General

OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

○ Yes

◉ No

OA 04.3 Additional information. [Optional]

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

Objectives and strategies

OA 05 | Mandatory | Gateway/Core Assessed | General

OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

◉ Yes

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OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ○ At least once per year
- ◉ Less than once per year

OA 05.3	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ○ Quarterly
- ○ Biannually
- ◉ Annually
- ○ Every two years or less
- ○ It is not reviewed

○ No

Governance and human resources

OA 07	Voluntary	Descriptive	General

OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

The Storebrand Board of Directors is responsible for the overall oversight on responsible investments. Goals for responsible investments are set at Group, department and team level, with corresponding action plans. Status on the action plans is reported quarterly to the Executive Committee (EC) of Storebrand Asset Management, annually to the Board of Storebrand Asset Management, and annually to the Group EC and Group Board of Directors.

Storebrand's ESG research team is responsible for conducting the responsible investment analyses and coordinating the engagement activities. The team is part of Front Office. The funds selection team is responsible for the follow up of external managers with respect to our responsible investment criteria. The Director of Investments reports to the Head of Asset Management and Banking, who is a member of the Group Executive Committee.

Seven senior managers and executive directors constitute Storebrand's Sustainable Investment Committee. The Committee makes the final decision on whether or not a company is excluded or not from investment, based on the Minimum Standard criteria on human rights violations, corruption and serious environmental degradation.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

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PRI Principles for Responsible Investment

	Roles present in your organisation

☑ Board members or trustees

☑ Oversight/accountability for responsible investment

☐ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

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

☑ Oversight/accountability for responsible investment

☐ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Other Chief-level staff or head of department, specify

COO, Head Sustainability, Head RI

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☑ Portfolio managers

☐ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Investment analysts

☑ Dedicated responsible investment staff

☑ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ External managers or service providers

☐ Other role, specify

☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

	Number

11

OA 09	Voluntary	Additional Assessed	General

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

☐ Responsible investment included in personal development and/or training plan

☐ None of the above

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PRI Principles for Responsible Investment

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

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

Other C-level staff or head of department

COO, Head Sustainability, Head RI

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

Portfolio managers

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

Dedicated responsible investment staff

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

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

OA 10.2

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

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PRI Principles for Responsible Investment

☐ Asian Corporate Governance Association

☐ Association for Sustainable & Responsible Investment in Asia

☐ Australian Council of Superannuation Investors

☑ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)
☑ Basic
☐ Moderate
☐ Advanced

☑ CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)
☑ Basic
☐ Moderate
☐ Advanced

☐ CDP Water

☐ CFA Institute Centre for Financial Market Integrity

☐ Council of Institutional Investors (CII)

☐ Eumedion

☑ Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)
☑ Basic
☐ Moderate
☐ Advanced

☐ Global Investors Governance Network (GIGN)

☐ Global Real Estate Sustainability Benchmark (GRESB)

☐ Institutional Investors Group on Climate Change (IIGCC)

☐ Interfaith Center on Corporate Responsibility (ICCR)

☐ International Corporate Governance Network (ICGN)

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☐ Investor Network on Climate Risk (INCR)/CERES

☐ Local Authority Pension Fund Forum

☑ Principles for Responsible Investment

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

☑ Basic

☐ Moderate

☐ Advanced

☑ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

NorSif and SweSif

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

☐ Basic

☐ Moderate

☑ Advanced

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

Part of the nominating committee in Swesif. Board member in Norsif. Actively contributing to events arranged by both organizations.

☐ Shareholder Association for Research and Education (Share)

☑ United Nations Environmental Program Finance Initiative (UNEP FI)

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

☐ Basic

☑ Moderate

☐ Advanced

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

Active members, particularly in the PSI initiative.

☑ United Nations Global Compact

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

☑ Basic

☐ Moderate

☐ Advanced

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

Participating in the Nordic network and reporting on Advanced level.

☑ Other collaborative organisation/initiative, specify

Sustainable Value Creation, Sweden

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

☐ Basic

☑ Moderate

☐ Advanced

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

○ No

OA 11	Mandatory	Core Assessed	PRI 4

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☐ Provided financial support for academic or industry research on responsible investment

☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☑ Spoke publicly at events and conferences to promote responsible investment

☐ Wrote and published in-house research papers on responsible investment

☑ Encouraged the adoption of the PRI

☐ Other, specify

○ No

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OA 11.3	Additional information. [Optional]

Storebrand is a key participant in the Norwegian and Swedish public debate on responsible investments, for instance through opinion articles. Following our divestment in certain coal and oil sands companies, Storebrand has also participated actively internationally in the discussion on stranded assets.

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

OA 12	Voluntary	Additional Assessed	PRI 4,5,6

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

◉ Yes

☑ Yes, individually

☑ Yes, in collaboration with others

OA 12.2	Select the methods you have used.

☑ Endorsed written submissions to governments, regulators or standard-setters developed by others

☑ Drafted your own written submissions to governments, regulators or standard-setters

☑ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

◉ Yes, publicly available

	provide URL

http://www.unglobalcompact.org/docs/issues_doc/human_rights/IndigenousPeoples/BusinessGuide.pdf

	provide URL

http://www.storebrand.no/site/stb.nsf/Pages/newsdesk.html#/pressreleases/oljefondet-maa-satse-paa-fornybar-energi-912616

○ No

○ No

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OA 12.4	Additional information.

In 2013, Storebrand was part of the UN Global Compact's multi-stakeholder Expert Group creating the new Reference Guide to the UN Declaration on the Rights of Indigenous Peoples. Storebrand contributed to the editing of several drafts with input regarding indigenous rights and how business can respect them in challenging situations. Storebrand also contributed by adding key reference sources to the Guide.

In 2013, Storebrand together with other investors and NGOs in Norway, sent a letter to the leaders of the political parties in the Norwegian government, asking them to expand the investment strategy of the Norwegian Government Pension Fund Global (GPFG), allowing the fund to invest in renewable energy infrastructure.

Storebrand also met with political parties and government officials, providing information on various responsible investment issues, like tar sands and corruption.

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General

OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - other	Storebrand sees investments in green bonds as an opportunity to both generate good returns for our customers and at the same time contribute to sustainable growth. In 2013, Storebrand's Swedish subsidiary SPP, subscribed to the first green bond issued in the Nordic region. The bond was issued by the City of Gothenburg. Furthermore, SPP invested SEK750m (€87m) into a 7-year Climate Awareness Bond issued by the European Investment Bank. The bond is the biggest ever issued by the EIB in SEK for climate purposes, and is used to finance projects in areas such as renewable energy and development of energy efficiency.
Property	With respect to investments in nonlisted real estate and property, Storebrand mainly invests in Norway and Sweden. Environmental aspects, in particular energy efficiency, are given special attention in the investment analyses. More than half of Storebrand's property base is internally managed. The real estate Environmental Manager reports to the Managing Director at Storebrand Eiendom (responsible for real estate and property), and is responsible for the follow up on ESG issues. An environmental action plan has been developed, covering energy and environmental management systems for building operations and environmental strategy for new developments. Environmental classification through Breeam NOR is an important tool, which is used in renovations and new builds. In operations, data on energy use, waste recycling and water use is reported quarterly internally, and annually externally. Currently, the main focus is on the implementation of energy efficiency measures in internally managed buildings, transition from fossil energy to renewable energy, the use of life cycle assessments when replacing technical installations, quarterly reviews of the environmental accounts of suppliers, and finalizing environmental certification of internally managed buildings. Environmental reporting and environmental strategy for the portfolio of external managers is to be further developed.
Forestry	Storebrand has invested in forestry both in Sweden, Norway and Latvia. The forests in Sweden and Norway are FSC certified. The forests in Latvia are not certified, but are managed according to the FSC principles.

OA 16	Voluntary	Descriptive	General

OA 16.1	Describe how you address ESG issues for externally managed assets for which you are not required to report because your assets are below the minimum threshold.

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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equities - ESG incorporation	Storebrand has developed a policy and formal routines for how to follow up external managers on ESG issues. External managers are contractually required to provide a list of their portfolio holdings for each of their funds on a quarterly basis. These lists are used in Storebrand's quarterly screening. When we find externally managed funds with companies in breach of the Storebrand Minimum Standard, we proceed in the following way: • Identify key companies each quarter that are suitable for engagement activities. • Initiate dialogue with the external fund managers in question, providing a list of their holdings in breach of Storebrand's Standard. • Provide the managers with a detailed explanation as to why the key companies identified for engagement have been excluded, agreeing on which companies to prioritize for engagement. • Follow up the engagement progress quarter by quarter. The fund manager is expected to either engage directly with the companies in question or collaborate with Storebrand in a joint engagement process. In cases where the response from fund managers is considered inadequate, Storebrand will assess whether to increase pressure on a manager by cooperating with other investors. As a last resort, Storebrand may divest from the fund in question and/or remove it from lists of externally managed funds available to clients.
Listed equities - engagement	
Listed equities - (proxy) voting	
Private equity	Our private equity investments mainly consist of investments in private equity funds that are managed by external private equity managers. In our evaluation process the manager is rated on a number of criteria, ESG being one of these. A minimum score is required to qualify for investment. In assigning a score, we evaluate formal adaption of ESG principles, the managers' attitudes, resourcing and practical implementation of ESG in their investment activites. In addition, a side letter covering responsible investment is required unless this is adequately covered in the general fund agreements. As a minimum, the manager must recognize Storebrand's Minimum Standard on RI and commit to whenever reasonably practicable to abide by these ESG objectives. In some agreements we also have an excuse right.
Inclusive finance	Storebrand has invested in Microfinance since 2005 as part of our sustainable investment strategy, with commitments totalling approximately USD 95M to date. The objectives of the investments in this sector are twofold, to obtain a competitive rate of return on the investments and to contribute to social development in poor countries. We target institutions with a clear social mission and a profitable business model. Geographical reach includes Asia, Africa and Latin America.

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PRI Principles for Responsible Investment

Storebrand Asset Management

Reported Information

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Direct - Listed Equity Incorporation

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PRI Principles for Responsible Investment

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1

LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

☑ Passive

	% of internally managed listed equities

○ <10%

○ 10-50%

◉ >50%

☑ Active – quantitative (quant)

	% of internally managed listed equities

◉ <10%

Report on your strategies that represent <10% of listed equities

◉ Yes

○ No

○ 10-50%

○ >50%

☑ Active – fundamental and other active strategies

	% of internally managed listed equities

○ <10%

◉ 10-50%

○ >50%

LEI 02	Voluntary	Descriptive	PRI 1

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LEI 02.1	Provide a brief overview of how you incorporate ESG issues in listed equity investments.

Storebrand's ESG analysts monitor the investment universe (more than 3500 companies), and conduct analyses when potential violations of Storebrand's Minimum Standard occur (e.g. human rights violations or corruption). Storebrand has developed a formal scorecard to facilitate the comparison of investees risk profile on these specific ESG issues. The resulting analyses, including the risk score and a recommendation, are brought to Storebrand's Sustainable Investment Committee, which makes the final decision on whether or not to exclude the company from investment.

Storebrand always contacts, and tries to engage with, any company considered for exclusion. Exclusion in itself is not our goal, but a last resort when the risk of continued investment is prohibitively high. Consequently, Storebrand continues to engage with excluded companies in order to achieve improvements in their risk management.

Storebrand's ESG analysts performs sector analyses on ESG issues as well. The results are used for the management of positively screened funds. The sector analyses also identify the worst performing companies on ESG, which are excluded due to the belief that the companies' negligence of ESG issues increases the risk associated with investing in these companies.

Both methods are applicable to the companies in all sectors and regions.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1

LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

☑ Screening alone (i.e. not combined with any other strategies)

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Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	% 100

☐ Thematic alone (i.e. not combined with any other strategies)

☐ Integration alone (i.e. not combined with any other strategies)

☐ Screening + Integration strategies

☐ Thematic + integration strategies

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.

For the past two years Storebrand has developed a new methodology for our positive screening based on KPI's more closely linked with financial materiality. 2500 companies have been given a sustainability rating based on this methodology. In 2013 this rating was made available to our portfolio managers, and our long term goal is to make them an integrated part of our investment managers decision process. The reason is the belief that these KPI's will improve the performance of Storebrand's investments.

Storebrand's first approach to responsible investments, back in 1995, was an environmental fund based on positive screening. The financial risk of climate change was the primary reason. Successively, social criteria have been included in the positive screening, and negative screening criteria have been added to our responsible investment approach. Our reason for negative screening is twofold: to secure long term returns as well as to avoid contributing to breaches of international norms or conventions through our investments. Furthermore, negative and norms-based screening has been the dominating demand of clients in Scandinavia. However, the demand for positively screened funds is increasing.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1

LEI 06.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

☑ Negative/exclusionary screening

Screened by

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☑ Product

☐ Activity

☐ Sector

☐ Country/geographic region

☑ Environmental and social practices and performance

☑ Corporate governance

Description

The Minimum Standard applies to all funds and portfolios and covers human rights and international law, corruption and environmental degradation, production of controversial weapons and tobacco. In addition, we do not invest in companies with critically inadequate sustainability risk management, operating in high impact industries.

☑ Positive/best-in-class screening

Screened by

☐ Product

☐ Activity

☐ Sector

☐ Country/geographic region

☑ Environmental and social practices and performance

☑ Corporate governance

Description

The 2500 companies in the MSCI All Country index are analysed sector by sector on their sustainability management systems and practices, how well they are positioned for global sustainability related trends as well as their financial robustness.

☑ Norms-based screening

Screened by

☑ UN Global Compact Principles

☑ Universal Declaration of Human Rights

☑ International Labour Organization Conventions

☑ United Nations Convention Against Corruption

☑ OECD Guidelines for Multinational Enterprises

☐ Other, specify

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	Description

The Minimum Standard described under negative screening, is based on a range of international conventions, among others these five.

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

The negative and norms-based screening criteria have been developed over the past nearly 20 years. The Minimum Standard is approved by the Executive committee. Major clients are notified of major changes such as new exclusion themes.

The positive screening criteria were established by the ESG research team in cooperation with the CIO, and are continuously improved by the ESG research team.

LEI 07	Mandatory	Core Assessed	PRI 1

LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

☑ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.

☑ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar

☑ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies

☑ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions

☑ A periodic review of the quality of the research undertaken or provided is carried out

☐ Other, specify

☐ None of the above

ESG incorporation in passively managed listed equities

LEI 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1

LEI 14.1	Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

◉ Yes

LEI 14.2	Indicate the percentage of your total passive listed equity funds for which ESG issues are incorporated in the index construction methodology.

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(% of total passive listed equity funds)

○ <10%

○ 10-50%

○ 51-90%

◉ >90%

LEI 14.3 Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

☑ Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
The screening criteria and process that applies to Storebrand's internally managed listed equity, applies to all of Storebrand's internaly, passively managed listed equity funds and portfolios as well. See questions LEI 06 and 07 for more information.	☑ Screening ☐ Thematic ☐ Integration of ESG issues ☐ Other

☐ Index/fund 2

☐ Index/fund 3

☐ Index/fund 4

☐ Index/fund 5

○ No

Communication

LEI 18 | **Mandatory** | **Core Assessed** | **PRI 2,6**

LEI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

◉ We disclose it publicly

Provide URL

http://www.storebrand.no/site/stb.nsf/Pages/sustainable-investments-main.html

Provide URL

http://www.storebrand.no/site/stb.nsf/Get/get4e6f735b37f20e877789b3f9c1963345/$FILE/2013StorebrandENweb.pdf

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LEI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ○ Yes
- ◉ No

LEI 18.3 Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.

Reporting to public	Reporting to clients/beneficiaries
◉ Broad approach to ESG incorporation	○ Broad approach to ESG incorporation
○ Detailed explanation of ESG incorporation strategy used	◉ Detailed explanation of ESG incorporation strategy used

LEI 18.4 Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
○ Quarterly or more frequently	◉ Quarterly or more frequently
◉ Between quarterly and annually	○ Between quarterly and annually
○ Less frequently than annually	○ Less frequently than annually
○ Other, specify	○ Other, specify

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

LEI 18.5 Additional information. [Optional]

On the internet a broad description of Storebrand's approach to responsible investments is provided, including some concrete examples.

On request, we provide clients with information on whether or not a specific company is excluded from investment. Publicly, we report on the number excluded and do not disclose the names.

The negative and positive screening processes are presented in detail to selected clients.

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Storebrand Asset Management

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PRI Principles for Responsible Investment

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2

LEA 01.1	Provide a brief overview of your organisation's approach to engagement.

Engagement is an important part of Storebrand's approach to sustainable investments. Our main objectives are to obtain information on potential violations of our Minimum Standard; seek actions to remedy any such situation; seek the implementation of measures to ensure that the risk of recurrence is significantly reduced; as well as public reporting on these measures. Dialogue with company management is our main priority. The engagement activities are concentrated on listed companies in our investment universe, both in developed and emerging markets. Storebrand's in-house ESG analysts carry out most of the engagements. However, some are done in collaboration with other investors.

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

The engagements are conducted by emails, conference calls or visits. We seek to engage with CSR/IR managers, and in some instances higher level staff like CEO, CFO or Chief Compliance Officer, particularly in home market companies.

Depending on the scope and materiality of the issue, portfolio managers are involved at different stages of the engagements.

In instances where an engagement ends in the exclusion of a company, there are formal reporting procedures to inform the portfolio managers, while Mid Office overlooks investments in order to ensure compliance. Companies that are excluded, are contacted regularly (in general every six months), in order to request information on improvements.

LEA 02	Mandatory	Gateway	PRI 1,2,3

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

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Type of engagement	Reason for interaction
Individual/Internal staff engagements	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via internal staff
Collaborative engagements	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via collaborative engagements
Service provider engagements	☐ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☑ We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

◉ Yes

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LEA 03.2	Describe how you identify and prioritise engagements.

Storebrand's engagement process is formalized in detailed, internal routines. Through the continuous monitoring of more than 3500 companies on potential violations of Storebrand's Minimum Standard, Storebrand has a comprehensive system to identify ESG related engagement opportunities. Engagement is considered when investees are in potential violation of our investment criteria on human rights and international law, corruption and financial crime, or environmental degradation. These cases are prioritized and divided among Storebrand's ESG analysts, in a monthly team meeting. The seriousness of the allegations is a key factor in the prioritization. Priority is also given to engagement with companies based in Storebrand's home markets. In the monthly meeting, ongoing engagements are up for review as well; for instance, there may be a need for further competence or cooperation with others internally or externally.

○ No

LEA 04	Mandatory	Core Assessed	PRI 2

LEA 04.1	Indicate if you define specific objectives for your engagement activities.

◉ Yes

- ○ Yes, for all engagement activities
- ◉ Yes, for the majority of engagement activities
- ○ Yes, for a minority of engagement activities

○ No

LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.

◉ Yes

- ○ Yes, in all cases
- ◉ Yes, in the majority of cases
- ○ Yes, in the minority of cases

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LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.

The goals of each engagement are typically in the area of measures to remedy any violation of the criteria described in question LEI 03.2; measures to reduce the risk of recurrence; as well as reporting on these measures publicly. The specific goals may be adjusted, usually enhanced and/or detailed, as the engagement process proceeds.

Ideally, the measures taken by the company should meet best practice standards. However, an engagement is terminated if the company complies with our minimum requirements and there is a low probability of further improvements being achieved through continued engagement. Our minimum requirements are sufficient to bring about a real reduction in the risk of recurrence, bringing the company to at least the average risk level of its industry, although not necessarily at the level of best industry practice.

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

An engagement is escalated if the company does not meet our minimum requirements (or communicate such actions), after repeated attempts at dialogue. "Escalate" might be to contact more senior staff, contacting local offices to obtain contact with headquarter staff, involve our top level executives in the dialogue, collaborate with other investors etc. Our last resort is to bring the case before our Sustainable Investment Committee that makes the final decision on whether or not to exclude the company from investment. The company is always informed if excluded, and contacted regularly afterwards to encourage improvement.

○ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

○ Yes

◉ No

LEA 06	Mandatory	Core Assessed	PRI 2

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LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- (●) Yes
  - ( ) Yes, for all collaborative engagement activities
  - (●) Yes, for the majority of collaborative engagement activities
  - ( ) Yes, for a minority of collaborative engagement activities
- ( ) No

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

- (●) Yes
  - ( ) Yes, in all cases
  - (●) Yes, in the majority of cases
  - ( ) Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

How we monitor and evaluate progress depends on the type of collaborative engagement. For engagements aimed to lift the practice of an industry, we might use a milestone evaluation approach (from basic to advanced practice), and companies are compared with each other. Whereas for engagements requiring a specific corporate action (i.e. withdrawing from a territory, cleaning up a polluted area, enforcing a judgment), progress is evaluated by how responsive the company/companies are to our demands. The actual objective is not met until the company actually performs the specific corporate action.

In most engagements, we try to define together with other investors a specific time period where we engage with the company/companies. If we see little positive results from the engagement, we may decide to escalate the engagement together with the other investors. However, if the company is in violation of Storebrand's Minimum Standard, we might decide to leave the collaborative engagement and divest.

Collaborative engagements give us the opportunity to assess risk and opportunity within different industries since the very nature of the collaborative engagement allows for a broader type of engagement. The information gained may be used when constructing KPIs in our sector analyses (positive screening), and/or when selecting top performers and avoiding laggards for our funds.

- ( ) No

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2

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LEA 10.1	Indicate if you track the number of companies you engage with.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements
Collaborative engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2

LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	35
Collaborative engagements	9

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

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Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	○ > 50% ◉ 10-50% ○ <10% ○ None
Collaborative engagements	◉ >50% ○ 10-50% ○ <10% ○ None

LEA 11.3	Indicate what percentage of your collaborative engagements you were a leading organisation during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	○ >50% ◉ 10-50% ○ <10% ○ None

LEA 12	Voluntary	Additional Assessed	PRI 2

LEA 12.1	Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	☑ Environmental ☑ Social ☑ Corporate Governance ☐ We do not track this information
Collaborative engagements	☑ Environmental ☑ Social ☐ Corporate Governance ☐ We do not track this information

LEA 12.2	Provide an estimated breakdown by E, S and/or G issues.

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Individual / Internal staff engagements

% Environmental only

11

% Social only

57

% Corporate Governance only

29

% Overlapping ESG issues

3

100%

Collaborative engagements

% Environmental only

11

% Social only

78

% Overlapping ESG issues

11

100%

LEA 13	Voluntary	Descriptive	PRI 2

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.

◉ Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.

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	Number of company changes or commitments to change
Individual / Internal staff engagements	2
Collaborative engagements	2

○ No

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6

LEA 15.1 Indicate whether your organisation proactively discloses information on its engagements.

◉ We disclose it publicly

please provide URL

http://www.storebrand.no/site/stb.nsf/Pages/exclusions.html

LEA 15.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

○ Yes

◉ No

LEA 15.3 Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

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Reporting to the public	Reporting to clients/beneficiaries
Engagement information disclosed	**Engagement information disclosed**
☐ Details of the selections, priorities and specific goals of engagement	☐ Details of the selections, priorities and specific goals of engagement
☑ Number of engagements	☑ Number of engagements
☑ Breakdown of engagements by type/topic	☑ Breakdown of engagements by type/topic
☐ Breakdown of engagements by region	☐ Breakdown of engagements by region
☐ An assessment of the current status of the engagement	☑ An assessment of the current status of the engagement
☐ Outcomes that have been achieved from the engagement	☐ Outcomes that have been achieved from the engagement
☐ Other information	☐ Other information

LEA 15.4 Indicate how frequently you typically report engagements information.

Reporting to the public	Reporting to clients/beneficiaries
○ Disclosed continuously (prior and post engagements)	○ Disclosed continuously (prior and post engagements)
○ Disclosed quarterly	○ Disclosed quarterly
◉ Disclosed annually	○ Disclosed annually
○ Disclosed every two years or less	○ Disclosed every two years or less
○ Other, specify	◉ Other, specify
	On request.

○ We disclose it to clients and/or beneficiaries only

○ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2

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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

A corporate governance code and voting policy applies to Norwegian and Swedish assets (Storebrand's domestic markets). The voting activities mainly concern governance issues. Internal staff is responsible for the policy's execution.

Process

LEA 17	Mandatory	Descriptive	PRI 2

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

	Approach

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

	Based primarily on

◉ our own voting policy

○ our clients requests or policy

○ other, explain

○ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

○ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

○ We hire service provider(s) which make voting decisions on our behalf.

LEA 21	Mandatory	Core Assessed	PRI 2

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

◉ Yes, in most cases

○ Sometimes, in the following cases:

○ No

○ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2

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LEA 22.1 For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- ○ We do track or collect this information
- ◉ We do not track or collect this information

Communication

LEA 26 | **Mandatory** | **Core Assessed** | **PRI 2,6**

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

- ◉ We disclose it publicly

provide URL

http://www.storebrand.no/site/stb.nsf/Get/getd90c354d6a15041701808e94c41eceff/$FILE/Stemmegivning_2013-2011_eng.pdf

provide URL

http://www.storebrand.no/site/stb.nsf/Pages/eierprinsipperstorebrandengelsk.html

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- ◉ Yes

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ◉ All voting decisions
- ○ Some voting decisions
- ○ Only abstentions and opposing vote decisions
- ○ Summary of votes only

Indicate what level of explanation you provide

- ◉ Explain all voting decisions
- ○ Explain some voting decisions
- ○ Only explain abstentions and votes against management
- ○ No explanations provided

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LEA 26.4	Indicate how frequently you typically report voting information.

- ○ Continuously (primarily before meetings)
- ○ Continuously (soon after votes are cast)
- ○ Quarterly or more frequently
- ◉ Between quarterly and annually
- ○ Less frequently than annually
- ○ Other, specify

○ No

○ We disclose it to clients/beneficiaries only

○ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

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PRI Principles for Responsible Investment

Storebrand Asset Management

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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

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PRI Principles for Responsible Investment

Overview

FI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1

FI 01.1 Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

Strategies

☑ Passive

Percentage of internally managed fixed income - corporate

◉ <10%

Report on your strategies that represents <10% of corporate fixed income

○ Yes
◉ No

○ 10-50%
○ >50%

☑ Active – quantitative (quant)

Percentage of internally managed fixed income - corporate

◉ <10%

Report on your strategies that represents <10% of corporate fixed income

◉ Yes
○ No

○ 10-50%
○ >50%

☑ Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

○ <10%
○ 10-50%
◉ >50%

Fixed income – government

Strategies

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PRI Principles for Responsible Investment

☑ Passive

Percentage of internally managed fixed income - government

◉ <10%

Report on your strategies that represents <10% of government fixed income

○ Yes

◉ No

○ 10-50%

○ >50%

☑ Active – quantitative (quant)

Percentage of internally managed fixed income - government

◉ <10%

Report on your strategies that represents <10% of government fixed income

◉ Yes

○ No

○ 10-50%

○ >50%

☑ Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

○ <10%

○ 10-50%

◉ >50%

FI 02	Mandatory to Report Voluntary to Disclose	Peering	General

FI 02.1 Provide a breakdown of your internally managed fixed income investments by credit quality.

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Credit quality	Fixed Income - Corporate	Fixed Income - Government
Investment grade	○ 0% ○ <10% ○ 10-50% ◉ >50%	○ 0% ○ <10% ○ 10-50% ◉ >50%
High yield	○ 0% ◉ <10% ○ 10-50% ○ >50%	◉ 0% ○ <10% ○ 10-50% ○ >50%
Distressed	◉ 0% ○ <10% ○ 10-50% ○ >50%	◉ 0% ○ <10% ○ 10-50% ○ >50%

FI 02.2 Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate	Fixed Income - Government
Primary market (new issues)	○ 0% ○ <10% ◉ 10-50% ○ >50%	○ 0% ○ <10% ◉ 10-50% ○ >50%
Secondary market	○ 0% ○ <10% ◉ 10-50% ○ >50%	○ 0% ○ <10% ◉ 10-50% ○ >50%

ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1

FI 03.1 Provide a brief overview of how you incorporate ESG issues in fixed income investments.

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Fixed Income - Corporate

Storebrand's ESG analysts monitor the investment universe (more than 3500 companies), and conduct analyses when potential violations of Storebrand's Minimum Standard occur (e.g. human rights violations or corruption). Storebrand has developed a formal scorecard to facilitate the comparison of investees risk profile on these specific ESG issues. The resulting analyses, including the risk score and a recommendation, are brought to Storebrand's Sustainable Investment Committee, which makes the final decision on whether or not to exclude the company from investment.

Storebrand always contacts, and tries to engage with, any company considered for exclusion. Exclusion in itself is not our goal, but a last resort when the risk of continued investment is prohibitively high. Consequently, Storebrand continues to engage with excluded companies in order to achieve improvements in their risk management.

Storebrand's ESG analysts performs sector analyses on ESG issues as well. Through the sector analyses we identify the worst performing companies on ESG, which are excluded due to the belief that the companies' negligence of ESG issues increases the risk associated with investing in these companies.

Both methods are applicable to the companies in all sectors and regions.

Fixed Income - Government

The goal of the responsible investment criterion for sovereign debt is to invest in countries that have in place elementary institutions to prevent corruption, that fulfill basic social and political rights, and that contribute to maintaining international peace and security. The requirements are applicable to all regions. Storebrand's ESG analysts conducts the analysis on a quarterly basis. Se FI 13.4 for more information.

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1

FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

☑ Screening alone (i.e. not combined with any other strategies)

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Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	% 100

☐ Thematic alone (i.e. not combined with any other strategies)

☐ Integration alone (i.e. not combined with any other strategies)

☐ Screening + Integration strategies

☐ Thematic + integration strategies

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2 Describe your primary reasons for choosing a particular incorporation strategy.

For the past two years Storebrand has developed a new methodology for our positive screening based on KPI's more closely linked with financial materiality. 2500 companies have been given a sustainability rating based on this methodology. In 2013 this rating was made available to our portfolio managers, and our long term goal is to make them an integrated part of our investment managers decision process. The reason is the belief that these KPI's will improve the performance of Storebrand's investments.

Since the beginning of responsible investments in Storebrand in 1995, negative screening criteria have been developed continuously and added to our responsible investment approach. Our reason for negative screening is twofold: to avoid contributing to breaches of international norms or conventions through our investments, as well as to secure long term returns. Furthermore, negative and norms-based screening has been the dominating demand of clients in Scandinavia.

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1

FI 06.1 Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

☑ Negative/exclusionary screening

Screened by

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☑ Product

☐ Activity

☐ Sector

☐ Country/geographic region

☑ Environmental and social practices and performance

☑ Corporate governance

Description

The Minimum Standard applies to all funds and portfolios and covers human rights and international law, corruption and environmental degradation, production of controversial weapons and tobacco. In addition, we do not invest in companies with critically inadequate sustainability risk management, operating in high impact industries.

☐ Positive/best-in-class screening

☑ Norms-based screening

Screened by

☑ UN Global Compact Principles

☑ Universal Declaration of Human Rights

☑ International Labour Organization Conventions

☑ United Nations Convention Against Corruption

☑ OECD Guidelines for Multinational Enterprises

☐ Other, specify

Description

The Minimum Standard described under negative screening, is based on a range of international conventions, among others these five.

FI 06.2 Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

The negative and norms-based screening criteria have been developed over the past nearly 20 years. The Minimum Standard is approved by the Executive Committee. Major clients are notified of major changes such as new exclusion themes.

The positive screening criteria were established by the ESG research team in cooperation with the CIO, and are continuously improved by the ESG research team.

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FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

☑ Comprehensive research is undertaken or sourced to determine issuers' ESG performance

☑ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☐ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar

☑ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies

☑ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions

☑ A periodic review of the quality of the research undertaken or provided is carried out

☐ Other, specify

☐ None of the above

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1

FI 13.1	Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

◉ Yes

FI 13.2	Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

○ <10%

○ 10-50%

○ 51-90%

◉ >90%

FI 13.3	Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

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ESG issues	Coverage/extent of review on these issues
Environmental	○ We systematically review the potential significance of environmental issues and investigate them accordingly ○ We occasionally review the potential significance of environmental issues and investigate them accordingly ◉ We do not review environmental issues
Social	◉ We systematically review the potential significance of social issues and investigate them accordingly ○ We occasionally review the potential significance of social issues and investigate them accordingly ○ We do not review social issues
Corporate Governance	◉ We systematically review the potential significance of corporate governance issues and investigate them accordingly ○ We occasionally review the potential significance of corporate governance issues and investigate them accordingly ○ We do not review corporate governance issues

FI 13.4 Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

The ESG screen for government fixed income applies to all of Storebrand's investments in this asset class. However, the research was implemented as a response to ESG risks in emerging markets in particular. Thus, this strategy emerged as a response to Storebrand's increased exposure to government bonds in emerging markets.

RI requirements for government bonds are concentrated within the areas of corruption, international sanctions, democracy and human rights. A sovereign will be excluded based on its presence on one or more of the following lists:

- Among the 10 percent worst performers on the Transparency International Corruption Perception Index and/or the World Bank Indicator of Control of Corruption.
- Subject to sanctions ruled by the UN Security Council.
- Given the lowest rating of 7 by the Freedom House "Freedom in the World" index on both Civil Liberties and Political Rights.

The list of excluded sovereigns is regularly updated and distributed to the portfolio managers, and the compliance department monitors implementation.

○ No

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6

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FI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

◉ We disclose it publicly

Provide URL

http://www.storebrand.no/site/stb.nsf/Pages/sustainable-investments-main.html

Provide URL

http://www.storebrand.no/site/stb.nsf/Get/get4e6f735b37f20e877789b3f9c1963345/$FILE/2013StorebrandENweb.pdf

FI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

○ Yes

◉ No

FI 18.3 Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.

Reporting to public	Reporting to clients/beneficiaries
◉ Broad approach to ESG incorporation	○ Broad approach to ESG incorporation
○ Detailed explanation of ESG incorporation strategy used	◉ Detailed explanation of ESG incorporation strategy used

FI 18.4 Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
○ Quarterly or more frequently	◉ Quarterly or more frequently
◉ Between quarterly and annually	○ Between quarterly and annually
○ Less frequently than annually	○ Less frequently than annually
○ Other, specify	○ Other, specify

○ We disclose it to clients/beneficiaries only

○ We do not proactively disclose it to the public and/or clients/beneficiaries

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FI 18.5	Additional information. [Optional]

On the internet a broad description of Storebrand's approach to responsible investments is provided, including some concrete examples.

On request, we provide clients with information on whether or not a specific company is excluded from investment. Publicly, we report on the number of companies and sovereigns excluded and do not disclose the names.

The negative and positive screening processes are presented in detail to selected clients.

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