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A publication by Storebrand Asset Management

Sustainable Investment Review / 1st Quarter 2025 **Sustainable Investment Review** / 1st Quarter 2025

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In this issue

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Mitigating human rights risks amid rising conflict

Welcome to our first quarterly Sustainable Investment Review for 2025. In this issue we focus the spotlight on how Storebrand Asset Management is managing the risk of involvement in violations of human rights in conflict-affected and high-risk areas (CAHRA).

Human progress is something that we may all have taken for granted over the years, but violent conflict continues to rise sharply around the world: a 40% increase in the past three years, according to the ACLED Conflict Index. Increasingly, high-performing sectors such as technology and defence, are exposed to involvement in violations of human rights. With this in mind, Sam Jones, co-founder of the consultancy Heartland Initiative, joins us to share his perspective on CAHRA and how investors can proactively manage human rights risks in these areas. We provide an overview of how we manage and mitigate CAHRA risks at Storebrand AM; and show how we are collaborating to improve the investment sector's capacity to respond to these challenges.

Elsewhere in our work on active ownership, we have continued our engagement with Nippon Steel regarding transparency on climate, which we provide an update on here. Human rights and labour rights also continue to be an area of focus for us. In this edition, we have updates on our engagements with Amazon.com and Tesla on these issues, as well as a joint investor call to UN member nations, seeking internationally coordinated action on living wages.

Infrastructure is an area of growing interest, and we are pleased to share news of a new major acquisition of a solar energy project by our infrastructure boutique AIP Management. The Pine Forest project, with its 300 MW of solar power generation and co-located battery energy storage facility, will play a major role in providing renewable energy to the Dallas-Fort Worth region of Texas in the U.S.

All these, and more, including data on our engagement and voting activity, are available to explore in detail in this issue.

Photo: Unsplash

"Human progress is something that we may all have taken for granted over the years, but violent conflict continues to rise sharply around the world..."

Kamil Zabielski,
Head of Sustainable Investment

Standing firm

Despite the ups and down, the case for sustainable investment remains as strong as ever

Text: **Jan Erik Saugestad, CEO, Storebrand Asset Management**

Following more than a decade of powerful growth and mainstream acceptance, sustainable investing is currently facing perhaps its greatest test. Sustainable investing has always faced resistance from an opposing view that politicians are best placed to tackle sustainability issues while investors should concentrate on profit maximisation.

However, this opposition has recently reached a crescendo. The opposition is greatest in the US, where investors that have focused on the upside potential of utilising environmental, social and governance (ESG) factors in investment, now face mounting political, legal and financial threats to curb such practices. Companies have also come under the spotlight, with many US companies responding to political pressure by scaling back or cancelling previously stated commitments and targets on social issues.

These developments have themselves met resistance, placing sustainable investing at a crossroads and raising important questions about its future. For Storebrand, which created a sustainable investment team in 1995, the debate underlines the nuances of the issues involved but also reaffirms our approach and commitments to investing sustainably.

Climate commitment climbdown

One of the clearest signs of the sustainable investment backlash is the exodus of major asset managers from climate-focused investment coalitions. The retreat, which began in late 2022, culminated in January when the Net Zero Asset Managers (NZAM) initiative **suspended its activities**. Climate Action 100+, an investor alliance pushing the world's biggest polluters to reduce emissions, announced the departure of several large members from **its initiative** a month later.

We have some sympathy with the US investors who withdrew from these coalitions given the rising pressure they face. The use of ESG metrics as a factor in investment analysis has become a major battleground, particularly in Republican-led states where policymakers argue that sustainable investing prioritises political and social goals over financial returns, potentially violating fiduciary duties. Several US states have introduced legislation restricting public pension funds from considering ESG factors in investment decisions and some have withdrawn mandates on sustainability grounds. In addition, US investors have faced growing legal challenges, based on claims that industry-wide climate collaborations and commitments violate antitrust laws, which govern business competition practices. Several US states governments have also filed lawsuits against asset managers for disadvantaging fossil fuel companies in pursuit of environmental goals.

Others are less understanding to their predicament. In February, a group managing a combined US$1.5 trillion **called on asset managers** to strengthen their climate stewardship and engagement activities or risk deselection – a threat that has recently seen several billion dollars of assets switched from those who have withdrawn from climate coalitions into others seen to offer greater alignment with the asset owners' "stewardship approach" and "responsible investment standards".

This illustrates the complexities of the challenges we all face.

Tensions and performance headwinds

The backlash has spread beyond climate-related issues, with US companies also scaling back programmes on social inclusion and equality, in the face of political and legal pressure. The new US federal government administration has been issuing a steady stream of executive orders cutting federal initiatives that promote equal opportunities, for example, soon after it was inaugurated this January.

Large corporations, including big tech and Wall Street banks, have reversed their previously stated social and inclusivity commitments or targets, while others face lawsuits from government agencies and shareholders alleging that their policies are discriminatory or have led to financial underperformance.

The headwinds have weighed on investor sentiment, which has been a contributing factor in the recent underperformance of sustainable investment strategies, both relative to previous periods and the broader market. Outflows from US sustainable investment funds reached $19.6 billion last year, up from $13.3 billion in 2023, according to Morningstar[1]. Meanwhile, the S&P Global Clean Energy Transition Index, a barometer for global clean energy-related companies, is down 65% from its January 2021 peak, although returns have been positive year-to-date[2].

Our house view unchanged

As many investors and corporates retreat from sustainability commitments in the face of mounting opposition in the US and beyond, sustainability faces an uncertain future. Regulatory scrutiny has also intensified significantly in recent years and although this is largely for the right reasons, it is causing some investors to take a more cautious approach towards mitigating sustainability-related and reputational risks.

The question is whether this retreat represents a temporary shift driven by cyclical factors or a more permanent recalibration of the ability of sustainable investment as a tool for addressing the real-world issues we face? If we accept the scientific consensus on these issues – and in light of recent climate catastrophes — it is important to retain momentum.

Storebrand was an early signatory of both NZAM and Climate Action 100+initiatives, as well as being part of **many other international investor coalitions**. We make our own decisions on climate issues – and all other aspects of sustainable investment – but it is vital that these industry alliances have a committed membership in order to be successful and benefit society.

Our position is unchanged

We maintain our investment principles and believe that tackling the underlying risks associated with sustainability challenges, such as climate change, biodiversity loss, human rights and the safeguarding of institutions and legal rights, is more important than ever.

Climate and nature risk remains one of the greatest threats facing humanity

We continue to uphold our fiduciary duty and integrate ESG factors in our investment process in order to ensure effective risk management and returns for our clients.

We will continue to engage with companies to help them improve, and challenge governments to ensure that the playing field for investors and corporates is aligned with sustainable development goals and pledges.

Climate and nature risk remains one of the greatest threats facing humanity that stretches far beyond political and market cycles – it requires long-term holistic action. We recently strengthened our own **climate policy** and call on policymakers, corporates and the investment community to stand firm on their own climate and biodiversity commitments.

The current lack of political leadership is unfortunate, but we recognise that these issues are complex and contentious. We are among the long-term asset managers that see sustainability as an important factor in delivering their fiduciary duty and remain steadfast on both our approach and commitment.

References

[1] **US Sustainable Fund Landscape 2024 in review**, Morningstar.

[2] As of 21/03/2025.

Climate risk is financial risk

Making the case for high ambition on net-zero transition at Finans Danmark seminar

This February, Storebrand AM CEO **Jan Erik Saugestad** was a featured speaker and panel participant at an event held in Copenhagen by Finans Danmark, the national financial industry association. The event was attended by participants from the Danish financial sector.

In his presentation, Saugestad addressed how, in our role as an asset manager, Storebrand AM navigates the sustainability agenda, while maintaining high ambition for the transition to a sustainable net-zero economy. The current geopolitical situation, and a wave of demand of reductions in sustainability reporting regulations, were also issues he touched upon. Saugestad welcomed the proposal to merge the "trinity" (CSRD, CS3D and taxonomy) into an omnibus as the bureaucratic disadvantages for many companies were too large. However, he stressed that it was equally important that the EU does not change course by weakening its ambitions for transitioning.

A central question from participants was the question of how to respond to political developments on climate policy. Saugestad emphasized here that ultimately regardless of political winds, the underlying science and the underlying business case for addressing climate change have not changed. He noted: "The basic idea behind initiatives such as Climate 100+ and NZAMI is that climate risk is also financial risk. This makes our work with active ownership and dialogue all the more important in the time ahead."

Opinion

Deep Sea Mining —a gamble Norway cannot afford

Text: Jan Erik Saugestad, CEO,
Storebrand Asset Management
Francois Mosnier, Head of Ocean Programme,
Planet Tracker

Out of all places on Earth, few are as unmonetized as the seabed. But does that mean it should be exploited? The emerging deep sea mining industry thinks so. According to some, extracting minerals from the seabed will be the key to power the energy transition in a way that is reportedly more sustainable than existing mining industry.

We disagree. A consensus of scientists are rejecting claims that deep sea minerals are essential, citing a strong increase in supply and ample inventories of technologies already made with these minerals. So why invest in hazardous bets that would destroy vast swathes of the seabed? Is the financial case compelling?

No. Before factoring in any environmental impacts, the economics of deep-sea mining already appear unattractive: high operating and capital expenditures mean that returns will be negative for investors, which will also destroy value in other sectors, like terrestrial mining and fishing. Ensuring that existing issues in these two industries are addressed would be a better use of capital.

This poor financial case is before considering any environmental damage. If we were to add a financial estimate of the ecological disaster deep sea mining would cause, the total cost would be much higher.

Norway is one of a handful of countries actively pursuing deep-sea mining in its territorial waters. Deep-sea mining, which has yet to start anywhere in the world on a commercial scale, has attracted strong criticism from environmentalists, scientists, industry leaders and public institutions. The concern is the dearth of knowledge about the deep sea and the potential impact of mining in these depths. Further research is required to determine the possible ecological impacts of deep-sea mining but the science to date paints a worrying picture. There is a high likelihood that it directly harms marine life and possibly impact on fishing and food security. Furthermore, the climate impact of deep sea mining could even be higher than that of land-based mining.

More than 90% of the value of the seabed lies in the absence of exploitation. And yet, deep sea mining would simultaneously jeopardise marine ecosystems, the climate, and fishing communities - without any prospect of being profitable, and therefore relying on government subsidies. It is why 32 countries, and more than 50 financial institutions already formally oppose it.

Norway should do the same.

Photo: Unsplash

Deep Sea Mining

Risks & Rewards

In February, Storebrand AM participated in a seminar on deep sea mining that was organized by Planet Tracker, a non-profit financial think tank that aims to align financial markets with a sustainable future.

Titled "Deep Sea Mining – Risks, Policies & Trends" the event offered an overview of the latest research, financial trends and policy actions shaping the future of deep sea mining.

Storebrand Head of Climate and Environment **Emine Isciel** was a featured speaker at the event, along with Andrew Whitmore, a researcher and finance advocacy officer; and François Mosnier, Head of Nature at Planet Tracker. In her presentation, Isciel shared insights into how Storebrand has proactively addressed deep sea mining, taking a range of actions spanning from exclusion to investor engagement.

In Focus

Photo: Unsplash

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Mitigating conflict risk

How should investors respond to the growing risk of involvement in conflict-related harms?

Human progress is something that we may all have taken for granted over the years, but recent developments remind us that isn't always the case: the data shows that severe, violent conflict is on the rise around the world. This trend in the global landscape means that investors must rethink how they manage the risk of being involved in, or contributing to, these harms.

Other developments add to the challenge that investors face. The rise in conflict has in turn stimulated growth in national military spending in Europe; and that in turn has boosted both revenues and investor interest in the arms sector and in companies positioned to benefit from this structural shift in national expenditures.

Furthermore, the military sector is being revolutionised, drawing into the military-industrial sector a wide range of companies from the technology sector and beyond.

These changes have had the effect of dramatically increasing the exposure of businesses to involvement in violations of human rights in conflict afflicted and high-risk areas (CAHRA).

All of this begs the question: what are the risks of businesses contributing to, or profiting from, harms in this new landscape. Are businesses managing these risks correctly? Does the investment sector have the tools to meet its own obligations on human rights?

We are not alone here: we find that many investors are seeking guidance on how to manage portfolio exposure to CAHRA.

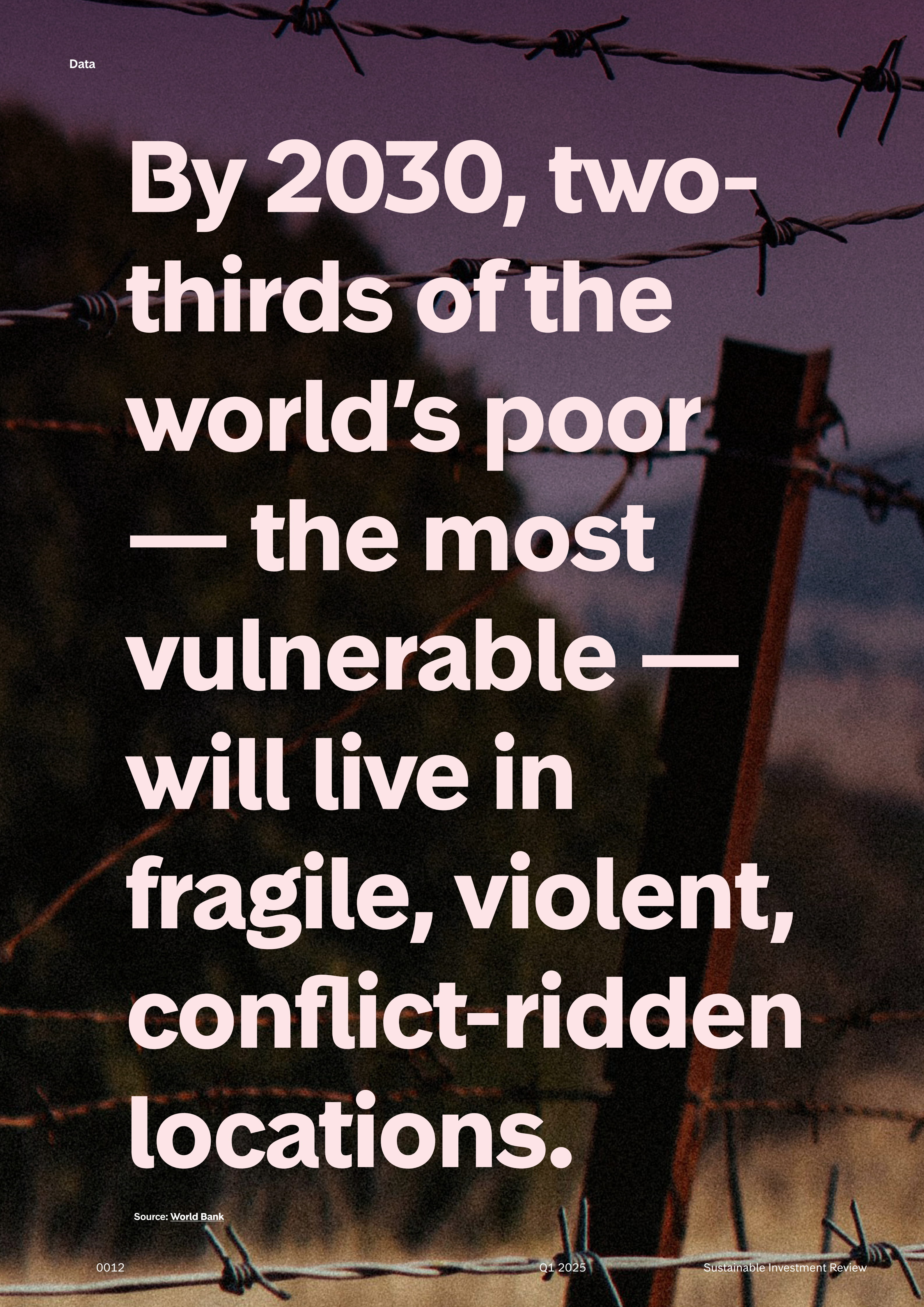
With this in mind, we review this area: to provide an overview of the scope and scale of the risks; to detail some of our work in managing and mitigating them; and to show how we are leading and contributing to efforts to improve how the investment sector handles these challenges.

40% increase 2020–2023

Violent conflict, which tends to be linked to incidences of violations of human rights, is rising around the world. Just how much are businesses — and their investors — exposed to risks of being involved in violations of human rights, and what are the impacts? There was a 40% increase in conflict between 2020 and 2023, with over 147,000 conflict events and at least 167,800 fatalities taking place in 2023.

Source: ACLED Conflict Index


Photo: Unsplash



By 2030, two-thirds of the world's poor — the most vulnerable — will live in fragile, violent, conflict-ridden locations.

Source: World Bank

Photo: Unsplash

15%

GDP Loss

Severe conflicts are estimated to lower GDP per capita by about 15% after five years.

Source: World Bank

Photo: Unsplash

Background

Managing CAHRA risk

How Storebrand approaches human rights risks in conflict areas.

At Storebrand, we manage risk related to conflict areas through continuous due diligence on human rights in all our portfolios.

Our approach is mainly based on our standards on international human rights and humanitarian law, as well as application of ESG risk data (including country risk, industry risk and company risk ratings). In addition, we align our investment policies with the **UN Guiding Principles for Business and Human Rights**, the OECD Guidelines for Responsible Business Conduct for Multinational Enterprises and for Institutional Investors; and human rights due diligence as outlined in the Norwegian Transparency Act.

About CAHRA

Conflict affected and high risk areas (CAHRA) are areas characterized by the presence of armed conflict, widespread violence or other risks of harm to people; and/or non-existing governance and security, and widespread and systematic violations of international law, including human rights abuses.

These areas are of the highest priority for managing risk, because they tend to be most often correlated with the violation of the human rights of the most vulnerable people.

Photo: commons.wikimedia.org/Siim Sepp

↑ Naval mines pose a risk to civilian populations and commercial vessels.

Tech boom in 2025

- Artificial intelligence
- Advanced air mobility
- Unmanned systems

Analysis by Deloitte projects that 2025 will see further extensive operationalization of new technologies into defense products, such as artificial intelligence, and advanced air mobility (AAM), and unmanned systems.

Source: Deloitte Aerospace and Defense Industry Outlook 2025

Data

Revenue and risk growth in the arms sector

Rising in parallel with the growth in violent conflict, is global growth in spending on weapons. According to data from the Stockholm International Peace Research Institute (SIPRI), which has measured conflict, disarmament, and weapons for many decades, global military spending reached a highest-recorded figure of US$2.7 trillion in 2024.

Defense sector boom

The military spending growth is, in turn, driving a boom in the military-related industries. This trend is strong in Europe, fuelling the revenues and valuations of European defense sector companies.

A significant percentage of arms produced by the defense industries are exported, potentially into territories where there is a high risk that the weapons could be used to carry out violations of human rights. While in theory this risk is mitigated by national export licensing regimes, in practice, gaps and loopholes are apparent.

Arms export controls inadequate

The scale and severity of these risks can be better understood through a quick look at recent data from United States, which is by far the leading exporter of arms globally. According to a recent fact sheet published by the Stockholm International Peace Research Institute (SIPRI), the US had a 43% share of global arms exports in the period 2020-24, more than four times as much as the second place country France, which had a 9.6 % share of global arms exports in the same period.

However recent investigative journalism by The Intercept revealed that, in 2022, the United States government exported weapons to 57 percent of the world's authoritarian regimes. Equally alarming, is a new assessment, published in April 2025, by the US government's official auditing institution, the Government Accountability Office (GAO). The new GAO report, titled "Human Rights: State Can Improve Response to Allegations of Civilians Harmed by U.S. Arms Transfers", notes severe gaps in the human rights due diligence process that governs exports of arms from the US.

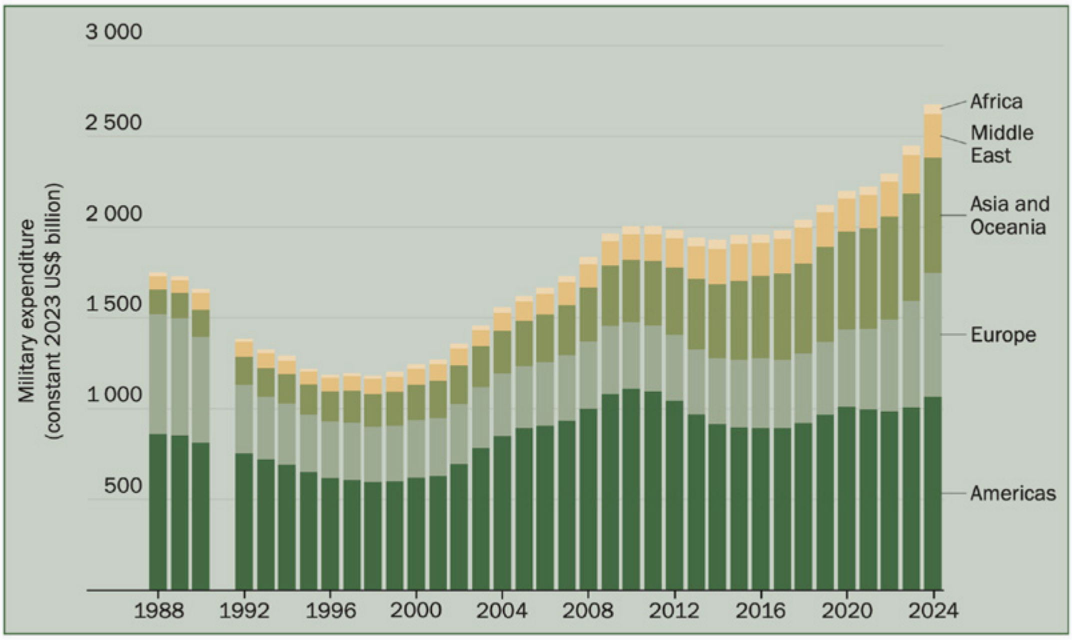
Of particular concern, are the report's assessments that "Agency Processes May Not Fully Address Risk That Transferred U.S. Defense Articles May Be Involved in Human Rights Violations" and that "State lacks the information and resources to assess civilian harm incidents involving transferred U.S. defense articles". The GAO report also notes that the US State Department Civilian Harm Incident Response Guidance (CHIRG) body does not have a mechanism for non-US government parties to report civilian harm incidents to it, which severely impairs the ability of the agency to receive relevant data in a timely manner.

Increased due diligence burden for investors

Given the intrinsically elevated risk of defense sector products contributing to violations of human rights in high-risk territories, along with the glaring inadequacies of export control mechanisms, the growth of this sector also creates challenges for investors, in terms of due diligence.

Highest-ever military spending

World military expenditure rose by 9.4 per cent in real terms to $2718 billion in 2024, the highest global total ever recorded by SIPRI and the 10th year of consecutive increases.



Source: Stockholm International Peace Research Institute (SIPRI) Fact Sheet on World Military Expenditures 2024

57%

of autocracies

Analysis of official arms sales data for 2022 shows that in that year, the United States government approved the export of weapons to at least 57 percent of countries in the world that were classified as autocracies.

Source: The Intercept analysis

European Defense stock returns

39.78% (3 Yr)

As of April 30, 2025, while the MSCI Europe index showed an annualized return of 8.11% over the preceeding 3 year period, the MSCI Europe Aerospace and Defence index recorded a figure of 39.78% in the same period.

Source: MSCI

61,353

civilian casualties of explosive weapons

Analysis by the monitoring group Action on Armed Violence (AOAV) shows that in 2024, at least 61,353 non-combatants were killed or wounded by explosive weapons, an increase of 67% on the year before. According to the AOAV, this is the largest number of casualties documented since it began its assessments 15 years ago.

Source: Action on Armed Violence (AOAV)

Background

Our approach

How Storebrand approaches military-related investments

Storebrand has in place a structured set of policies and procedures that govern how we relate to investments in what is known as the defense sector: a broad grouping of companies, mainly in the weapons, aerospace and technology industries, that are wholly or partly involved in the production of arms, and military-related technologies and services.

No investment in controversial weapons

In principle, we do not have an overall policy of divestment from this sector. Our view, based in international law and conventions, is that conventional weapons can be relevant for legitimate purposes of national defense.

We screen companies in this sector according to our Sustainable Investment Policy, which guides our investment in companies from all sectors. The policy is based on a clear set of principles and sets strict guidelines with regards to the various aspects of sustainability, including overall standards of conduct, the nature of the products, and the specific business practices of the company.

Consequently, we automatically rule out investment in any companies involved in the production of controversial weapons that breach international human rights law by intrinsically causing a risk of indiscriminate and disproportional harm to civilians. Some examples of such controversial weapons include nuclear, chemical and biological weapons; depleted uranium; anti-personnel mines and cluster munitions; white phosphorus; and Lethal Autonomous Weapons Systems (LAWS). As of the end of 2024, we had excluded a total of 41 companies on this basis of involvement in such controversial weapons.

The full details of how we assess and screen for these issues are detailed in our Exclusion Policy and our Human Rights Policy.

Client choice of exclusion from, or possible investment in, conventional weapons

With regards to investment in conventional weapons, we offer our clients, across all geographies and domiciles where we are present, two approaches.

In the first approach, some of our funds are open to weapons investments, and could do so based on the specific investment mandate and the strategies of the portfolio manager. Any defense companies that pass the screening detailed in our Sustainable Investment Policy, are in theory investable by our portfolio managers. However, given the nature of these products, if we invest in any companies in this sector, they are also subject to our ongoing due diligence procedures, to mitigate risk.

The second approach caters to clients who do not wish to invest in these categories of products and services. For this approach, we offer our clients the ability to invest funds that explicitly screen out companies involved in defense contracts and conventional weapons. We define such involvement as: companies that derive more than 5% of their revenue from the production or distribution of conventional weapons, military contracting and defense.

Firmwide exclusion criteria: Storebrand Exclusion

Conduct-based	Product-based Subject to turnover threshold		Business practices/activities Subject to individual assessment by the R&O team
Corruption and financial crime	Controversial weapons	= 0%	Lobbying against climate and nature
Climate and environmental damage	Coal & Oil Sands	>=5%	Forest risk commodities: Palm oil, soy, timber, cattle, cocoa, coffee, rubber, minerals
International law and human rights	Tobacco cultivation/production Tobacco distribution	= 0% >=5%	Activities: Deep sea mining, marine tailings disposal, arctic drilling & ecologically sensitive areas
	Cannabis	>=5%	Government bonds/state-owned companies

Update

Investor CAHRA guide launched

Storebrand engaged in Investor Alliance-backed project to help investors manage exposure to conflict-affected and high-risk areas

The Investor Alliance for Human Rights initiative, which Storebrand AM is engaged in, has recently released a new report that functions as guide to managing risk related to conflict-affected and high-risk areas (CAHRA).

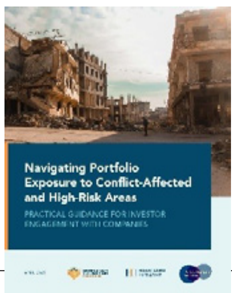
Developed in partnership with the Heartland Initiative and PeaceNexus Foundation, the report is the output of a project, **Investor Engagement on Conflict-Affected and High-Risk Areas**, which the organisations began working on in October 2023. The 18-month project sought to build the capacity of institutional investors to engage portfolio companies in the tech and renewable energy sectors, on how to address CAHRA-related risks in their operations and value chain relationships.

Titled **"Navigating Portfolio Exposure to Conflict-Affected and High-Risk Areas: Practical Guidance for Investor Engagement with Companies"**, the report is a practical, rights-based contribution to the limited guidance currently available for investors seeking to take a systemic approach to managing CAHRA risks across their portfolios and to those companies pursuing better policies, practices, and governance measures in response to today's volatile geopolitical landscape.

Specifically, the report offers three sets of learnings:

- practical guidance on how investors can identify, assess, and prioritize CAHRA risks in their portfolios, including by addressing the intersections between salient human rights impacts and material financial risks
- practical guidance to enhance investor-company interactions on CAHRA-related risks
- promising practice and lessons learned from a series of corporate dialogues with tech and renewable energy companies, highlighting emerging policies, practices, and governance measures to address CAHRA-related risks and associated gaps and challenges

The report was launched in April at an event that included a presentation of the report's findings, a panel discussion with investors who participated in the Pilot Project, and an open Q&A with the audience. Tulia Machado-Helland, Storebrand AM's Head of Human Rights and Senior Sustainability Analyst, was a featured member of the panel, along with Camille Bisconte de St Julien, Human Rights and Social Lead, La Banque Postale Asset Management and Therese Sandmark, Senior ESG Analyst, Skandia.



Update

Israel-Palestine conflict

Status of our work to manage risk of involvement in potential human rights violations

Given recent developments in Palestine, and the severity of the ongoing humanitarian crisis, we provide here an update on the status of our investments with regard to involvement in the conflict.

The conflict-ridden occupied territory of Palestine has long been classified as a high-risk area for conflict-related violations of human rights (CAHRA) and we address portfolio risks based on best practices for such areas. Taking into account the official judgements and pronouncements of the United Nations, the European Union and the International Court of Justice (ICJ), these institutions all concur that the Israeli occupation of Palestine and its settlements there are illegal under international humanitarian law.

Recent developments

The escalation of the conflict in 2023 entailed an increased risk of human rights violations in the two main territories of Palestine: Gaza and the West Bank. As such, we have increased our focus on human rights risk that could be driven by the use of military-related technology and advanced surveillance, among other things. A major challenge in this regard is that the major ESG data providers have reduced their data collection services for occupied territories in recent years, following pressure they have faced in the US.

However, Storebrand has, for over a decade, carried out its own, comprehensive due diligence assessments related to the occupied territories, and this work has been strengthened in recent years as the major ESG providers have withdrawn. However, it is not always easy to determine which companies could be in violation our criteria.

Approach to engagement

Storebrand has been working with the consequences of Israel's long-term occupation of Palestinian territories since 2009. Ever since then, the occupation has had consequences for the companies we invest in.

Every year, we screen our investments to identify companies that have activities related to the occupied Palestinian territories, and other occupied territories such as Western Sahara, and we follow clear guidelines for what kind of activities we should prioritise, so that our work has the greatest possible impact on the situation on the ground.

As in all other cases of active ownership, exclusion is not a goal when companies come under our scrutiny. Ideally, we want the dialogue we have with the companies to lead to a change in their actions, and that we can thus continue to be invested.

Where concerns appear regarding human rights, we always begin by seeking to enter into dialogue with companies that contribute to violations of humanitarian law, in order to influence them. If the dialogue does not succeed, we exclude these companies.

As of the first quarter of 2025, we had excluded 23 companies as a result of their products or services contributing to the Israeli authorities being able to continue their occupation of Palestine.

Event

Finsif seminar

A keen examination on responsible investment amid the growing militarization of Europe

With Europe experiencing steadily rising international tensions and a shift towards militarization, the Finnish Sustainable Investment Forum **Finsif** hosted an event in April that examined the role and responsibilities of institutional investors in the arms sector. Storebrand Head of Sustainable Investment Kamil Zabielski was a featured speaker at the seminar, titled "Going deeper — Defence industry and responsible investment".

The event, attended by over a hundred participants from the Finnish financial sector, including banks, asset managers, and pension funds, aimed to explore several issues, including: what are the key ESG risks that investors should consider when making investment decisions related to the arms industry?

Rising tensions and militarization

For a long time, the weapons industry was excluded from many investment portfolios, on terms similar to sectors such as alcohol, gambling, and tobacco. However, amid rising international tensions and an ongoing war on the European continent, European governments have committed to significant GDP-linked increases in national military expenditure.

Participants' interest in the topic was further boosted just before the conference when the Finnish government announced it would be dropping its longstanding commitment to the Ottawa Treaty, a critical global agreement that bans the production and stockpiling of anti-personnel mines. This raised the interest in the topic and helped boost attendance at the event.

At the seminar the stage was set by **Carl Haglund**, the CEO of Veritas Pension Insurance and a former defense of Finland, who contended that investors who chose not to invest in weapons weren't responsible. Haglund's remarks echoed those of several senior political figures in Europe who have publicly challenged financial institutions to invest in the military sector.

Yet the risk of the sector remains high when it comes to potential harms to human rights. Many national governments are removing certain safeguards that prevent potential violations of human rights by the sector's products. The Finnish government announcement on withdrawing from the anti-landmine treaty was actually one of **several such announcements** by countries around the Baltic region. These weapons, which are one of several types of weapons that Storebrand and some other institutions systematically exclude from investment, are considered to be controversial, as they are proven to result in indiscriminate harm to civilians. It was one of **several such changes** in the Baltic region over the past few months.

Navigating responsibilities

Kamil Zabielski, Head of Sustainable Investment at Storebrand AM, followed. Zabielski began by emphasising that recent developments are a reality check for the industry: on a certain level, each country has its own context, that necessarily inform the stances taken there.

He noted that the risk landscape is growing more complex, requiring heighted due diligence from investors on several arenas: controversial weapons, definition of weapons, and operations in locations with high levels of conflict.

Regarding controversial weapons, he pointed out that these intrinsically beach with International Humanitarian Law principles, such as the principles of proportionality and distinction. There is solid evidence that civilians disproportionately end up as victims from their usage. There are therefore sound reasons for adhering to the well-established international conventions and treaties that ban their use. Storebrand, along with many other investment institutions, do not invest in companies that produce such weapons.

The evolution of the defense sector was another due diligence challenge examined by Zabielski. He observed the emergence of controversial military technologies that don't fit into current classifications for weaponry, yet are contributing to military activity and potential violations of human rights. In addition, the weapons industry's transnational supply chains and cross-border collaborations, pulverise responsibility among companies. Furthermore, a significant volume of weapons are being exported by western countries to national regimes that are known to be authoritarian and therefore consequently high-risk for violations of human rights. As a result, compliance with national laws and weapons export licencing regimes is no longer sufficient to mitigate the risk that companies could be involved in supplying weapons that contribute to harms.

Furthermore, Zabielski noted, the risk of conflict-related harms by companies in this sector was not merely about weapons production, but about the totality of risk related to each company's activities. While the former can be somewhat clearer, and can to some extent be verified, while the latter risks are far more complex, as they be driven by legitimate operations and require more detailed and extensive levels of due diligence.

The challenges of this due diligence are made all the more difficult with ESG data providers having recently withdrawn from providing their data services for conflict areas. Many of the data providers are US-based and face legal pressure at national and state government levels regarding their policies. As a result, investors now need to find risk-related information from a variety of sources, Including media and civil organizations, but also bespoke expertise and external consultants, in order to conduct in-house assessments on conflict-related risks.

Zabielski explained how, compared to many investors, Storebrand has in place a very clear set of principles that govern investment in weapons, anchored in commitments by senior management, and implemented through continuous due diligence processes. This, he said, was the key to ensuring consistent, principled investment policy over time, and to mitigating the dangers of taking rushed or emotionally-driven decisions, in response to sudden events or a backlash. However, Zabielski noted, even this approach does not mean we can be sure of having all the answers.

Ultimately, the confluence of growing pressure to invest in weapons and the heightened risk of involvement in conflict-related violations of human rights poses a significant challenge for investors, and requires a great deal of caution.

↑ Kamil Zabielski, Head of Sustainable Investment at Storebrand AM, delivering his presentation at the Finsif Seminar.

"...compliance with national laws and weapons export licencing regimes is no longer sufficient to mitigate the risk that companies could be involved in supplying weapons that contribute to harms."

Interview

From Iraq to investor roundtables

Heartland Initiative's Sam Jones on the human rights challenges investors face, with rising conflict, weakened international institutions and the emergence of new technologies

With geopolitical conflict and fragility on the rise around the world, investors have been forced to react to a growing array of human rights and material risks posed by this trend.

For several decades, Storebrand AM has used an integrated process for managing portfolio risks related to human rights in conflict-affected and high-risk areas (CAHRA). Along the way, we have evolved a partnership with the Heartland Initiative, which specializes in this area.

Storebrand AM recently sat down with Heartland Initiative President and co-founder Sam Jones to examine this topic, and the road ahead for investor responsibilities on human rights in an increasingly violent and volatile global context.

How did you get involved in working on human rights?
Before co-founding Heartland, I spent about 15 years in international humanitarian aid, development, and human rights. That included time on the ground working with nonprofit development organizations, including Counterpart International, in the Occupied Palestinian Territory (OPT), Israel, Jordan, and Iraq from 1999 to 2008. It also included deployment missions to Lebanon, Afghanistan, and the OPT.

In 2008, I began working at The Carter Center, an organization founded by former US President Jimmy Carter and First Lady Rosalynn Carter, as an associate director of the Human Rights Program, working on the Middle East and Democratic Republic of Congo, the latter of which focused on the intersection of corporate transparency, human rights, and industrial extractive activities.

The benefit of this experience was that I was able to see firsthand the impacts of corporate activity in those environments—for the benefit of and in coordination with local stakeholders or in ways that did more harm than good (or something in between.. This work gave me a healthy respect for the work of local civil society organisations in terms of the specific risks they would take to gather data, analyse it, and publish it. It also depended on identifying opportunities to work in coordination with policymakers and companies, when such coordination would have a positive social impact.

Building on this experience in my current role, while we go through multiple verification processes around what data we're going to use, we still place a heavy emphasis on rights information as reported by rights holders. That approach has been, and will remain, critically important.

What exactly is your organization: the Heartland Initiative?
Heartland is a nonprofit investor advisory based in the United States. Our primary mission is to assist institutional investors in the prevention and mitigation of human rights risk across portfolios, with an emphasis on business activities in CAHRA.

We choose that contextual due diligence lens based on a framework that we refer to as the "saliency materiality nexus." This is founded in the theory that it is in CAHRA, where salient human rights risks to individuals and communities most often translate to financially material risk for companies and their shareholders.

What motivated you to create this organization and how does the way you approach this work stand out?
When we founded the Heartland Initiative, a little over eleven years ago, we felt like at that time, in the United States, that institutional investors were often neglected as potential agents of change. We found that nonprofits were very good at either naming and shaming companies or engaging them privately, but that investors weren't included in those spaces, with obvious exceptions like the Interfaith Center on Corporate

Note: This interview has been condensed and/or edited for brevity and clarity.

Responsibility. I know that's very different in the Nordic countries. In the European context, frankly, there's just a better grasp of violations of international law. It's more infused into media reporting, civil society, and investment decisions. But overall, we believed that working directly with investors, educating them around CAHRA-related risks, was a critical, missing link in the advocacy landscape.

We cultivate close and tailored partnerships with leading institutional investors on human rights risk prevention and mitigation. And that's certainly the case with Storebrand. We had worked together informally several years before developing a formal partnership.

This framework guides investors on how to address risks related to human rights and conflict-affected areas?

Yes. On the human rights side, we know that high conflict and high fragility result in a higher prevalence of gross human rights abuses. On the material side, which is less reported from an analytical lens, there's a higher prevalence of regulatory enforcement in these areas, like sanctions regimes and trade controls. We refer to this as the "saliency-materiality nexus." There's also a growing use of strategic litigation on behalf of impacted rights holders, as has been the case with Holcim in Syria, Chiquita in Colombia, and Lundin Energy in Sudan.

There's also a higher prevalence of operational risk in conflict areas, which can mean expropriation of assets as in Russia or loss of social license to operation due to conflicts with local communities. The final type of risk is higher prevalence of reputational risks: advocacy campaigns, investigations, and divestment decisions by investors in these areas.

To help investors understand this framework, we co-published a white paper focused on the saliency-materiality nexus last year with Schroders and Wespath Benefits & Investments. Essentially, we make the business case for why investors should prioritise conflict-affected and high-risk areas as a contextual due diligence lens that identifies the most severe and systemic human rights and material risks in their portfolios. This approach helps investors prioritize risks, maximize limited resources, and advance long-term financial performance.

How has your organization been received so far, and how did that evolve, over time?

There is, perhaps unsurprisingly, a growing demand for our work as conflict and authoritarianism grow, especially in the last three to four years with conflicts and crises in Israel-Palestine, Russia-Ukraine, DRC, Sudan, Myanmar, and Xinjiang, China. There's an increasing appreciation of the systemic risks posed by this trend, most recently reflected in a Thinking Ahead Institute survey that found that 26 of the world's largest asset managers identified geopolitical confrontation as a top three systemic risk.

And at a broader level, investor understanding of the human rights and material risk posed by conflict and fragility has increased. We are increasingly doing large, collaborative engagements that bring many institutional investors together across different industries but with a contextual focus on CAHRA.

How well do investors and the financial sector understand the relevance of this work, and what are the major misconceptions?

In many ways we serve as the connective tissue between institutional investors and civil society. Because a lot of our work is based on inputs from civil society - anyone from a local to international NGO to a think tank, to a legal organisation, to academia. And those organisations have their own particular goals in mind, namely to protect the rights holders, which they represent or to draw attention to particular issues.

Institutional investors have human rights responsibilities under the UNGPs, their fiduciary duties to clients and fund mandates, and legal obligations under evolving mandatory due diligence legislation. You're not trying to get an investor not to be an investor – they operate with the most influence, integrity, and effectiveness when they stay true to their own institutional ethical, legal, and fiduciary responsibilities. And civil society organizations must play their role, which is also absolutely critical. And where those interests intersect, often there are opportunities for opportunities to advance progress for the benefit of rights holders and shareholders.

"Another challenge is the absence of fit for purpose data from ESG research providers, especially as it relates to the impact of these weapons systems on rights holders."

Does the weapons and military services sector pose special challenges, in comparison to other investment sectors, when it comes to transparency, and understanding and managing human rights risks?

One of the biggest issues with engaging defence companies, is that they typically hide behind the confidentiality of government contracts and cite their compliance with sanctions regimes and export controls. For example, the Biden administration provided weapons to 57 percent of the world's authoritarian governments. There is also the issue of "paper compliance". Companies can have high ESG ratings scores that do not properly reflect their actual activity or risk levels.

It appears that investments in the weapons sector are attractive these days, with European governments making promised of GDP-linked growth in weapons spending. Is this throwing fuel on the bonfire in terms of risks of conflict and violations of human rights?

Absolutely. The defence industry unsurprisingly has responded to the increase in demand generated by rising conflict. And the problem is, including within my own country, the retreat from the post-World War II international legal order in which the rules of conflict are being eroded. This is not unique to the Trump administration, although it's certainly been accelerated in the relatively short amount of time since he's taken office.

But with the defence industry, there are a number of challenges. One is the reconsideration of what are considered controversial weapons: anti-personnel landmines, cluster munitions, nuclear, chemical, biological, white phosphorus, etc. It almost seems like international agreements and consensus are being relitigated when it comes to the appropriateness of these weapons, and their utility in conflict. For example, Finland and a host of the Eastern European countries have recently withdrawn from the Ottawa Treaty, which aims to ban anti-personnel landmines. The Biden administration was recently supplying cluster munitions and landmines to Ukraine. This clashes with the established history of specific rulings by the United Nations about the fundamental incompatibility of such weapons with international humanitarian law, or the laws of war.

There is a real risk of opening a Pandora's box of these weapons, when in fact the case has been sufficiently made about their fundamental incompatibility, because they can't distinguish between civilians and combatants. The idea of proportionality is not built into them by design, and the human suffering from the use of them has been extensive and continues to be so. So, the reintroduction of controversial weapons is one example of fuel on the bonfire.

The tech sector, which has driven investment growth for many years, seems to be increasingly involved in conflict though use of their products and services, such as data analysis, AI and robotics — does this mean the sector has a hidden, or under-estimated risk, of being involved in violations of human rights? What is a weapons company anymore? Is Palantir a weapons company?

Another thing adding fuel to the fire is the ascendency of defence tech, where you have the defence industry and the technology industry blending and blurring. So, investors are left wondering what is a controversial weapon now? For example, are lethal autonomous weapons systems controversial weapons? Or how do you deal with a Microsoft or Alphabet or Amazon, which do not make weapons by design, but whose products and services are being weaponized or being militarized?

And the challenge of answering these questions is only compounded by the fact that the rate of development, deployment, and proliferation of these technologies is outpacing policymakers, regulators, and other stakeholders. Another challenge is the absence of fit for purpose data from ESG research providers, especially as it relates to the impact of these weapons systems on rights holders.

So, it's not just the growth and intensity of conflict, it's also the chaos of not knowing exactly how to respond.

Do international conventions, treaties or regulations, such as the Declaration of Human Rights, the Geneva Convention, the Ottawa Treaty that bans anti-personnel mines, matter anymore, as tools that can be realistically counted on to reduce the risk of violations of human rights? Are you saying these frameworks are becoming less significant? If so, how else can these risks be reduced?

We have to make them relevant. And they're only going to be made relevant if the key stakeholders within the political and financial ecosystems reference them, enforce them, and adapt them to the changing context.

It's not that institutional investors should become the policymakers of tomorrow, but institutional investors do have leverage at their disposal, especially when they act in unison, that can reinforce the fundamentals of international humanitarian law.

This is where the saliency-materiality nexus, which I've described before, becomes very important. There are attacks on ESG, primarily in the United States, but having a ripple effect on Europe, and there is the deterioration of respect for international humanitarian and human rights law. But: if you are able to tie corporate behaviour to human rights harms with material losses and to do it in a more systematic way, that helps you make the case that it's not just for an ESG or sustainability report, but it is a basic tenet of sound and rigorous social risk management.

Turning our gaze ahead, what are some of the rising human rights issues that you might expect to see in terms of over the next 1-3 years?

Land use has historically been an issue, but one that's going to continue to rise. We're going to be dealing with more issues related to transition and the renewable energy sector. The need to move towards zero emissions brings issues around the infrastructure of those projects into focus. Where are the projects taking place? How are they consulting with local stakeholders? It's not enough to just say that we're supporting the just transition: respecting the rights of stakeholders matters too.

Critical minerals and metals could also continue to be a major driver of conflict, given the way that the geopolitical landscape is evolving.

Clearly companies need to have **UN Guiding Principles on Business and Human Rights** (UNGPs) in focus: prioritising their risks, including risk to specific vulnerable populations, women, children, civilians in conflict, the disabled, LGBTQ+, and so on. The typical approach by ESG data providers is, "How does the context impact the business?". But what's frankly more important for us is how did the business impact the rights holders and within that community, how are you prioritising the most impacted rights holders?

In this future, what are the greatest barriers that you believe must be overcome to enable a significant reduction in harms to human rights?

Transparency is a huge barrier to be overcome in the defence industry, as well as the emerging defence tech industry. With the defence industry, one of the historic problems with engagement is that there is a high degree of opacity around their contracts with governments. Defence companies cite that "We are export control-compliant, we are sanctions-compliant." But: that is the floor, not the ceiling, when it comes to the UNGPs and **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct** (OECD Guidelines).

And we're already seeing symptoms of this in the tech companies. The more that they get involved in the military space, the less transparent they will likely become. For example, there's currently still quite a bit of receptivity to talking about the human rights risks of artificial intelligence, as it relates to health care, education, which are some of the more innocuous-seeming industries. But: there is a much higher degree of reluctance by the tech companies to talk about those risks when discussing military-related issues. There, the regular refrain from tech companies is "We're not a military company". So that's a major challenge ahead.

ESG data provider and ratings ecosystem are also an issue. There are a relatively small number of major firms that the vast majority of institutional investors are relying on, and yet, those data provision and ratings firms have surrendered a lot of ground when it comes to human rights and conflict. Most of these firms take a controversy-based approach, which is reactive. But it's critical to increase the adoption of more proactive approaches, and to apply a global set of standards by which every conflict affected and high risk-area, and the corporate behaviour in those areas, is assessed.

How do you expect this landscape of managing human rights risk to evolve?

A proactive, systematic approach to CAHRA-related risks is the way forward, including so that investors aren't playing a game of "whack a mole" with every new conflict or crisis as it arises. This is where investors like Storebrand are leading, and we hope others will follow suit.

It's not just a matter of having a better policy for Israel-Palestine, Russia-Ukraine, Myanmar and so on. It is about looking at a company's CAHRA risk universe and encouraging the company to adopt policies, practices, and governance measures that deal with these as severe and systemic risks across the business model.

The moment investors try to be anything they are not, they lose credibility. That's true, but there are also responsibilities—ethical, legal, and fiduciary— that, when taken together, mean that investors must address those risks that present the most severe and severe harms to people, the planet, and their portfolios.

Ultimately ,it's not the role of the financial sector to replace states or policymaking bodies and institutions, but it is the role of the financial sector to help reinforce and support the norms, laws, and institutions that protect human rights, enforce the laws of war, and advance global economic stability that can help guard human rights.

↑ Jones was a humanitarian services operative for several years before co-founding the Heartland Initiative.

"It's not the role of the financial sector to replace states or policymaking bodies and institutions, but it is the role of the financial sector to help reinforce and support the norms, laws, and institutions that protect human rights, enforce the laws of war, and advance global economic stability that can help guard human rights..."

Event

Norwegian government seminar

Helping the business sector understand how to fulfil its responsibilities in conflict situations

↑ Machado-Helland in the panel discussion

Heightened human rights due diligence is becoming central for investors everywhere and Norway is no exception. This topic was the focus of a seminar held by the Norwegian government for Norwegian businesses and civil society this April, at which Storebrand was honoured to contribute insights.

Titled "Responsible business and armed conflict: what does heightened due diligence entail?", the event was hosted by the Norwegian Ministry of Foreign Affairs and Norwegian National Contact Point for Responsible Business Conduct. The seminar aimed to address due diligence expectations of companies and investors in situations of armed conflict; and to shed light on the risks and challenges that arise and how they could be addressed in practice.

Responsibilities in armed conflict

The initial framework was set by two important initial contributions. The first was opening remarks by **Andreas Kravik**, who is the State Secretary of the Norwegian Ministry of Foreign Affairs. Next was an overview of human rights impacts and responsibilities of business in armed conflict situations, which was delivered by **Nada Al Nashif**, Deputy High Commissioner for Human Rights, Office of the United Nations High Commissioner for Human Rights (OHCHR).

This was followed by a panel discussion on what due diligence in conflict-affected areas entails, moderated by **Liv Tørres**, Head of International Department of Confederation of Norwegian Trade Unions (LO) with Nada Al Nashif, Deputy High Commissioner for Human Rights and **Mark Taylor**, Nansen-program for Ukraine.

The event was rounded off with a practically oriented panel discussion on the challenges and best practices of conducting heightened due diligence. In this panel discussion, moderated by **Frode Elgesem**, Chair of the Norwegian OECD National Contact Point, **Siniša Milatović**, UNDP Business and Human Rights Specialist and co-author of the UNDP's Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts explained what hHRDD entails for investors and businesses; **Cira Holm**, Chief Compliance Officer at Yara spoke about Yara's challenges in conducting hHRDD and Ingrid Håvik, Sustainable Sourcing Manager of the hotel and travel conglomerate Strawberry, discussed best practices for conducting HRDD in procurement processes.

In the panel discussion, Storebrand's Head of Human Rights, **Tulia Machado-Helland** focused on how investors perform human rights due diligence in their portfolios; and the challenges they are facing. A major problem is the fact that companies often do not share information about the details of their involvement in Conflict Affected and High-Risk Areas (CAHRA), and that the ESG data providers have largely stopped providing information on this. This creates a huge gap of potentially hidden risk exposure. Regarding heightened Human Rights Due Diligence (hHRDD) performed by companies, Machado-Helland detailed the actions and disclosures that investors seek from companies. She also noted that so far, most companies are not conducting hHRDD, and explained the risk this entails for both companies and investors.

Concluding, Machado-Helland discussed new trends in which investors are joining forces in collaborative proactive engagements, to find best practices and jointly lift corporate standards for companies operating in CAHRA. She also discussed the importance of stakeholder engagement and the benefit form collaborations in initiatives between companies, investors, Civil Society Organisations (CSOs) and experts in conflicts and International Humanitarian Law, and provides some examples of cases in which Storebrand is collaborating with others on these issues.

Event

Festa Seminar

Human Rights Due Diligence at Iceland's Festa Seminar

↑ Zabielski delivering his presentation to the Festa Seminar.

Storebrand AM was privileged to have participated, this January, in Iceland's Festa Seminar, an annual conference organized by the Icelandic business sustainability network Festa. At the event, our Head of Sustainable Investment **Kamil Zabielski** delivered a digital seminar on human rights due diligence.

In his presentation Zabielski focused on Storebrand's approach to addressing human rights risks in investment portfolios, within the context of conflict areas and just transition. He noted the wide range of issues faced by various types of investors, which in turn require different approaches. As an asset manager, Storebrand has its own structured approach, which Zabielski outlined for the participants. Among the issues he touched upon were Storebrand's approach to exclusion, used as a last resort, but reversible if the company ceases the actions that caused concern. He also demonstrated Storebrand experience in applying the principles of Just Transition to address that the rights of indigenous people are protected in the transition to renewable energy, as well as our approach to the risk of forced labour in the polysilicon supply chain.

The feedback from the event organizers and attendants was positive, with appreciation expressed for the fact that Storebrand contributed "very relevant cases" and insight into how the company makes well-founded and "brave" decisions. Feedback also indicates that the presentation has sparked a lot of conversation in Iceland following the seminar.

Solutions

AIP purchases stake in Pine Forest

Minority acquisition in US-based solar and storage venture completes investment phase of AIP IV fund

In April, Storebrand's infrastructure boutique AIP Management, agreed to invest approximately US$ 200 million to acquire a 49.99% equity stake in the Pine Forest solar project, located in the US state of Texas.

The Pine Forest project consists of 300 MW of solar power generation with a co-located 200 MW/400 MWh battery energy storage facility. It offers access to densely populated centres of electricity demand in the Dallas-Fort Worth area of Texas.

It is expected that the project will begin producing power in Q4 2025. The electricity produced will be fully contracted through long-term virtual power purchase agreements with corporate off-takers.

The project developer, Clearway Energy Inc retains a 50.01% stake in Pine Forest. Clearway, a major renewable energy and storage developer, will continue in its existing role in charge of operations and maintenance and asset management services. The transaction is expected to be closed during Q2 2025.

10 years strong

In the decade since Storebrand launched its first Green Bond fund, the asset class has sprouted from niche to mainstream

Text: **Gustaf Linnell**
Head of Fixed Income,
Storebrand Asset Management

> Growth is such that pure green bond funds may cease to exist within the next ten years

We recently celebrated the 10-year anniversary of launching the world's first commercial green bond fund. Today, Storebrand's Green Bond Fund, which built on the World Bank's issuance of its pioneering green bond in 2008, stands as a symbol of the evolution of green and sustainability-linked bonds.

Since inception in 2015, the fund has grown to nearly SEK 11 billion (US $1.1 billion) in assets under management (AUM) – Sweden's largest of its kind – and delivered a 6 per cent return over the past five years, more than double its benchmark index.

From niche to mainstream

The fund was a niche product at launch, and we had to demonstrate its benefits in detail to investors. Sustainability-related bonds now make up over half of all corporate bonds issued in Sweden and our fund is a mainstream vehicle for sustainable investments, financing projects such as energy-efficient housing, sustainable waste management, train connections, and bike lanes. We also recently expanded into areas including aluminium recycling, battery production equipment, truck electrification, and supply chain decarbonization.

Real estate remains a cornerstone of Sweden's corporate bond market. Buildings account for approximately 40 per cent of the EU's total power consumption, making their decarbonization essential for the energy transition and green bonds are playing a critical role in helping finance this shift.

A broader and more diverse market

The growing demand for sustainable bonds has seen annual issuance rise to over US $1 trillion. Cumulative global GSS+ bond volumes reached US $5.7 trillion at the end of 2024, with green bonds alone accounting for US $3.5 trillion, according to the Climate Bonds Initiative (CBI).

The market has also become more diverse. When Storebrand's Green Bond Fund was launched a decade ago, corporate issuers were primarily concentrated in the financial and real estate sectors -- but they now span a broad range of industries.

Frameworks like the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and the European Green Bond Standard (EUGBS) have helped the market to mature. These guidelines have increased transparency and curbed greenwashing, giving investors greater confidence and clarity.

What's next?

Growth is such that pure green bond funds may cease to exist within the next ten years. As they continue to expand into mainstream mandates, sustainability could well become embedded across all investments.

Indeed, as sustainable bonds move further into the mainstream, their transformative impact on sustainable finance becomes ever clearer. Green bond funds have not only driven the transition but also laid the groundwork for a more environmentally conscious fixed-income market. Whether they exist in the future or not, their legacy for sustainability and transparency is undeniable.

*The Storebrand Green Bond fund, which at its launch was named SPP Grön Obligationsfond, has marketing permission in Sweden.

In its Morningstar category, "Fixed income SEK Bonds Mix", Storebrand Green Bond is in the top 5 for three-year rolling returns (as of 2025-02-17).

The Storebrand Green Bond fund has returned 6.02% over the past five years (2019-12-31—2024-12-31), while its benchmark index has returned 2.77% over the same period. Returns in Swedish kronor, excluding inflation. The fund's benchmark index is OMRX Mortgage Bond All.

Historical returns are no guarantee of future performance. Money invested in funds can both increase and decrease in value, and it is not certain that you will get back the entire invested amount. Fact sheets and information brochures can be found on our website.

Henrik Bastman takes on the role of CEO of Storebrand Fastigheter AB.

Henrik Bastman appointed CEO of Storebrand Fastigheter

Begins new role in May 2025

Storebrand Fastigheter AB has appointed Henrik Bastman as its new Chief Executive Officer. When he begins his new role as CEO on May 1st, 2025, Bastman will resign from his position as a board member of Storebrand Fastigheter, but will continue his role as portfolio manager for the Storebrand Nordic Real Estate Fund.

Bastman has an extensive background from the financial and real estate industries and has previously held the position as Head of Nordics at AXA Real Estate and partner at Genesta. He has also worked at JLL and started his career at J.P. Morgan. He holds an M.Sc. from the Stockholm School of Economics. In addition to taking on the new CEO role, Henrik will continue in his current role as portfolio manager for the Storebrand Nordic Real Estate Fund. He is based in Stockholm.

Bastman succeeds Marita Loft, who has chosen to retire after 13 years as CEO of the company. Under her leadership, the business has evolved, from owning and managing a property portfolio valued at SEK 1.5 billion, into a portfolio with a value of SEK 14.4 billion. The Real Estate company now has 15 investors, the largest of which is SPP Pension and Insurance.

Storebrand Fastigheter AB is a subsidiary of Storebrand Asset Management. Storebrand Fastigheter manages the real estate portfolio SPP Fastigheter AB (publ).

Active Owner-ship

Photo: Unsplash

Updates

Nippon Steel engagement continues

Seeking increased transparency on decarbonization plans

Storebrand has engaged for several years with Japanese steel maker Nippon Steel, as part of our stated commitment to reduce the climate intensity of our portfolios.

As part of this engagement process, in 2024 Storebrand AM supported three shareholder proposals pushing for the company to take ambitious climate action. The resolutions asked for Nippon Steel to set and disclose short and medium-term greenhouse gas (GHG) emissions reduction targets, along with disclosure of planned capex for decarbonization investments. The resolutions also asked for remuneration to be linked to the company's GHG emissions reduction targets and improved disclosure of climate-related lobbying activities.

While none of the proposals received a majority vote, they received solid backing of between one third and one fifth of the shareholders at the annual meeting, including delivering the largest ever vote in support of a climate lobbying resolution in Japan. This visible support demonstrated to the company's management the clear and growing level of shareholder support for action on these issues.

In Q1 2025, Storebrand and a group of international investors sent a letter to the company, requesting details on how the company plans to meet the expectations of investors that supported the shareholder proposals.

The company responded by organizing several investor meetings to present their recent plans for transitioning to low-carbon steel production, where Storebrand and other investors were able to discuss these issues with company management. The tone and substance of the communication from the company suggests that its management and board now have a growing awareness of the need for ambitious decarbonization plans and action. Furthermore, the investor group welcomed the company's improved transparency regarding its climate policy.

However, many challenges remain, such as constraints on supplies of renewable energy in Japan, which may hinder the transition from coal-fired blast furnaces to Electric Arc Furnaces. Storebrand plans to continue to engage actively with Nippon Steel on these issues throughout 2025 and beyond.

Photo: Colourbox

Amazon.com

Investor letter sent and shareholder proposal attempted regarding labour rights

For several years, Storebrand has been engaging with the global retailer Amazon.com on various aspects of human rights and labour. The impetus for the engagement based on our assessment that there is a gap between the company's stated commitments in these areas, and how it implements them. We believe that this gap is a reputational and operational risk that the company should address.

Further action was taken in this engagement with Amazon.com during the first quarter of 2025.

On the voting front, Storebrand has been part of a group of investors seeking to file a shareholder proposal to be voted on at the upcoming Amazon.com annual general meeting (AGM). This proposal, which focused on the company's implementation of its own stated commitment to the principle of freedom of association of its workers, was co-filed in December 2024.

However, early this year, the US Securities and Exchanges Commission (SEC) granted Amazon's request to exclude our proposal from the proxy, which means that the proposal will not go to a vote at the AGM. Based on current SEC decisions, it can be inferred that the SEC's current position is that freedom of association is not permissible for a shareholder vote anymore under the new guidance, which is a change of direction from a precedent established a year ago by the SEC under the previous US federal government administration.

Within the same group of investors, we also collaborated early this year to issue a collective letter to two members of the board at Amazon.com. The letter documented our concerns regarding the decision that the company took this year in Canada, to close all its Quebec warehouses and end the jobs of approximately 1700 full-time and 250 part-time workers.

The company's actions followed recent unionization efforts by workers there that had resulted in the Laval, Quebec, warehouse becoming Amazon's first unionized warehouse in Canada. However, in a similar case, when **Walmart shut down operations in Quebec** shortly after workers obtained union certification, the Supreme Court of Canada ruled in 2014, that the company had violated Canadian labour laws by taking this action.

In the letter to the Amazon board members, we highlighted the risks that these actions pose; to Amazon's corporate brand reputation for respecting employee' freedom of expression and collective bargaining; and in turn to shareholder value.

So far, we have not received a response from the company on the issues raised in the investor letter.

Tesla

Engagement regarding risks related to labour rights issues

Tesla Inc has been linked to several controversies related to anti-union activities and workplace discrimination in the United States. Storebrand considers the allegations to be credible and of concern. Consequently, we have been attempting to engage with the company, to express our concerns.

In Sweden, Tesla service workers have been on strike since October 2023, due to Tesla's refusal to sign a collective bargaining agreement, a fundamental component of the Nordic labour relations model. Together with a group of international investors, including many of Scandinavia's largest asset managers, we have co-filed a shareholder resolution on freedom of association, which we seek to have included on the formal agenda at Tesla's annual meeting in June this year. A prerequisite for filing shareholder resolutions such as this, is to hold a certain minimum number of shares until the AGM. However, new rules from the US Securities Exchange Commission (SEC) make it more difficult to place proposals on the agenda, and Tesla has asked the SEC to reject our proposal. The co-filers' legal representatives are in dialogue with SEC to try to get the proposal on the agenda, but the outcome was still pending at the end of Q1 2025.

Tesla's CEO and largest owner Elon Musk has attracted a lot of attention for his political statements and activities. Among the controversies, has been his role leading the new "Department of Government Efficiency" (DOGE) within the new federal government administration of the United States. Storebrand believes that the CEO of Tesla should focus on running the company and refrain from engaging in political activities that may cause reputational damage to the company. As a shareholder, we may express our concerns through voting against re-election of board members who do not act in the best interest of shareholders and voting against remuneration packages etc., which we have done several times in the past in Tesla's case.


Photo: Unsplash

Seeking joint action on living wages

Storebrand joins investors calling on UN member states to collectively make a coordinated commitment to securing living wages

In February 2025 Storebrand was part of a group of investors that jointly issued a letter calling for national-level action around the world on living wages.

Pervasive, costly problem

Around the world the lack of living wages for workers is a persistent problem. The issue is complex, systemic one with many causes, a wide range of negative impacts and potential benefits for stakeholders, including companies and investors.

An established body of studies shows that when companies fail to pay living wages to their workers; or fail to take appropriate action to ensure the same within their supply chains; this lack of action poses reputational risks, as it falls afoul of companies' stated human rights commitments. There is also growing body of evidence that not paying a living wage leads to untapped potential in terms of growth in worker productivity.

Insights show need for joint action

The insights from our experiences and analysis so far, contributed to Storebrand's eagerness to sign the joint letter. We have been engaging companies in our portfolios, and their stakeholders, on the living wage challenge for many years. What our work so far has shown is that coordinated action across nations is required to solve the challenge. This because of the global and flexible nature of supply chains. Living wage problems are driven by suppliers' power imbalances compared to companies downstream in the value chain that are located abroad. Furthermore, isolated attempts to lift wage levels in individual countries, can result in downstream demand shifting, to exploit other countries where sub-living wages are prevalent.

Joint letter and follow up event

As a result, we took a decision to throw our support behind this effort. Organized by the World Benchmarking alliance, the letter was signed by 30 organisations including businesses, financial institutions and civil society organisations. Together, we addressed all UN Member states, aiming to inform their own inputs to the draft of the Political Declaration of the upcoming World Summit for Social Development.

The publishing of the letter was followed, in February, by UN Global Compact and the World Benchmarking Alliance co-hosting a side-event at **the 63rd Session of the Commission for Social Development** (CSocD63) at the United Nations headquarters in New York, to further the dialogue with Member States on living wages.

As the letter points out: "Companies cannot achieve this transformation alone. For businesses to commit to paying living wages and ensuring their suppliers do the same, there must be clarity on the distinct responsibilities of companies and states, and a level playing field enabled through regulatory action. This is especially critical in developing economies, where broader economic factors must be considered to ensure a sustainable and phased transition towards living wages. Collaborative efforts between governments, workers, employers, businesses and other stakeholders are essential to align incentives, drive accountability, and support systemic changes that enable fair living wages globally."

Investor Statement on violence and harassment in Supply Chains

Large group of investors rallies to call for corporate and government action on widespread problem

In January 2025 Storebrand was one of 37 financial institutions, representing over USD 1 trillion, that called on companies and governments to urgently take action to address the problem of violence and harassment in global supply chains.

Organized by the World Benchmarking Alliance (WBA), the investor statement is linked to WBA's **Collective Impact Coalition on Violence and Harassment**, a multi-stakeholder call to action for companies to address violence and harassment in their supply chains.

To learn more about the issues and see the full list of signatories, read the full letter: Call to Action to UN Member States - Prioritise Living Wages at the WSSD

Read the full Investor statement on violence and harassment in Supply Chains at the World Benchmarking Alliance website.

Seeking ambitious review of EU sustainable finance frameworks

In February 2025 Storebrand Asset Management joined over 160 investors calling on European Commission to preserve the principles, aims and core substance of EU sustainable finance regulations.

Organized by The Institutional Investors Group on Climate Change (IIGCC), the European Sustainable Investment Forum (Eurosif), and the Principles for Responsible Investment (PRI), 162 investors representing approximately €6.6 trillion assets under management as well as 49 service providers and other supporting organisations, totalling 211 signatures, called on the European Commission to preserve the integrity and ambition of the EU's sustainable finance framework.

The collective call was spurred by ongoing discussions regarding an 'omnibus legislation' to amend the EU's CSRD, CSDDD and the EU Taxonomy.

Together, the group made the firm case that these laws "help investors to manage risks, identify opportunities, and ultimately reorient capital towards a more competitive, equitable, and prosperous net-zero economy".

Swiss due diligence Investor letter

Investors collectively call for harmonization Swiss companies' due diligence obligations on environmental issues and human rights

In March Storebrand AM was part of a group of investors that made a collective call to strengthen Swiss companies' due diligence obligations on human rights and the environment. Organized by the Ethos Foundation, the investor statement was backed by 23 signatories with over CHF 500 billion in assets under management.

The investor statement was addressed to the Swiss Federal Council and Parliament, regarding the ongoing legislative deliberations on human rights and environmental due diligence (HREDD) for Swiss companies.

With the statement the investors called on the Swiss government to adopt comprehensive legislation on HREDD for Swiss companies that is compliant with the EU Corporate Sustainability Due Diligence Directive (CSDDD). Aligning the Swiss regulatory framework with the highest standards on human rights and environmental due diligence, then noted, is necessary to ensure a level playing field with the most important trading partners. This would help ensure that listed Swiss companies are not at a competitive disadvantage when international investors expect their investees to comply with the highest standards available.

Read the full Investor Joint Statement on the European Commission's "Omnibus Legislation" at the PRI website.

Engagement data Q1 2025

All engagement data presented here, represents unreviewed, unaudited year-to-date totals of engagements conducted, during the period from the beginning of the year until the end of the quarter being reported in.

We use these rolling summaries of year-to-date data, because the nature of engagement activity involves engagement points that are not always predictable. Therefore, our engagement activity would not be properly represented, if we presented isolated snapshots of data limited to the periods within each quarter of the year.

1029 **Ongoing engagements**

2 **Completed engagements**

1031 **Total engagements**

339 **Engagements with active participation by Storebrand**

Engagement summary Q1 2025

During the first quarter, our total number of engagements dropped slightly to a total of 1031, of which we completed 2 of the engagements in the period. Storebrand has taken an active role in 339 of these engagements, either as lead or support. In addition, we contributed as signatory to 681 engagements. The vast majority (95%) of engagements were proactive engagements on systemic risks, rather than reactions to controversial incidents. Aside from the engagements in which Storebrand only contributed as a signatory, the mix of our involvement was almost equally balanced between engagements we conducted ourselves alone ("internal); engagements where we collaborated in a leading role: and engagements where we collaborated in a supporting role.

Where we engaged

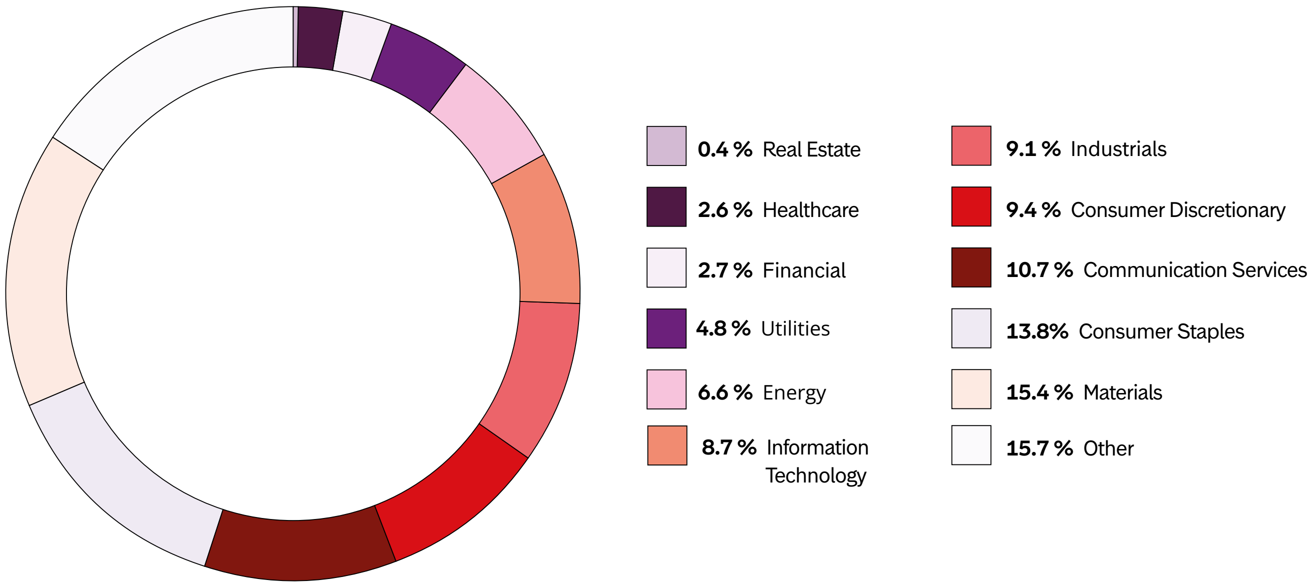
Top countries engaged in

Country	Number of engagements
United States	275
Japan	63
Germany	57
France	45
United Kingdom	45
Sweden	33
Norway	31
China	31
Switzerland	24
Brazil	23

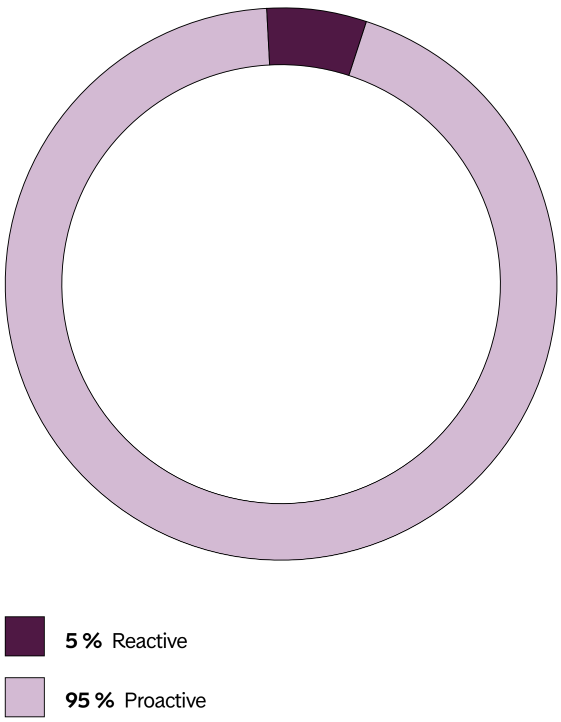
Sectors engaged in

Sectors	Number of engagements
Other	162
Materials	158
Consumer Staples	142
Communication Service	110
Consumer Discretionary	97
Industrials	94
Information Technology	90
Energy	68
Utilities	49
Financial	28
Healthcare	27
Real Estate	4

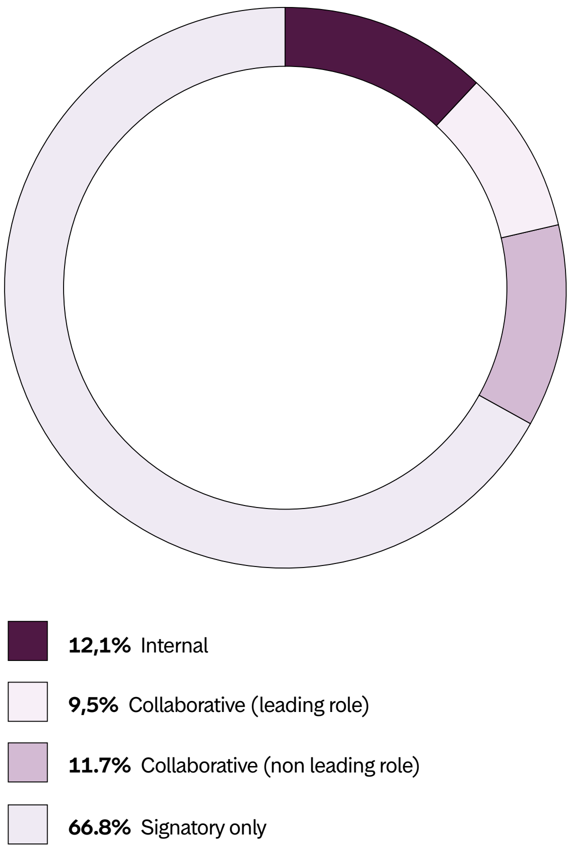
Sectors engaged in



Reasons for engagement

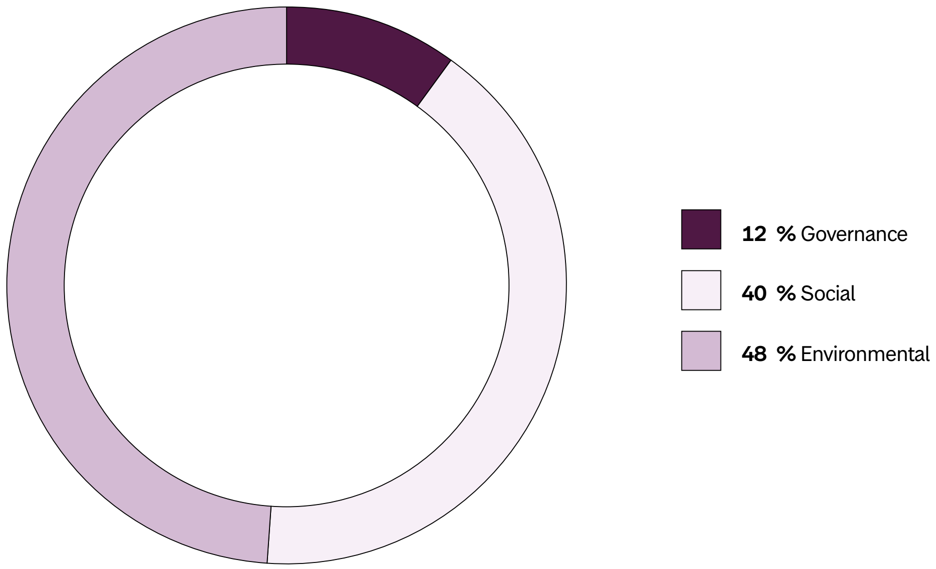


Format of engagements

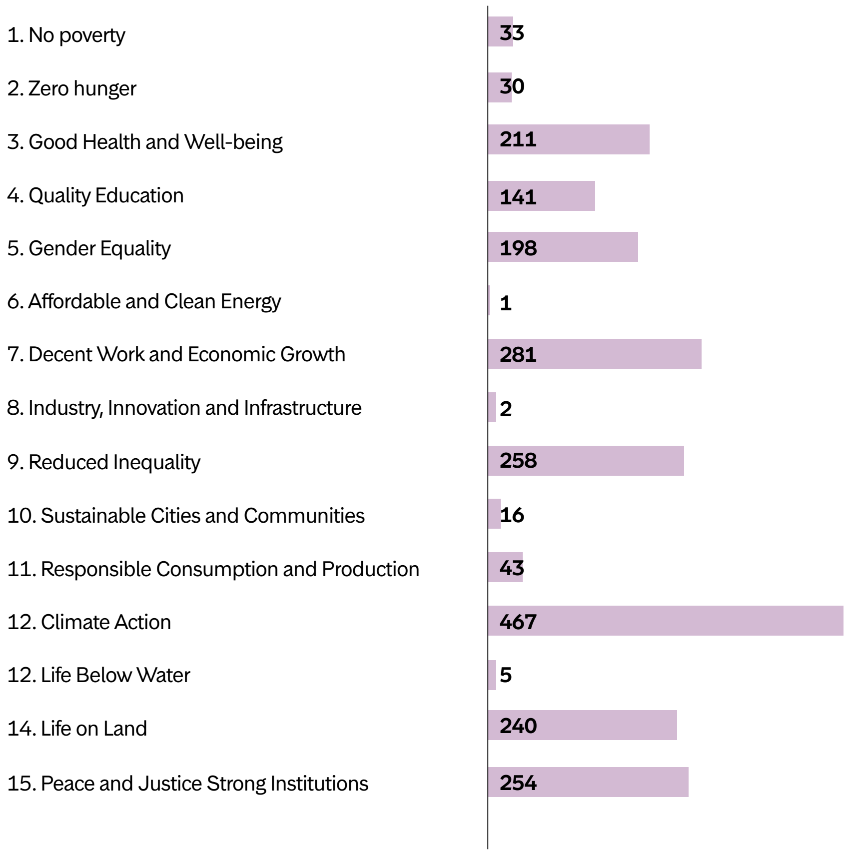


Where we engaged

ESG categorizations of engagements



SDGs impacted by engagements



We take the viewpoint that all our engagement activities contribute to SDG 17, meaningful partnerships for goals.

Voting key figures

Q1 2025 only

Voting commentary
Q1 2025

During the first quarter of 2025, Storebrand Asset Management participated in 299 meetings, casting votes on 2,784 proposals.

Management proposals made up the vast majority of items on the ballot, and while the majority were supported, there was a clear willingness to oppose management where concerns were identified. Approximately 9% of all votes were cast against management recommendations.

Though shareholder proposals represented a smaller share of the total (64 voted, out of 165 on record), they highlighted an escalating trend of a few activist shareholders filing proposals to push companies to eliminate Diversity, Equity and Inclusion (DEI) policies and practices. Storebrand voted against 11 such anti-DEI proposals this quarter, at the annual meetings of Apple, Visa, Costco, Deere & Company, Starbucks and The Walt Disney Company.

None of these proposals managed to secure more than 2.5 % support in the shareholder vote. While this lack of support indicates that the vast majority of shareholders do not consider DEI as detrimental to company performance, it is part of a larger trend that is of concern: companies operating in or doing business with the United States are now under undue pressure to eliminate equal opportunities as a guiding principle for their employment practices; and to disregard previously stated goals of seeking to secure a board with members from diverse backgrounds. As a result of this pressure, proxy voting advisers have announced that they will cease to consider board diversity as a factor when making their standard recommendations for director elections at boards of US companies.

Storebrand considers well-balanced and diverse boards, in terms of competence, experience and background, to be beneficial to company performance and shareholder interests, and has agreed with our proxy provider ISS that ISS will continue to consider board diversity in its voting recommendations for us, in the US as well as other markets.

As most annual meetings of companies in our portfolio take place in the second quarter, we will be closely monitoring developments to make sure that we use our shareholder rights to improve transparency, strengthen board accountability, and prepare companies for the transition to a more sustainable economy.

To learn about our voting guidelines and see a live presentation of more voting data, visit our proxy voting dashboard.

General voting data

	Voted	Votable	Percentage voted
Number of general meetings voted	299	735	40.68 %
Number of items voted	2784	6003	46.38 %
Number of votes on shareholder proposals	64	165	38.79 %

Top countries voted in

	Voted meetings	Votable meetings	Percentage voted
South Korea	58	171	33.9 %
USA	44	57	77.2 %
India	42	73	57.5 %
China	40	145	27.6 %
Japan	14	49	28.6 %
Sweden	14	35	40 %
Brazil	11	18	61. %
Switzerland	8	12	66.7 %
Finland	7	14	50 %
Turkey	7	9	77.8 %
Denmark	6	15	40 %
Indonesia	6	10	60 %
Bermuda	5	5	100 %
Colombia	4	8	50 %
Germany	4	7	57.1 %
Thailand	4	11	36.4 %
Canada	3	5	60 %
Ireland	3	3	100 %
Spain	3	6	50 %
Cayman Islands	2	9	22.2 %
Norway	2	6	33.3 %

Percentages rounded off to nearest decimal

All voting data presented here represents quarterly totals, documenting the voting activity we conducted during Q1 2025 (the period 01/01/2025 to 31/03/2025).

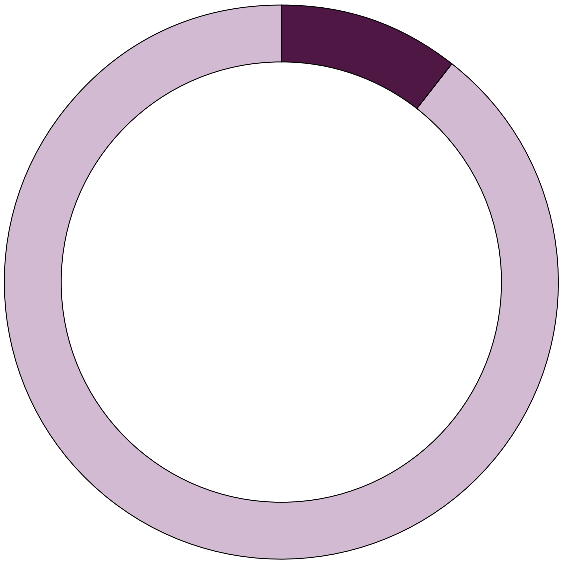
Proposals overview

	Number of proposals	With management	% with management	With ISS Sustainability policy	% with Policy	ESG Flag
Audit Related	147	146	99 %	147	100 %	G
Capitalization	167	154	92 %	167	100 %	G
Company Articles	98	91	93 %	98	100 %	G
Compensation	194	162	84 %	194	100 %	G
Corporate Governance	2	1	50 %	2	100 %	G
Director Election	1072	965	90 %	1055	98 %	G
Director Related	439	411	94 %	435	99 %	G
E&S Blended	23	23	100 %	23	100 %	ES
Environmental	4	2	50 %	4	100 %	E
Miscellaneous	25	23	92 %	25	100 %	G
Non-Routine Business	78	78	100 %	78	100 %	G
Routine Business	361	348	96 %	361	100 %	G
Social	21	10	48 %	21	100 %	S
Strategic	43	38	88 %	43	100 %	G
Takeover Related	15	14	93 %	15	100 %	G

Details of Environmental and Social Proposals

Proposal category	ESG Pillar	Proponent	Number of proposals voted	Number voted with management	% voted with management
Environmental - Report on Climate Change	E	Shareholder	2	0	0 %
Environmental - Restrict Spending on Climate Change-Related Analysis or Actions	E	Shareholder	1	1	100 %
Environmental - Restriction of Fossil Fuel Financing	E	Shareholder	1	1	100 %
E&S Blended - Accept/Approve Corporate Social Responsibility Report	E, S	Management	12	12	100 %
E&S Blended - Miscellaneous -- Environmental & Social Counterproposal	E, S	Shareholder	11	11	100 %
Social - Approve Charitable Donations	S	Management	9	4	44 %
Social - Approve Political Donations	S	Management	1	1	100 %
Social - Human Rights Risk Assessment	S	Shareholder	1	0	0 %
Social - Racial Equity and/or Civil Rights Audit	S	Shareholder	1	0	0 %
Social - Miscellaneous Proposal - Social	S	Shareholder	3	2	67 %
Social - Facility Safety	S	Shareholder	1	1	100 %
Social - Weapons - Related	S	Shareholder	1	1	100 %
Social - Political Lobbying Disclosure	S	Shareholder	1	0	0 %
Social - Report on EEO	S	Shareholder	1	0	0 %
Social - Animal Welfare	S	Shareholder	2	1	50 %

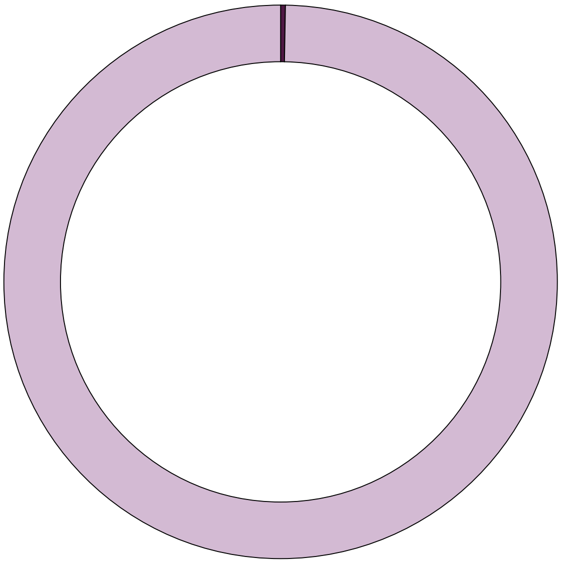
Voting choices compared to management recommendations



8.7 % Votes against management

91.3 % Votes with management

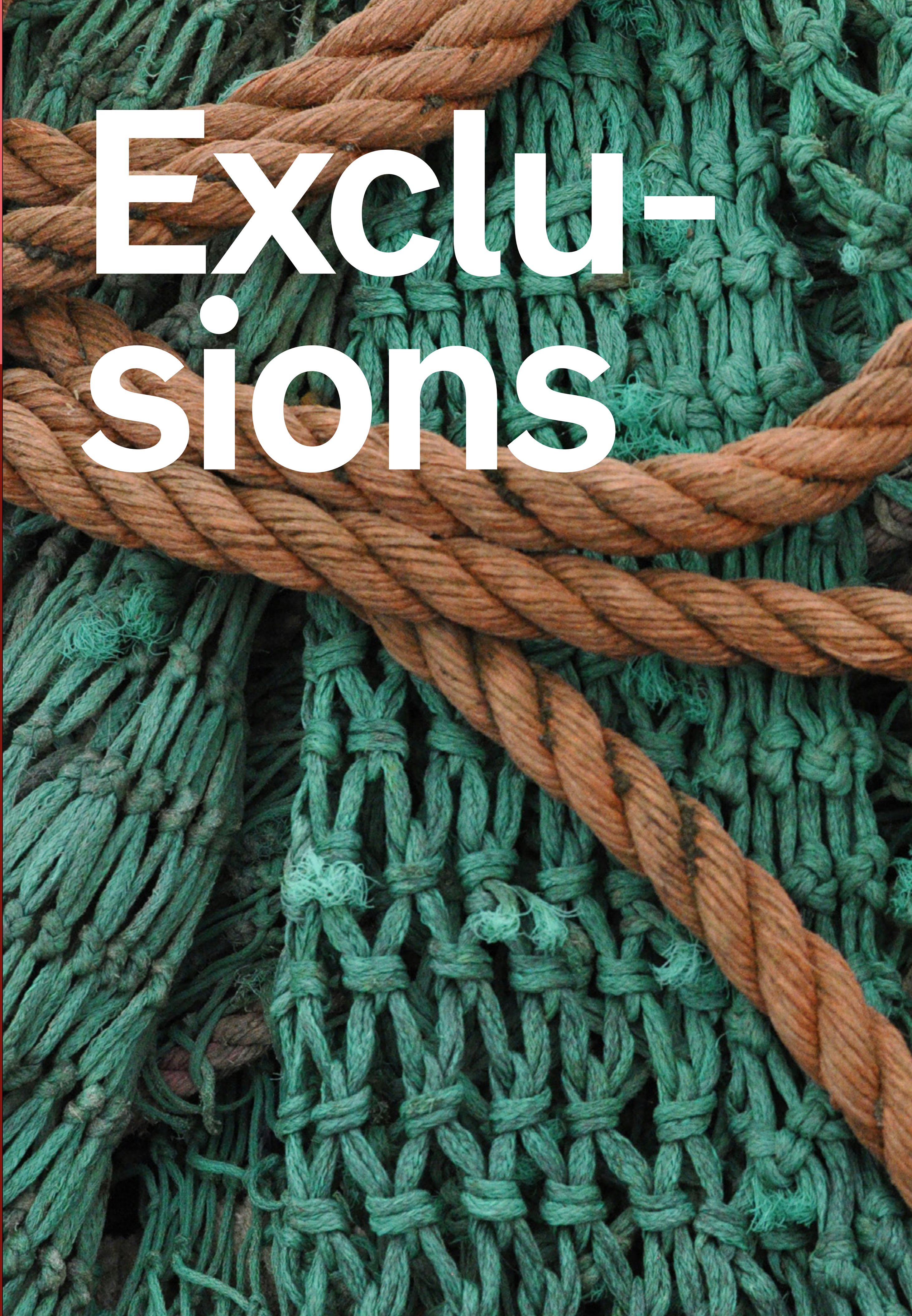
Voting choices compared to ISS recommendations



0.8 % Votes against ISS Sustainability Policy

99.2 % Votes with ISS Sustainability Policy

Exclu-sions



Exclusion key figures Q1 2025

Storebrand Exclusion List **Companies excluded by Storebrand, as of March 31, 2025**

This list details exclusions that apply to all our products, based on our extensive exclusion process that involves both internal and external data, and evaluations conducted by subject matter experts. Excluded companies are removed from Storebrand's investment universe, which is an investment ecosystem that consists of over 4000 companies.

Category	Total excluded
Environment	24
Corruption and Financial Crime	9
Human Rights and International Law	67
Tobacco	28
Controversial weapons	48
Climate – Coal	118
Climate - Oil sands	10
Climate – Lobbying	4
Arctic drilling	0
Deep-sea mining	1
Marine/riverine tailings disposal	4
Deforestation	14
Cannabis	–
State-controlled companies	23
Total	329*
Observation list	2

Storebrand exclusion list extra criteria

Storebrand's extra criteria build upon the Storebrand Standard for sustainable investments.
The extra criteria will only apply to selected funds and saving profiles. Get more information on the methodology behind these exclusions, on our website.

Category	Total excluded
Alcohol	77
Adult entertainment	–
Weapons	68
Gambling	38
Fossil fuels (oil, coal, gas)**, PAB-aligned	472
Total number companies excluded	644*

*Some companies are excluded on the basis of several criteria. Storebrand also does not invest in companies that have been excluded by Norges Bank (the central bank of Norway) from the Government Pension Fund — Global. We also exclude government bonds from 33 countries that are systematically corrupt, systematically suppress basic social and political rights, or that are subject to EU sanctions and United Nations Security Council sanctions.

**Exceptions can be made for so-called transition companies involved in the generation, transmission, and distribution of electricity (i.e., the electric utilities sector) with exposure to fossil fuels, provided that they have a clear and credible transition plan towards renewable energy. For coal-related revenue from exploration mining, extraction, distribution or refining, the threshold is 1 %.

Learn more about how we manage exclusions in the updated **Storebrand Exclusion Policy** on our website

Photo: Unsplash

Additional risk-based pre-screening completed

In the first quarter of 2025, we rated fourteen companies as uninvestable. This means that although we have no investments in the companies, our portfolio managers are pre-emptively made aware that the companies would not meet our sustainability standards.

The non-investable companies belong to the following sectors:

- **Extractives**
- **Construction**
- **Communication**
- **Information technologies**

This designation of the companies was based on a pre-screening that we conducted, at the end of 2024, on companies with a high human rights risk, in high risk countries within the Gulf region.

We conducted the analysis in-house, based on external data provided by data providers that specialize in Conflict Areas and High-Risk Areas (CAHRA). Our analysis identifies: first, high-risk geographies; second, companies with operations in these geographies that are open for investment and third companies' activities in the identified countries.

Based on this process, we pinpoint companies with poor management systems in high-risk sectors in high-risk countries. Consequently, we rate them as uninvestable, based on the high likelihood that they may be involved in severe human rights violations, considering the human rights context they operate in.

Team

Kamil Zabielski

Head of Sustainable Investment

Zabielski, who joined our sustainable investments team in 2021, was previously Head of Sustainability at the Norwegian Export Credit Guarantee Agency (GIEK – now Eksfin), and advisor at the Council of the Ethics for the Norwegian Government Pension Fund — Global. His specializations include human rights/labour rights, conducting due diligence of companies, and evaluating environmental and social risks and impacts of projects. He has an L.LM. in International Law and an M. Phil in Human Rights Law from the University of Oslo.

Tulia Machado-Helland

Head of Human Rights and Senior Sustainability Analyst

who joined our sustainable investments team in 2008, leads our work on human rights, labour rights and Conflict Affected and High Risk Areas (CAHRA). She is responsible for Storebrand's active ownership on social issues, as well as with overlapping environmental issues. Previously, she has worked on the Council on Ethics for the Norwegian Government Pension Fund — Global, the Ministry of Finance in Norway and as an attorney in the US. She holds a Juris Doctor's Degree, a Texas State Attorney license, and has a Master's degree in International Relations and Development.

Emine Isciel

Head of Climate and Environment

Isciel, who joined our sustainable investments team in 2018, leads our work on climate and environment and our company engagement. Previously, Isciel worked for the Norwegian Ministry Climate and Environment, on multi-lateral environmental agreements, advising the government on sustainability policies and strategies and leading the implementation of the world Sustainable Development Goals (SDGs). Isciel has worked for the United Nations and provided technical advice and content to the SDGs. She holds an MA in Political Science from the University of Oslo and has studied at the University of Cape Town, New York University and the Harvard Extension School.

Vemund Olsen

Senior Sustainability Analyst

Olsen joined our sustainable investments team in 2021. He was previously Special Adviser for Responsible Finance at the Rainforest Foundation Norway, where he engaged with global financial institutions on management of risks arising from deforestation, climate change, biodiversity loss and human rights violations. Previously, Olsen has worked with the United Nations High Commissioner for Refugees in Venezuela and with human rights organizations in Colombia. He has an M. Phil in Human Rights Law from the University of Oslo.

Victoria Lidén

Senior Sustainability Analyst

Lidén, who joined our sustainable investments team in 2021, is based in Stockholm and works with ESG analysis and active ownership, with a focus on the Swedish/Nordic market. On behalf of Storebrand Fonder AB, she is also a member of corporate board nominationcommittees. Prior to joining Storebrand, Victoria has 7 years of experience in sustainability within the financial industry. She holds a B.Sc. in Business Administration and Economics from Stockholm University, including studies at National University of Singapore. In addition, she has studied sustainable development at CSR Sweden and the Stockholm Resilience Centre.

Frédéric Landré

Sustainability Analyst

Landré, who joined our sustainable investments team in 2023, has extensive experience in analyzing issuers' ESG profiles and green frameworks. Prior to joining Storebrand, Landré was with the London Stock Exchange Group, where he worked with quantitative analysis and integration of financial and ESG data. He has a M.Sc. in Business Administration from Linköping University, with a major in finance.

SanJin Damjanovic

Group Management Trainee

Damjanovic has experience in the banking and consultancy industry. He has a B.Sc. in Business Administration from BI Norwegian Business School, and an M.Sc. in Economics and Business administration from the Norwegian School of Economics (NHH) with a major in financial economics and focus on sustainable finance and impact investing in private markets. He also has a CEMS Master's degree in International Management from the Norwegian School of Economics and the London School of Economics and Political Science (LSE). Prior to joining Storebrand, Sanjin worked as an intern and part-time employee at DNB Asset Management with Responsible Investments.

In the media

Photo: Unsplash

Roundup

In the media

Fintech Magazine / InsurTech Digital

January 2025

In down-to-earth and practical opinion piece, Storebrand AM's Head of Investment Control and Analytics **Eigil Ingebretsen** *is featured in* **FinTech Magazine** *and* **InsurTech Digital***, discussing business transformation, and how we work with ESG integration through data excellence. Well worth a read.*

Brazilian meatpacker JBS says net-zero emissions pledge was 'never a promise'

Reuters, 15 January, 2025

In a feature article, JBS, one of world's leading agricultural suppliers, is criticized for what the article presents as a walking back of its previously stated ambitions to reach net-zero emissions and end illegal deforestation in its supply chain. The article notes that Storebrand divested from JBS in 2017. Storebrand senior sustainability analyst Vemund Olsen is quoted, noting the lack of investor engagement on JBS, the continuing need for the industry to find collective solutions on deforestation, and the need to sharpened regulation and enforcement in countries like Brazil.

Stýrir útilokun fyrirtækja / Bakslag komið á undan Trump

Morgunbladid (mbl.is) 1 February, 2025 & 2 February, 2025

In a 2-part interview, the Icelandic daily Morgunbladid interviews Storebrand Head of Sustainable Investments Kamil Zabielski on Storebrand's proactive approach to sustainable investment, the challenges of finding ESG data for conflict-related issues, and the potential impact on sustainable investment of the new government in the USA.

Eneste norske fond med Temu-aksjer

E24.no, 8 February, 2025

The Norwegian business media house E24 reviews of Norwegian asset managers' positions on the controversy surrounding the internet retailer Temu and its parent company PDD Holdings. Storebrand AM Chief Investment Officer Bård Bringedal is quoted explaining why we decided to exclude PDD Holding from investment. The article points to further details in Storebrand AM's Sustainable Investment Review for Q4 2024.

Saugestad fights back: – Easy to create quarterly reports

Pension och Formaner (Pension & Benefits), 24 January, 2025

Jan Erik Saugestad, CEO of Storebrand AM, counters the proposal from another Norwegian financial leader, Nicolai Tangen, CEO of Norway's Pension Fund - Global, to scrap quarterly reporting. Saugestad agrees with Tangen on the need for focus on long-term value creation. However, he also emphasises the importance, from the investor perspective, of frequent, transparent communication from companies on their efforts towards long term value creation. Saugestad also notes that, these days, companies' financial and management systems already enable them to easily create quarterly reports that provide investors with updates and results.

Investeringsdirektør: – Bærekraft kommer ikke uten kontroverser

AMWATCH, 19 March, 2024

With sustainable investment increasingly under the spotlight, the asset management sector media house AMWATCH takes a double interview with Storebrand AM Chief Investment Officer Bård Bringedal and Head of Sustainable Investment Kamil Zabielski. They underline the reasons behind the company's high levels of client satisfaction on sustainability; and provide insights on our principled approach to the many challenges it involves, including exclusion decisions.

In the media **Roundup** / In the media **Roundup** / In the media **Roundup** / In the media **Roundup** / In the media **Roundup** /

Important information
This is a marketing communication, and this document is intended for institutional investors. Alternative investment funds are only eligible for professional investors. Except otherwise stated, the source of all information is Storebrand Asset Management AS, as of the date of publication.

Statements reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skills, the fund's risk profile and subscription and management fees. The return may become negative as a result of negative price developments. Future fund performance is subject to taxation which depends on the personal situation of each investor, and which may change in the future.

Storebrand Asset Management AS is a management company authorised by the Norwegian supervisory authority, Finanstilsynet, for the management of UCITS under the Norwegian Act on Securities Funds. Storebrand Asset Management AS is part of the Storebrand Group. No offer to purchase shares can be made or accepted prior to receipt by the offeree of the fund's prospectus and KIID and the completion of all appropriate documentation.

For all fund documentation including the KIID, the Prospectus, the Annual Report and Half Year Report, unit holder information and the prices of the units, please refer to **www.storebrand.com/.** No offer to purchase shares can be made or accepted in countries where a fund is not authorized for marketing. Investors' rights to complain and certain information on redress mechanisms are made available to investors pursuant to our complaints handling policy and procedure. The summary of investor rights in English is available here: **www.storebrand.com/.** Storebrand Asset Management AS may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

A publication by Storebrand Asset Management

Find out more about our work and offerings

Storebrand Asset Management is part of the Storebrand Group, managing NOK 1100 billion of assets for Nordic and international clients.

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