

Annual progress report by Storebrand Asset Management on implementation of the Sustainable Blue Economy Finance Principles

2023



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As a signatory of the [Sustainable Blue Economy Finance \(SBE\) Principles](#), Storebrand Asset Management is required to report annually on our implementation of the SBE Principles. The [reporting framework by UNEP FI](#) does not require SBE signatories to produce an additional report, but allows them to reference or link to the required information already in the public domain. The report for 2023 follows this format, summarizing progress in this document and citing other public policies and reports where more information can be found.

Actions taken during 2023

- **Policy engagement against deep sea mining**

Storebrand Asset Management was throughout 2023 actively urging policy-makers in Norway and internationally to apply the precautionary principle and not permit deep sea mining until the environmental, social and economic risks are comprehensively understood, including:

- a. **Investor statement to International Seabed Authority**

The Finance for Biodiversity (FfB) Foundation, in which Storebrand plays a

leading role, rallied its members in July to help successfully fend off the risk that the International Seabed Authority (ISA), could have approved commercial deep-sea mining. The Global Financial Institutions Statement to Governments on Deep Seabed Mining, signed by 37 investors representing over EUR 3.3 trillion of combined assets, was released ahead the annual meeting of the Seabed Authority (ISA), held on July 24-28, 2023. In the annual meeting, the ISA could potentially have granted commercial authorisation for deep-sea mining for the first time. The ISA meeting concluded without any approval for companies to start industrial-scale mining, with the organization instead agreeing to conduct formal discussions next year on protecting marine environments. In the joint statement, the investors urged governments to protect the ocean and not proceed with deep-sea mining until the environmental, social and economic risks are comprehensively understood, and alternatives to deep-sea minerals have been fully explored. ([See Q2 2023 Sustainable Investment Review, p. 32-34](#))

- b. **A voice to parliament**

In early 2023, the Norwegian government proposed opening up areas on the Norwegian continental shelf for commercial seabed mining activities. A white paper presented by the Norwegian Ministry of Energy detailed the government's plans to open its extended continental shelf within the Arctic to deep seabed mining. In October, the Norwegian parliament invited relevant stakeholders to present their views. Jan Erik Saugestad, CEO of Storebrand Asset Management was the first person to speak at the hearings. In his statement,

Saugestad underlined that significant challenges must be overcome before the sector can reasonably be regarded as environmentally and economically sustainable. Following the precautionary principle, Storebrand is backing a moratorium on deep sea mining together with companies such as Volvo, BMW and Google. This commitment means that we will not invest in companies involved in deep-sea mining until we have sufficient scientific knowledge on the impacts of these activities, to be able to regard them as credible investments. As a result, we have divested from companies that are involved in such activities. (See [Q3 2023 Sustainable Investment Review p. 30](#))

Active ownership

Storebrand engages with companies in various sectors of the ocean economy, including shipping, seafood and offshore oil and gas. The main issues covered in 2023 were decarbonization/climate risk, nature risk and biological diversity, and just transition. For details about our engagement activities, see our quarterly [Sustainable Investment Reviews](#).

Seafood Traceability engagement

In November, Storebrand signed up for FAIRR's new engagement on **Seafood Traceability**. This collaborative investor engagement aims to encourage seven major seafood companies to develop and implement supply chain traceability systems

as a means of identifying and reducing key risks such as illegal, unreported and unregulated (IUU) fishing, overfishing, habitat destruction and human rights violations. In addition to FAIRR, the investor group is supported by the World Wide Fund for Nature (WWF), UNEP FI's Sustainable Blue Economy Finance Initiative, the World Benchmarking Alliance (WBA), and Planet Tracker. See [Q4 2023 Sustainable Investment Review p. 42](#).

Short- and long-term plans

- **TNFD reporting**

Storebrand Asset Management has committed to be a TNFD Early Adopter. This commitment means that we will start making disclosures aligned with the TNFD Recommendations in our corporate reporting, by financial year 2024.

Biodiversity loss was a breakthrough topic last year in within our sector, after what has been a long battle for many of us advocating for the issue. But now, this issue is increasingly being understood to rank alongside climate change — and to be intrinsically linked to solving it -as areas of significant systemic risk for investors. We have already started to implement the TNFD methodology in our portfolios to better understand our nature-related risks and opportunities and are committed to publish our first TNFD disclosures from 2025, based on 2024 data. However, data on impacts and dependencies on nature is still not at the desired level, and this is especially true for marine areas. We will engage with data providers to encourage research and development of quality environmental data

on oceans. (See [Q1 2024 Sustainable Investment Review p. 35](#))

- **Engagement priorities 2024-2026**

We have established new engagement themes for the period 2024-2026, several of which are relevant for the ocean sector. Under the nature theme, we will focus our engagement efforts on sustainable seafood and extractives in biodiversity-sensitive areas (including deep sea mining and Arctic oil and gas). Under the climate theme, we will engage investee companies that are the highest sources of owned emissions, among which are several large shipping companies.

Alignment with global agreements

Storebrand will always seek to align its investments with scientific consensus on climate and nature. This means that Storebrand supports the commitments outlined in the Paris Climate Agreement and the Kunming-Montreal Global Biodiversity Framework, and that statements and reports from the Intergovernmental Panel on Climate Change (IPCC) and the Intergovernmental Panel on Biodiversity and Ecosystem Services (IPBES) will provide the scientific basis for our subsequent investment decision making. If there is scientific uncertainty with regards to the negative effects of specific activities on climate and nature, Storebrand will adopt the precautionary principle. (See [Climate Policy](#) page 4 and [Nature Policy](#) page 7)

Targets relevant to the SBE

Storebrand has not set any specific SBE targets, but we are integrating the relevant sectors in impact assessment, target setting and active ownership related to climate and nature.

We have made a commitment to assess impact and set targets on biodiversity by 2025. This will complement [our existing targets](#) such as net-zero target by 2050, 32% reduction in portfolio carbon intensity by 2025 (baseline year 2018) and a financing target of 15% of our AUM in Solutions companies by 2025. We are currently assessing our biodiversity impact using best available tools and will set further targets in line with international agreements such as the Global Biodiversity Framework under the Convention on Biological Diversity with the aim to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes. We are committed to disclose our biodiversity footprint and align this reporting with the TNFD recommendations. (See [Policy on Nature](#), page 5)

Governance overview

Storebrand's [Sustainable Investment Policy](#) gives an overview of the governance structures, strategies, policies and practices that govern our work on sustainable investments, including our efforts to align with the SBE principles. To support the implementation of these commitments, an internal taskforce to coordinate and drive the

implementation of nature and climate policy has been set up. The taskforce is led by both Chief Investment Officers, supported by the Risk and Ownership team. The internal taskforce consists of members from investment teams and is responsible for supporting the implementation of Storebrand's work on nature and climate. The CIOs are responsible for reporting regularly to the management. (See [Q2 2023 Progress Report on Nature and Climate, page 5](#))