

# Tax policy and principles

Adopted by:	Board of Directors Storebrand ASA
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## Introduction

The tax policy and principles stated in this document applies to the Storebrand Group ("Storebrand" or "Group") and are reviewed annually by the Board of Storebrand ASA. The Group tax policy and principles set out the approach to manage tax risk and compliance with tax obligations.

Storebrand is a leading provider of occupational pensions in Norway and a rapidly growing provider in Sweden. Pension, savings, insurance and banking products are offered to private individuals, businesses and public enterprises. With two million policyholders and customers, the trust placed in Storebrand comes with clear obligations to act responsibly. Storebrand delivers simple and sustainable pensions, in order to reach our purpose: a future worth looking forward to for our customers. Storebrand aims to act as a role model for other asset managers/providers, including in our approach to taxation.

The Group's core business within life insurance in both Norway and Sweden is subject to special tax rules. Prior to the changes in the Norwegian tax legislation, applicable from 2018, the Group's tax cost was affected by a systematic taxable deficit from customer funds that reduced the effective tax rate. Along with accrual differences where tax deductions were granted for insurance liabilities related to assets being taxed at realization, this led to a build-up of tax losses carry-forward and low payable taxes. With the current tax rules in Norway it is expected that the effective tax rate and tax payable will move towards the nominal tax rate. In Sweden there are still special tax rules for life insurance companies and the Group does not incur income tax on profits derived on the part of the business that is subject to policyholder tax. Since only income tax is included in the calculation of the effective tax rate, it is expected that Storebrand will have a lower effective tax rate compared to other Norwegian based financial services groups with less exposure to life insurance business in Sweden.

Tax risk management is consistent with Storebrand's general approach to risk management, i.e. handled within three lines of defense:

1. The business areas, with local tax expertise supported by the Group's tax department
2. Compliance and operational risk officers within the business areas supported by the risk function at Group level
3. The internal audit

## Policy and principles

Sustainability is an integral part of Storebrand's core business, including a code of conduct which emphasizes transparency as a guiding principle for how to work. Storebrand will comply with the tax legislation, the letter, and the spirit of the law in the countries where the Group operates. In the event of transactions or arrangements where Storebrand does not perceive the law to be adequately clear, information shall be disclosed to the tax authorities. In some situations, Storebrand will seek to clarify the issue in advance through proactive dialogue or the request for a binding advance ruling.

Storebrand has a responsibility to act in the best interest of both clients and owners. The tax legislation is complex and there may occur differences of opinion regarding interpretations. Storebrand will, if needed, bring such matters to the court of law. As a principle, any such significant deviations from the tax authorities' point of view will transparently be disclosed as an uncertain tax position.

Tax disclosures are made in accordance with domestic regulations, any relevant reporting guidelines and standards, including IFRS, and country-by-country tax reporting which follows up G20's and OECD's Action Plan on Base Erosion and Profit Shifting. In addition, the Group will publish a separate voluntary tax transparency report annually.

Storebrand does not engage in aggressive tax planning, artificial transactions, tax avoidance or activities covered by the General Anti-Abuse Rule. Pricing of intra-Group activities is consistent with the OECD arm's length principle, as well as with local transfer pricing rules, with the aim to pay tax on profits where the value is created.

Storebrand will not use so-called tax havens to avoid taxes on activities that take place elsewhere. The choice of residence in such jurisdictions is strictly based on business and/or regulatory reasons and is not tax driven.

Sustainability is an integral part of Storebrand's asset management services. When deciding which companies to invest in or not, several different economic, social and governance criteria are assessed, including corruption and financial crime. Storebrand will not invest in companies involved in serious financial crimes, such as tax evasion, accounting fraud and embezzlement. The decision on whether to remain invested is forward looking, in that it assesses the risk of reoccurrence as the most important factor. In addition, Storebrand actively votes for increased tax transparency and country-by-country reporting at company Annual General Meetings.

