

Climate Policy Engagement

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Background

This document describes the Storebrand Group's climate policy engagement.¹⁾ These guidelines apply to the Storebrand Group and all its subsidiaries, including subsidiaries of Storebrand Asset Management.

Storebrand is a member of the Net-Zero Asset Owner Alliance and has committed to aligning our investment portfolios with a maximum temperature rise of 1,5 degrees Celsius.

The Net-Zero Asset Owner Alliance has recognized that achieving the net-zero goals also requires changes in public policy and regulation and has urged members to advocate for policy changes that support decarbonization as well as designing investment stewardship practices to hold portfolio companies accountable for aligning their climate policy engagement with their climate commitments.

Through Storebrand's [climate & environmental strategy](#), as well as our [climate policy for investments](#), we are committed to reaching the Net Zero goals, aligned with the Paris Agreement. These strategies constitute the foundation for our climate policy engagement.

Governance of climate policy engagement and activities

SVP Public Affairs is responsible for the Storebrand Group's engagement with public policymakers and regulators, like the ministries of government and supervisory authorities, political parties, and members of parliament. Members of the Group's senior management regularly take part in dialogue with regulatory authorities and serve on the boards of industry organizations. In Storebrand Asset Management, we engage with governments, industry organisations, environmental and human rights organisations or labour unions. In particular, we consider policy-level engagement an essential factor in stimulating change since we believe regulation sometimes is required to advance many sustainability issues.

Policy engagement priorities are regularly discussed and decided upon in the Group Risk Management Committee, to ensure oversight and accountability. This committee is headed by the Group CEO.

These topics are also regularly on the agenda of the Risk Management Committee of the Group Board of Directors.

Storebrand's public policy engagement is focused on financial services regulations. We have regular meetings with the Norwegian Ministry of Finance, other ministries, and members of parliament on priority issues:

- Life and pension product and market regulations
- Competition in the market for public-sector occupational pensions
- Capital requirements for standard model banks
- Sustainable Finance regulation

Regarding climate, Storebrand has, among other things, advocated increased taxes on carbon emissions to incentivize the green transition, both in meetings with policy makers and media. Storebrand has also advocated economic incentives for businesses and the finance sector to incorporate nature into decision-making processes, such as aligning economic incentives with sustainable practices.

Membership in industry associations

The Storebrand Group, and its subsidiaries in the group, are members of the following industry associations:

Storebrand Group

- Finance Norway (Finans Norge)
- The Confederation of Norwegian Enterprise (NHO), where Finance Norway became a member in 2023

1) Climate policy engagement" is defined as: Business/corporate activities (including advertising, social media, public relations, and sponsorship of research) contact with regulators/ elected officials, and political spending that supports, influences, or informs climate-relevant policy or regulation. Ref. UN Global Compact Guide for Responsible Corporate Engagement in Climate Policy.

Subsidiaries

SPP

- Insurance Sweden (Svensk Försäkring)

Storebrand Asset Management

- The Norwegian Fund and Asset Manager Association (VFF)

Skagen Fondene (a subsidiary of Storebrand Asset Management)

- The Norwegian Fund and Asset Manager Association (VFF)

Finance Norway and Insurance Sweden are members of Insurance Europe. Finance Norway is also a member of the European Banking Federation.

Storebrand has members on the Board of Directors at Finance Norway, VFF and Insurance Sweden.

Oversight of these associations' climate policy engagement is achieved through representation on boards, permanent committees and working groups.

Their websites give overviews of the associations' work on sustainability and climate change:

Finance Norway:

[Bærekraft og klima \(finansnorge.no\)](https://finansnorge.no)

Insurance Sweden:

[Svensk Försäkring \(svenskforsakring.se\)](https://svenskforsakring.se)

In our assessment, the climate policy engagement of the industry associations is well aligned with Storebrand's policies and supports our goals related to sustainability and climate change.

Membership in other associations

Storebrand is also an active member of different initiatives that are engaging with public policymakers in the Nordic countries to incentivize the green transition, such as the Norwegian-based network for business Climate Leaders [Skift](#) and [Nordic CEOs of a sustainable future](#).

Alignment of climate policy engagement with climate commitments

Storebrand is represented on the board, on permanent committees and working groups in the industry associations we are members of. This enables us to contribute to their work on sustainability and climate change, and influence policy decisions.

The Group's SVP Public Affairs and Chief Sustainability Officer will annually review both Storebrand's and the industry associations' policy positions and lobbying activities on sustainability and climate change. Starting from 2023, we will be transparent about the outcomes and publish the annual review on our webpages. Measures will be taken if necessary to align with Storebrand's climate and environmental policies, if discrepancies occur. Measures can include:

- Changes in Storebrand's lobby positions and activities
- Voice concern and propose changes through representation on industry association's boards and committees
- Exit from industry associations in case of severe misalignment and lack of credible processes to improve alignment

Stewardship practices for climate policy engagement

We expect our investees to engage with policy makers in a responsible manner and establish a transparent process for monitoring and reviewing climate policy engagement and make this information public and available to investors.

Our expectation is that when companies engage with public policy makers, they will support cost-effective policy measures to mitigate climate change risks and support an orderly transition to a low carbon economy. We believe that companies should be consistent in their policy engagement in all geographic regions and that they should ensure that any engagement conducted on their behalf or with their support is aligned with an interest in a safe climate, in turn protecting the long-term value in our portfolios across all sectors and asset classes.

As long-term institutional investors, we expect those companies that engage with policy makers directly or indirectly through trade associations, lobbying organizations described as charitable organizations that include policy advocacy, or think-tanks taking positions on climate change-related issues to:

1. Lobby positively in line with the Paris agreement
2. Establish Robust Governance Procedures
3. Act when unaligned
4. Be transparent

We lay out these expectations in our dialogue with our investees. In cases where we can't reach an agreement, we divest from companies that deliberately and systematically work against the goals and targets enshrined in the Paris Agreement, as outlined in our climate policy from 2020²⁾.

2) https://www.storebrand.no/en/asset-management/sustainable-investments/_/attachment/inline/4378826b-d7e2-4dc7-a16d-62e1300f2b12:9f73b6f864f81af51ca8045668e4bc5f026a2674/86128%20STB_Clima_policy_investment_rapport.pdf

