Storebrand

Sustainability-related disclosures

Storebrand Grön Obligation
2026-01-13

Summary for financial products that promote environmental or social characteristics in pursuant to EU Regulation 2019/2088 on sustainability-related disclosures in the financial sector (SFDR).

No significant harm to the sustainable investment objective

For a company to be considered a sustainable investment, in addition to a positive contribution to an environmental or social objective, the investment must not cause significant harm to any other environmental or social objective and the company must follow good corporate governance practices. We ensure the principle of not causing significant harm in several ways. Exclusion criteria for companies with activities linked to controversial sectors and specific PAI indicators such as fossil fuels and controversial weapons. Exclusion criteria for companies confirmed to act in violation of international norms and conventions. Assessment that the investment is not considered to cause significant negative impacts on sustainability factors (PAI). This is done through our DNSH test. Assessment of which products and services the company is otherwise involved in and whether these can be considered to significantly counteract sustainable development.

Sustainable investment objective of the financial product

Storebrand Grön Obligation aims to make sustainable investments. The objectives of these sustainable investments are to contribute to an environmental or social goal. The fund invests in bonds and other interest-bearing financial instruments with explicit sustainability themes that have a clearly positive impact on the environment and society. These include, for example, green, sustainable, social, and sustainability-linked bonds. Green bonds enable investments in both new and existing projects where the funds are earmarked to finance climate-friendly initiatives, such as energy efficiency improvements in the real estate and transport sectors, renewable energy, waste management, water, and biodiversity. For an investment to be considered contributing, at least one of the following criteria must be met: The investment is in green, social, sustainable, or sustainability-linked bonds, The company or issuer has at least 25 % of its revenue directed towards an environmental or social goal contributing to the achievement of the Global Goals, SDG's, Issuer with at least 25 % of their reported CapEx, OpEx or revenue aligned with the EU Taxonomy Issuer with at least 25 % green revenues.

Investment strategy

Exclusion strategy: The Fund does not invest in companies involved in products and services that are at high risk of having an adverse negative impact on the outside world and society and to reduce the risk in the Fund. The Fund applies sustainability requirements in the form of an exclusion strategy, which means that the Fund refrains from investing in companies that violate international norms and conventions. It includes human rights, labour law and international law, corruption and economic crime, serious climate and environmental damage, deforestation and controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons). The Fund also excludes companies with operations linked to tobacco, weapons, alcohol, gambling, pornography, cannabis, fossil fuels (coal, oil, gas), oil sands and companies with large fossil reserves. The exclusions that result from this are binding on the Fund company in the management of the Fund.

Sustainability analysis: The Fund has specific and stated criteria for selecting companies based on environmental, social and corporate governance issues. Each individual company that is selected for the Fund, and continuously after the acquisition of a security, is assessed and graded based on our fundamental sustainability analysis where the companies are classified based on many different sustainability indicators, have comprehensive systems for managing ESG risks and contribute positively to the UN's Global Sustainability Goals. In the sustainability analysis, both ESG risks and SDG opportunities are analysed and combined into a rating. 50 percent of the rating is based on the ESG risks and 50 percent on the SDG opportunities. The SDG rating measures opportunities linked to the UN's Global Sustainability Goals and the Paris Agreement with a focus on products and services that help achieve the SDGs. Equality makes up 10 percentage points of the SDG grade. Storebrand Grön Obligation invests in bonds and other interest-bearing financial instruments with explicit sustainability themes that have a clear positive effect on the environment and society and includes, for example, green-, sustainable-, social- and sustainability-linked bonds. Green bonds facilitate investments in both new and existing projects, with proceeds specifically allocated to finance climate-positive initiatives such as energy efficiency enhancements within the property and transport sectors, renewable energy generation, waste management, water infrastructure, and biodiversity preservation.

Asset Stewardship: Our specialists in sustainable investments and corporate governance together with our Investment Manager have ongoing dialogue and meetings with the companies, by telephone, e-mail or personal meetings. This takes place both reactively if a controversial event has occurred and proactively within our prioritized areas of influence. In the case of common issues, we join forces with other large owners through our involvement in, among other things, PRI (UN Principles for Responsible Investment) to gain greater influence. We generally vote at general meetings where we have significant ownership, on matters deemed to be in the interests of the shareholders and on matters that are not in line with our ownership governance policy.

Proportion of investments

Storebrand Grön Obligation invests in so-called green bonds issued by companies with high credit quality, Investment Grade, and a rating of BBB- or higher. Sustainable investments typically comprise over 90% of the fund's value, with a minimum allocation of 85%. The remaining investments other investments, which are not sustainable, may include cash for liquidity management purposes. For all investments in the Fund, at the time of investment and on an ongoing basis, checks are carried out against the Fund company's exclusion criteria to ensure that no companies violate Storebrand Fonder's policy for sustainable investments and that the Fund complies with the environmental/social characteristics the Fund promotes and the proportion of sustainable investments that the Fund promises to make.

Monitoring of sustainable investment objective

Storebrand's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches on the Group Sustainability Policy, including the above-mentioned exclusion criteria's.

The following sustainability indicators are used to assess the environmental/social characteristics of the fund:

- Share of sustainable investments (%), Proportion of the fund's investments linked to companies in the fossil fuel sector (PAI 4),
- Existence of violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises (PAI 10),
- Exposure to controversial weapons, including anti-personnel mines, cluster munitions, chemical and biological weapons (PAI 14),
- Revenue from the production and distribution of prohibited weapons, nuclear weapons, other weapons and munitions, as well as from activities related to alcohol, tobacco, cannabis, pornography, commercial gambling and fossil fuels.

Methodologies

The Fund applies ongoing follow-up at holding level to ensure that companies with activities in sectors excluded by the fund and/or companies that violate international norms and conventions are detected. This means that information about each individual company in the fund is obtained from our data suppliers. In the event of a change in the assessment of a company, it is flagged in the fund's ongoing monitoring, the information is validated by the manager and the company is excluded from the fund given correct information. Our calculations are based on methods based on the SFDR regulations and prepared by our data suppliers. Further method descriptions, we refer to our data suppliers' method description.

Data sources and processing

Storebrand have done a thorough assessment of the different data providers. Data is primarily collected from external data providers, namely Sustainalytics, ISS and Trucost. Storebrand have chosen those as we consider them as market leading data and analysis providers of ESG and sustainability analysis on corporates. They supply data and analysis on ESG risk, corporate governance, controversies, country risk ratings, product involvement and more. We have worked with them for several years and are confident in their methodology, data coverage and methods for estimations. Storebrand uses various data providers to calculate ESG related KPIs, key figures as well as for exclusions and other proprietary KPIs. Storebrand continuously evaluates the selection of data suppliers available on the market to ensure continuous quality in the deliveries.

Limitations to methodologies and data

The indicators for principle adverse impact are accounted for based on the underlying securities' data availability. As the data quality and availability improves, we will be considering a range of methods to account for these and mitigate adverse impact. These methods will be applied taking into consideration the type of strategies that best fit specific portfolios' sustainability objectives, as well as Storebrand's general sustainability strategies that apply across all asset classes. The main limitations are lack of data for some of the indicators. This is due to the fact that many companies do not disclose this information. In general, there is a low coverage on reported data from the companies as compared to estimated data, and to a varying degree depending on the PAI. But we are foreseeing that the level of reported data from companies will increase going forward. The availability of reliable, consistent, and complete sustainability data is one of the biggest challenges in sustainable investments, but the demands for more and sustainability data are continuously increasing through, among other things, new EU regulation.

Due diligence

Storebrand has due diligence procedures in place to ensure that sustainability risks and the sustainability requirements set for the fund are taken into account in the investment decisions. Our has due diligence procedures in place to ensure that sustainability risks and the sustainability requirements set for the fund are taken into account in the investment decisions. Our due diligence procedure is a screening of our holdings carried out quarterly. The screening for breach of our Sustainable Investment Policy is carried out by using data from our third-party data providers, which monitor approx. over 4 000 companies making our investment universe. Storebrand's Risk- & Ownership team is responsible for assessing to what degree the companies identified by our data providers are in violation of the Sustainable Investment Policy. All holdings are continuously screened by third party data providers which send "company alerts" once a month, including background information on the possible event. The controversial event/incidents of highest severity are then analyzed by our experts on the specific topic in the Risk & Ownership team. The team prioritizes conduct-based cases for normbased exclusion based on the scope of the harm, the severity, the risk of recurrence and the irreversibility of the adverse impact caused by the company at hand and by using a predefined scoring table to ensure consistency in the evaluation process. The final decision to exclude a company based on a conduct-based norm-breach, and thus mitigate and prevent the adverse impact, is based on assessment of the issue by Storebrand's Investment Committee. The committee comprises several representatives of the Storebrand Group's senior management team and other executives, who meet on a quarterly basis. Companies will be excluded if the adverse impact and the breaches of our standards are considered severe and the risk of recurrence is assessed as high (after engaging with the company on measures to prevent recurrence and mitigate the adverse impact). The Committee meets on a quarterly basis and cases are presented to the Committee anonymously to avoid possible conflicts of interest.

Engagement policies

Storebrand use its position as owners to influence companies to improve corporate behavior and reduce adverse sustainability impact. Through active ownership, we reduce risks, improve the quality of our investments and influence companies to move in a more sustainable direction. Storebrand do not believe that just one method solves everything, but believe in a combination of dialogue, exclusion, inclusion, and integration. At Storebrand, we believe in exercising our shareholder rights. We employ two main ways to achieve this: either through voting at shareholder meetings or by engaging with companies at different levels including management and board levels. This engagement can be both direct individually and/or in collaboration with other investors. Both tools can be very effective in addressing concerns regarding environmental, social, and corporate governance (ESG) issues in order to reduce adverse sustainability impact.

Attainment of the sustainable investment objective

No reference benchmark has been designated for the purpose of assessing the attainment of the sustainability investment objective sought by the Fund.