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# Progress towards transition

**A**lready, the countdown to this year's United Nations Framework Convention on Climate Change (UNFCCC) COP29 in November has begun. Climate finance is expected to be a major priority. While public finance will be crucial, private finance is pivotal in the shift to a low-carbon economy.

More than ever, Storebrand is determined to play our role in the transition: **decarbonizing the economy, protecting biodiversity and supporting inclusive growth**. This requires constant and coordinated efforts, and Q2 has been no exception, with internal developments on further updating climate targets; engagement with companies on aligning climate strategies with the Paris Agreement for scope 1, 2 and 3 emissions; and expressing our positions on climate, as reflected in our voting record in the recent AGM voting season.


I'm delighted to say that we have made great progress against our **2025 climate targets**, which you can read more about in our progress report. Our journey began with targets to reduce portfolio emissions in our listed equity, publicly traded corporate debt and owned real estate portfolios, by 2025. Significant energy in Q2 was dedicated to setting the groundwork for updating our climate targets for 2030. We're exploring the possibility of broadening our emissions reductions commitments, by including more holdings and asset classes in the targets, and by ratcheting up our existing targets. This work is ongoing, and we plan to finalize and publish our updated targets by year end.

Although we are positive about our progress, we know that difficult stages remain ahead. With this in mind, we are committed to founding our work on established frameworks and methodologies, so that our clients and other stakeholders can hold us accountable for our commitments. You can read more in this quarter's report about the newly published **Net-Zero Investment Framework (NZIF) 2.0** from the IIGCC. NZIF, the most widely used net-zero guidance by investors,

assembles the latest thinking and guidance in a single source, and will undoubtedly continue to play an important role in our net-zero journey to 2030.

Expressing our views during AGMs by filing shareholder resolutions is a way of escalating engagement with companies. During the Q2 AGM season, two co-filed resolutions by Storebrand were voted: one at Amazon.com Inc. and another for Meta Platforms Inc. The Amazon resolution asked its board to assess how it respects international human rights law regarding workers' freedom of association (FOA), including the right to associate in organized labour unions. The Meta resolution requested that it reports to shareholders on the effectiveness of the measures it takes to prevent and mitigate human rights risks, with regards to the proliferation of hate speech, disinformation, and incitement to violence, enabled by its Instagram and Facebook platforms in its five largest non-US markets.

We also use voting as an important tool to express our views on the climate strategies of companies. Voting is a tool that we've increasingly used in the last AGM season on climate related resolutions. We have also, for the first year so far, begun voting against company financial statements or against relevant board directors, at companies that we evaluate as scoring poorly on climate and deforestation risk management. This is a practice we will increase in future AGMs seasons, if our engagements on climate issues do not progress. You can learn more in the quarterly dashboard of our quarterly voting activities later in this report.

Now, we move into the third quarter, in which the upcoming **COP16** summit looms ahead as a decisive moment in global efforts to meet biodiversity goals. As we note in this report, Storebrand has been active in pre-conference events and agenda setting, and we will be present as an observer at the conference, in our capacity as part of the **Finance for Biodiversity Foundation (FfB)**. 



"We have made great progress against our 2025 climate targets"

**Kamil Zabielski,**  
Head of Sustainable Investment

# In brief

## Commentary

### New NorNAB Chair

SAM CEO Jan Erik Saugestad to lead the organization at an inflection point in impact investing.

**S**torebrand Asset Management CEO **Jan Erik Saugestad** has been appointed the new chair of NorNAB, the Norwegian National Advisory Board for Impact Investing.

Founded in 2023, NorNAB is an independent and member-driven organization that works for the growth and development of the impact investing ecosystem in Norway and beyond. NorNAB's members include those seeking capital, those providing it, and those helping to make these deals happen, to achieve the United Nations Sustainable Development Goals (SDGs).

Impact investing is a fast-growing investment approach. While the global market topped the trillion-dollar mark already in 2022 (Global Impact Investing Network), there are signs of significant movement also in Norway; a [recently published NorNAB survey](#) indicated that local players allocate more than USD 8.8 bn to impact investing, punching well above their weight compared to European peers.

Saugestad's appointment comes at an inflection point in the market, with impact investing gaining interest and momentum that points to its entry into the mainstream. As Chair of NorNAB, Saugestad will use his extensive experience and vision to advance the mission of the young and ambitious organization.

"It's a mission that's easy to get behind, but that will require dedication and hard work to achieve. I am excited to join NorNAB and to contribute to the growth and development of impact investing in Norway," states Saugestad, "All investments have an impact. It is our shared responsibility to strive for investments to contribute to positive outcomes, while we also deliver solid returns. 🔄"



## Recognition

### UK Stewardship Code 2024 Signatory

**S** torebrand Asset Management is delighted to be formally named as a 2024 signatory to the FRC's UK Stewardship Code. This reflects our organisational commitment to sustainable investing and our investment beliefs, which are based on the assumption that companies which contribute to solving societies' problems in a sustainable way will also be the most profitable in the long run. It also demonstrates our commitment to the UK market and our desire to communicate effectively with, and meet the needs of, our international clients.

Read our full Stewardship Code submission to the FRC, documenting our stewardship activities and outcomes for the reporting year 2023 [in our document library](#) or [at the FRC website](#).



### Storebrand among "Most Sustainable Companies" globally

**T** his June Storebrand was listed 41st in the world, and first among the Norwegian companies assessed, in TIME magazine's "[World Most Sustainable Companies of 2024](#)". The list, assembled by TIME and the data firm Statista, is based on a rigorous methodology that assesses 500 major global companies on their approach to, and results, within sustainable business.

High climate ambitions, good scores in ratings such as the Dow Jones Sustainability Index and CDP, sustainability reporting in line with international standards — and not least, achieved results in areas such as emission reductions and gender balance, contribute to this recognition.

— It is gratifying to see our work on sustainability recognized globally, and we hope we can inspire others, says Group CEO Storebrand **Odd Arild Grefstad**.

## Event

### Advancing Nordic investment

**A** rendalsuka is Norway's national event where politics, society, and business leaders converge. Storebrand Asset Management participates at this event, to advance the sustainable finance agenda, engaging with clients, partners, and decision-makers.

At this year's event, a debate on the Nordic investment universe explored the distinct strengths of the region, such as Norway's energy, Sweden's industry, and Denmark's pharmaceuticals. The discussion addressed how these sectors position the Nordics

as a compelling option for long-term investors, while also examining potential risks.

Moderated by **Robert Henriksen**, Senior Communications Advisor at Storebrand, the panel consisted of: **Jan Erik Saugestad**, CEO, Storebrand Asset Management; **Kjetil Houg**, CEO, Folketrygdfondet and **Tone Lunde Bakker**, CEO, Eksportfinansiering Norge.

↓ Attendance was strong and the debates lively at Arendalsuka this year.



Photo: Arendalsuka/Mona Hauglid

## Deep Sea Mining: Salvation or Destruction?

During the Arendalsuka gathering, Storebrand Asset Management CEO **Jan Erik Saugestad** was also a featured member of a panel on deep-sea mining.

The debate was heated, with the moderator, **Veslemøy Østrem**, Editor-in-Chief at Altinget noting "Mining minerals on the Norwegian continental shelf is among the most contentious issues this decade".

Although some commercial actors claim that deep sea minerals are vital for the green transition, there is strong opposition to the issue from several civil society organisations, scientific bodies and some investors.

Storebrand, alongside international stakeholders, called for a moratorium in 2022, questioning the sustainability and necessity of seabed mining, and continues to oppose it, in the absence of a clear foundation of facts that could suggest the activity would not cause harms to fragile and stressed ocean ecosystem. At the panel, Saugestad stressed the need for clear regulations and unbiased facts, asking, "Is it right that commercial players provide us with a "neutral" factual basis?"





↑ Saugestad was a featured participant in the panel debate.

## Event

### Biodiversity in the Blue Economy

The Blue Food Innovation Summit 2024 was held this May in London, gathering a community of over 300 aquaculture and blue food pioneers scaling innovation and investment in the blue economy. Storebrand Asset Management CEO **Jan Erik Saugestad** participated in the event as member of a panel focusing on enhancing biodiversity in the blue economy. He was joined by fellow panel members **Valerie Pinkerton** of the advisory and investment management firm Pollination; **Kat Bruce** of the data provider NatureMetrics; **René Benguerel** of the NGO Conservation International; and **François Mosnier** of the sustainable finance think-tank Planet Tracker. Together, the panel explored the solutions that are on the horizons and the actions needed from various constituencies. 🔗

## Event

### Solving the natural capital question

With nature as an investment theme still little understood or developed, what are the latest developments that affect this area and how can institutional investors consider the opportunities and risks in this area? This was the theme of an investment seminar hosted digitally by IPE in April, where senior sustainability analyst **Vemund Olsen** was a featured speaker. The event was titled "Natural Capital: Data Disclosure and Stewardship"

In his presentation, Olsen began with an overview of Storebrand's deforestation-

related work, including portfolio screening; stakeholder engagements with companies and policymakers, and through proxy voting; reducing risk exposure; and disclosure and promoting transparency. Olsen then offered a glimpse into Storebrand's deforestation risk management methodology by outlining the innovation brought on by the ForestIQ tool. In dialogue with the host, Olsen emphasized that deforestation-risk commodities are not bad in and of themselves, but that their impact heavily depends on the commodities' value chains, adding "This is also where Storebrand's work is focused". 🔗

Watch the recording of the full event [here](#).



## Event


## Oslo Tropical Forest Forum

**E**arlier this summer, Storebrand's Head of Climate and Environment **Emine Isciel** participated in a panel discussion on "Reshaping the Global Economy - from Nature-Negative to Nature-Positive", at the Oslo Tropical Forest Forum (OTFF).

The OTFF is a key global conference that gather ministers, policy makers, multilateral institutions, civil society, indigenous peoples, and private sector to advance action on protecting tropical forests.

The panel session Isciel participated in, shed light on the concept of valuing nature and what it entails to recognize the financial value of natural resources and ecosystem services and how the absence of finance sector regulation enables and fuels finance flows into nature-destructing activities.

**Emine Isciel** emphasized the risks that nature loss constitutes for financial institutions (FIs) and how these risks are addressed and mitigated by Storebrand Asset Management. Although regulatory regimes can shift financial flows away from nature destruction and constitute risk mitigation as well as new opportunities for FIs, there has been significant challenges with the implementation of regulations such as EU, such as risk for market leakage; an overly heavy burden being placed on producing countries; and smallholder producers being cut off the market.

While EU companies are directly affected by the regulation, a substantial share of the work needs to be done at origin. The burden of removing deforestation from commodity supply chains should not be placed only on the countries that produce the commodities. Support is especially needed to avoid cutting smallholder producers out of the market when companies have incentives to simplify their supply chains in response to the regulation. Smallholders grow up to 80% of the world's coffee supply and they are not ready for the implementation, Isciel added. 



Monteverde, Costa Rica

# SOIL



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## Update

# Storebrand expands infrastructure investment

Increases stake to become majority owner in Danish infrastructure fund manager AIP Management



↑ Storebrand Asset Management  
CEO Jan Erik Saugestad with AIP Managing  
Partner Kasper Hansen

**T**his June, Storebrand took a major step in increasing its ownership in Danish infrastructure fund manager AIP Management, a move which is intended to further our commitment to this asset class that is highly relevant to investments in the transition towards sustainable societies.

## Stepping up to majority investment

Storebrand has entered into an agreement to acquire an additional 50% of the shares in Danish infrastructure fund manager AIP Management P/S ("AIP") to reach a direct ownership of 60%. AIP is founded by PKA and headquartered in Copenhagen with total commitments from investors of €8 billion (NOK 90 billion).

Previously, in 2020, and in conjunction with committing capital to the AIP platform, Storebrand Asset Management AS ("Storebrand") had acquired 10% of AIP, as the first international partner and investor to the Danish infrastructure fund manager.

The increased ownership gives Storebrand control over a well-established infrastructure platform that is complementary to its existing alternatives offering that includes real estate, private equity, and private credit. At the same time, AIP will benefit from Storebrand's strong market position, scale, and investor relationships.

## Strong relevance in the transition

"There are significant investment needs to support the energy transition and this spans from new infrastructure in production and distribution to upgrades of existing infrastructure. Key financial characteristics of infrastructure investments are long-term stable cash flows, low correlation with other asset classes, and cash flows that keep pace with inflation. The investments often have a sole supplier position, with high demand and predictable cash flow, making it attractive for investors," notes Storebrand Asset Management CEO Jan Erik Saugestad, "With the Storebrand Group's life insurance companies as anchor investors, our clients are offered unique

investment opportunities to co-invest. Real assets also provide essential services to society and enable sustainable transformation."

#### **Continuity**

AIP will continue to be led by its current Partners, retaining its independence and operating under the AIP brand, as part of the Storebrand Asset Management multi-boutique offering. The owners, which continues to include the Danish pension funds PKA and PenSam as well as the Partners in AIP, will build upon the strong partnership to further develop and strengthen the AIP platform.

Storebrand currently manages an infrastructure fund, Storebrand Infrastructure Fund, with total commitments of about EUR 1bn. This fund, and the recently established successor fund, will continue investing in line with the established mandates. AIP is already a key strategic partner for the Storebrand Infrastructure Funds. AIP, which has €8 billion (NOK 90 billion) in committed capital, adds investment capabilities and a complementary network for deal sourcing to accelerate the position in Denmark, the Nordics and internationally.

#### **Commitment to infrastructure**

Summing up the strategic direction of the move, Storebrand Asset Management CEO Jan Erik Saugestad noted: "AIP will expand our investment offering in infrastructure and will strengthen Storebrand Asset Management's position as an investment partner and a leader in sustainable investments. Our clients show great interest in long-term investments with stable returns and positive impact like infrastructure. AIP has a strong track record and sustainable investing is at the core of AIP's investment strategy. The partnership with the other Danish pensions funds has worked well and together we now take AIP to the next level."next level." 

Storebrand currently manages an infrastructure fund, with total commitments of about EUR 1bn.

Learn more about Storebrand Asset Management's perspectives on the role of private capital in the transformation of infrastructure in this recent conversation featuring our CEO Jan Erik Saugestad on the [Markanden podcast](#).

**Note:** Although the introductory text on the podcast web page is in Swedish, the conversation was held in English.



# Giant Steps at Ulven

Observations from a site visit  
to the Construction City project  
at Ulven in Oslo



**Sunniva Bratt Slette**  
Portfolio manager



One early morning this June, yours truly from team Solutions was thrilled to join team Norwegian Equities for an investor site visit hosted by AF Gruppen, to Construction City, a 100 000 square meter project at Ulven in Oslo.

**Ambition for cross-sectoral transformation**

Something massive is happening at Construction City, where AF Gruppen and Betonmast are in the role of main contractors. The giant project – one of the largest in Norway at the moment – embodies the vision and appetite for transformation shared across the country’s building, construction and property sectors. Backed by collaborative business and research cluster that spans these sectors, the Construction City project is central pillar of a national push in Norway to transform them, making them more dynamic, efficient, and “green”.

Following completion of the project, many firms from the Construction City Cluster will move their offices into the buildings there. The design of the project is aimed at facilitating better cross-sector collaboration, as well as the development of specialist expertise.

**Impressive view on-site**

It’s truly a privilege for an investor to get the hands-on perspective of a site visit, to better understand the products and services of current or potentially future portfolio companies. The main target of a site visit is three-fold:

- to learn more about the specifications of the core value creation of the firm
- to see first-hand how the actual construction is managed
- to see how the corporate culture works on the ground

The new buildings are built to modern and cutting-edge standards, including the highest energy label “A” and an environmental building certification at the higher end of the scale with BREEAM Excellent. A well-managed construction site should be tidy, and as some of the photos from the visit show, this was the case for Construction City. The absence of unnecessary materials signals that the logistics systems were working well, and in alignment with the project’s “zero accidents” target which was well communicated around the site. Viewed from the environmental perspective, the project’s minimal waste, re-use and recycling of materials was impressive.

Construction City is a fascinating case of how urban development takes place in practice. It takes great care for urban planning before the project begins, flawless logistics, interdisciplinary collaboration, tedious focus on health, safety and environment in the construction phase. 🔄



↑ Construction City is one of the most ambitious projects in recent times in the Oslo region.

↓ Visitors witnessed impressive progress and processes during the site visit.



Photo: 3destate, LINK arkitekter, Scenario interiørarkitektur

The new buildings are built to modern and cutting-edge standards



↑ Projected views of a facade when completed.



# ACT



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# Nippon Steel engagement update

↑ Reducing the climate emissions intensity of steelmaking is key to meeting global climate goals. Source: Colourbox.com

Shareholder resolutions successfully demonstrated broad support for greater ambition and transparency on climate transition

## Results of climate-related proposals at Nippon Steel AGM 2024

- 27.98% of shareholders voted in support of a proposal filed by Legal & General Investment Management (LGIM) and the Australasian Centre for Corporate Responsibility (ACCR) asking for improved disclosure of climate-related lobbying activities.
- 23.01% of shareholders voted in support of a proposal filed by Corporate Action Japan (CAJ) and ACCR asking for remuneration to be linked to the company's GHG emissions reduction targets.
- 21.48% voted in support of a proposal filed by CAJ and ACCR asking NSC to set and disclose short and medium-term greenhouse gas (GHG) emissions reduction targets aligned to the goals of the Paris Agreement for scope 1, 2 and 3 emissions, along with disclosure of planned capex for decarbonisation investments.




**F**or some time now, we have been in dialogue with the major Japanese steelmaker, Nippon Steel, as part of our focus on reducing the climate emissions intensity of the top emitters in our portfolios. This engagement continued during the second quarter, when in June we decided to escalate our engagement, through an ongoing collaboration with a larger investor group.

Following the collaborative engagement, we supported and voted in favour of three proposed climate-related shareholder resolutions at Nippon Steel's Annual General Meeting (AGM). The proposals were filed following engagement with the company by a group of institutional investors collectively representing US\$ 4.988 trillion of assets under management. All three proposals were supported by Amundi, Nordea Asset Management and Storebrand Asset Management.

The resolutions asked for Nippon Steel to set and disclose short and medium-term greenhouse gas (GHG) emissions reduction targets aligned to the goals of the Paris Agreement for scope 1, 2 and 3 emissions, along with disclosure of planned capex for decarbonisation 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.

The immediate outcome of these actions was that the resolutions 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 underlined to the management of Nippon Steel that there is a clear and growing demand by shareholders for the company to implement a more ambitious, cohesive and transparent climate strategy.

This new escalation step aligns with our broader escalation strategy of more vigorously exercising shareholder voting rights when it has the potential to help move engagements forward.

During the third quarter we plan to review the company's response to the demonstration of shareholder concern and will decide how to continue our engagement efforts. 





## NZIF 2.0 Released

Updated framework helps sharpen focus on real-world decarbonization impact

**A**s Storebrand is in the process of updating its climate targets, the updated Net Zero Investment Framework from IIGCC will underpin our net-zero commitment and serve as a central guide to our decarbonization journey.

Launched in 2021, the Net Zero Investment Framework ('the NZIF') has been used by many investors in aligning their portfolios and investment activities to the goals of the Paris Agreement. Following three years of implementation, the NZIF is the most widely used resource to develop net zero strategies and transition plans by investors.

Based on an extensive consultation with investors, to which Storebrand Asset Management contributed, IIGCC has published an updated version of the Net Zero Investment Framework.

NZIF 2.0 includes updates to guidance on several asset classes, as well as some revised target terminology and criteria. Several key outputs (e.g. infrastructure and private equity components) have also been integrated into NZIF 2.0.

One of the significant updates is the repositioning of the new Portfolio Decarbonization Reference Objective, in acknowledgement that a focus on financed emissions can dissuade investment in climate solutions. Instead, the framework will now put greater emphasis on 'financing reduced emissions' over 'reducing financed emissions'. It also acknowledged that investors should pay particular attention to emissions associated with emerging market investments as these might decarbonize along different pathways and could take longer to reach a peak in emissions. [🔗](#)

## IIGCC summit in Oslo

**T**he IIGCC's Senior Management Team held an informative and engaging meeting, hosted by Storebrand Asset Management in June in Oslo. The IIGCC team shared details of their strategy and plans for 2024 and beyond, as well as facilitated interactive discussions on emerging markets and nature.

Established in 2006, the Institutional Investors Group on Climate Change (IIGCC) is an organization with over 400 members from the investment community worldwide, that brings institutions together to create practical solutions that can make a difference in tackling climate change.

In June the IIGCC also [updated the Net Zero Investment Framework \(NZIF\) to NZIF 2.0](#). The framework is intended to help investors implement net zero commitments and address climate risk. It has been updated to better support the NZIF's focus on financing reduced emissions, as opposed to reducing financed emissions.

## Aligning Financial Flows with the Global Biodiversity Framework

Translating Ambition into Implementation: Key Recommendations for Governments from the Financial Sector

**I**n the run-up to the UN Convention on Biological Diversity Conference of the Parties in 2022 (COP15), as co-chairs of the Public Policy Advocacy working group of the Finance for Biodiversity (FfB) Foundation, Storebrand advocated for an ambitious agreement that explicitly addresses:

1. the alignment of all financial flows, both private and public
2. improved disclosure of biodiversity impacts and dependencies.

We are delighted that both components have been successfully safeguarded in the Global Biodiversity Framework.

The emphasis on finance at COP15, marked the first time that countries, under the United Nations Convention of Biological Diversity (CBD), agreed to explicitly set a collective ambition on the alignment of financial flows, to halt and reverse biodiversity loss and ensure the recovery of nature. However, effective implementation and ambitious action from governments at the national level will be critical to the success of the agreement.

To support governments in their implementation of targets related to finance, we have through Finance for Biodiversity published a report with four key recommendations to governments on how they can implement aspects of the GBF that relate to finance:

1. Require companies and financial institutions to assess, monitor, and disclose their nature-related risks, impacts, dependencies, and opportunities (Target 15);
2. Mandate Nature Transition Plans, based on sectoral transformation pathways, and foster collaborative commitments (Goal D and Target 14);
3. Actions from central banks and supervisors (Goal D and Target 14); and
4. Create economic incentives for businesses and financial institutions to maximize the mobilization of private finance (Target 18 and Target 19). [🔗](#)

→ Cultivation of commodity crops such as soya involves significant risks of contributing to negative impacts on biodiversity.



Learn more in [FfB's April 2024 report: Aligning Financial Flows with the Global Biodiversity Framework](#).



# Closing the global biodiversity funding gap

## Aligning financial flows to reach the global biodiversity goals in the “decade of delivery”



**Emine Isciel**  
Head of Climate  
and Environment

**A**lmost two years have passed since the 15th Convention on Biological Diversity (CBD COP 15) took place in Montréal, Canada, where world leaders agreed on a set of goals and targets to halt and reverse nature loss by 2030 — the Global Biodiversity Framework (GBF). The Kunming-Montreal agreement stimulated a reckoning to align public and private finance with the biodiversity goals and targets. The roots for this lie in Goal D, which is to “align financial flows with the Kunming-Montreal Global Biodiversity Framework and the 2050 Vision for biodiversity”.

As we have entered the “decade of delivery”, the time is right to get serious about aligning finance with biodiversity action. As of today, most investments are out of sync with the goals of the Kunming-Montreal Agreement, and most financial capital, with a magnitude of hundreds of trillions, moves around with little recognition of impact or dependency on nature.

When governments meet in Nairobi, Kenya, over the next weeks (SBSSTA-26, 13-18 May; and SBI-4 meeting, 21-29 May), to discuss how to mobilize resources for the implementation of the Biodiversity Plan, we encourage them to address systemic challenges that are slowing down the alignment of public and private financial flows.

### **The biggest opportunity to close the biodiversity finance gap is to reduce existing harmful financial flows**

Implementation of the GBF is through national biodiversity strategies and action plans (NBSAPs) that all Parties to the CBD have committed to updating by COP 16 in 2024. Governments are expected to move towards closing the biodiversity finance gap of \$700 billion per year and work towards aligning financial flows with the Biodiversity Plan.

As large as the funding gap might be, there is some hopeful news. The gap can be closed. Much of what’s needed is smarter policy and investment choices, shifting the existing flows of capital away from harmful behaviors and toward outcomes that benefit

nature. This means that the biggest opportunity to close that gap is to reduce existing harmful financial flows.

When delegates enter discussions in a few weeks' time, they should alongside their discussion on how to scale up commitments to biodiversity finance, also identify and apply strategies to reduce existing harmful flows.

By managing these risks and avoiding investments that may have negative impacts on biodiversity, significant flows of private capital can be shifted away from harmful behaviors and toward outcomes that benefit nature.

Without substantial policy measures to mainstream biodiversity into existing flows, the goals and the targets in the GBF will not be met, regardless of significant actions in other areas. Implementing measures that will reduce existing harmful financial flows, in turn, reduces the future need for funding to counteract these impacts. This will, among other things, require governments to implement disclosure requirements that are consistent with international standards such as the Taskforce on Nature-related Financial Disclosures (TNFD) and stimulate open source and location-specific data.

#### **An environmentally sustainable future will require increasing involvement of finance ministers**

Coherent disclosure requirements are an important step in the right direction but will not be sufficient. The current misalignment of financial flows reflects broader weaknesses and failures in the global economy. Along with improved transparency, governments in each country should reform financial flows through domestic sectoral policy and regulation. Nearly US\$ 542 billion is spent each year on agricultural, fisheries, and forestry subsidies that are harmful to nature.

Redirecting those payments to incentivize more sustainable practices is necessary. The development of 'whole-of-government' strategy to coordinate an economy-wide just transition will be critical. We have previously called on finance ministers to give effect to the global policy goals and we strongly believe that an environmentally sustainable future will require increasing involvement of finance ministers. By fostering innovations, aligning incentives, and setting clear boundaries, they can steer sectoral pathways towards reducing negative impacts, increasing positive impacts, and catalyzing private finance at scale.


The increasing trend in the development of sustainable finance taxonomies across the globe offers an opportunity to create a common language for nature-related criteria and increase cross-border capital flows to environmentally sustainable projects to align private and public financial flows with biodiversity objectives. Taxonomies can contribute to guide disclosure practices and track finance and investments towards nature-positive activities and projects. Monitoring, reporting, and reviewing of implementation will be key to driving evidence-based progress.

Unfortunately, for now the focus in sustainable finance taxonomy development remains narrowly on climate which has resulted in own definitions of what can be defined as an activity that contribute to biodiversity. This in turn has led to diversity of definitions for what economic activities can contribute to the conservation, restoration, and sustainable use of nature.

#### **Credible national actions need credible firm-level transition plans**

Given the importance of rapidly shifting from disclosure to action to halt and reverse biodiversity loss in this decade, countries should mandate credible nature transition plans across the economy to create accountability for financial institutions and companies to align their strategies with the goals and targets of the Biodiversity Plan.

Transition planning is a critical opportunity to bring the solutions to climate change and nature loss together. To date, the focus of transition plans has largely been on climate change where businesses and financial institutions demonstrate how they will manage climate risks and take action to reach their climate targets. Governments and regulators should require companies and financial institutions to develop meaningful nature transition plans alongside their climate transition plans, holistically.

For financial institutions, national regulatory regimes should require nature transition plans that address how individual institutions will meet the need to align their financial flows with biodiversity goals and targets. As regulatory obligations are placed on financial institutions, supervisors will assess the adequacy and execution of plans, with appropriate regulatory action being taken where the regulatory standards are not met. With a focus on implementation, transition plans can become a powerful tool for bringing sustainability risk into the time horizon that supervisors can consider, and act on. 

#### **Storebrand represented finance sector at pre-COP16 summit**

Storebrand has played a central role within the Finance for Biodiversity (FfB) Foundation working group on Public Policy Advocacy, and Storebrand Head of Climate and Environment Emine Isciel, is co-chair of the group.

Ahead of the COP16 summit to be held in Colombia later this year, the parties to the Convention on Biological Diversity (CBD) held a pre-COP meeting in Nairobi in May. There they addressed critical topics, with a focus on the mobilisation of the public and private resources in the nature restoration and conservation efforts.

This opinion, by **Emine Isciel**, was published by the FfB, as a position ahead of those preparatory meetings, held in May 2024, in Nairobi, Kenya.



# Deforestation risk screening 2024



**Vemund Olsen**  
**Senior Sustainability Analyst**

## Assessment and Disclosure of Deforestation Risk Exposure in our Investment Portfolio

**S** torebrand is committed to eliminating commodity-driven deforestation from our investment portfolio, and to assess and disclose our exposure to deforestation risk. This ambition is articulated in our deforestation policy and as part of the Finance Sector Deforestation Action (FSDA) joint commitment. To effectively assess and disclose exposure to deforestation risks, we leverage the Forest IQ data platform, a comprehensive resource developed by Global Canopy, Stockholm Environment Institute and Zoological Society of London.

### Forest IQ Data Tool Overview

The Forest IQ data platform contains information on more than 2000 companies' exposure to commodity-driven deforestation and their efforts to eliminate deforestation, conversion and associated human rights violations from their operations, supply chains and financial relationships. It includes data from the following datasets: CDP, Deforestation Action Tracker, Forest 500, SEI York, Trase, ZSL SPOTT and RSPO. The forest risk commodities currently covered are palm oil, soy, beef, leather, timber, pulp & paper, natural rubber, cocoa, coffee, gold and coal. While the coverage in number of companies and commodities is expected to continue to grow, Forest IQ already covers most companies and financial institutions in our investment universe with material exposure to commodity-driven deforestation.

### Metrics Used in Storebrand's Risk Screening

Storebrand employs several key metrics based on Forest IQ to evaluate and disclose deforestation risks:

- **Metric 1: Exposure to Forest Risk Commodities**

This metric assesses the level of exposure of our portfolio to companies potentially linked to deforestation. Forest IQ places companies in different exposure categories, by estimating volume of commodities sourced or produced with risk of deforestation. (Financial institutions are assessed by estimating the amount of finance provided to companies with exposure to deforestation.) We report on the number of companies, value of holdings, and percentage share of our total equity and bond investments held in companies that fall in the categories with the following exposure levels: Critical, Very High, High, and Moderate. This provides a picture of how much of our portfolio is potentially exposed to deforestation risks.


- **Metric 2: Sector Distribution**

This metric analyzes the distribution of companies identified under Metric 1 across different Global Industry Classification Standard (GICS) sectors. This helps in understanding which sectors in our portfolio are most exposed to deforestation risks.

- **Metric 3: Company Management of Deforestation Risk**

Metric 3 evaluates how well companies manage deforestation risks, categorizing them into five performance tiers: Laggard, Weak, Moderate, Advanced, and Leader. This is done by assessing the quality of their commitments, actions taken and quantifiable progress reporting. For companies identified under Metric 1, we disclose the number of companies and value of holdings distributed across these performance categories. This metric provides insights into the effectiveness of companies' deforestation risk management practices, which helps inform our stewardship efforts.

### Developing screening methodology

When Storebrand first screened our portfolio for deforestation risk in 2020, we designed an inhouse screening methodology based on the tools Forest 500 and Trase. As Forest IQ includes data from both these tools, in addition to others, we are now able to assess a larger share of companies in our portfolio. While this change in data availability and methodology makes comparisons with earlier iterations difficult, it improves transparency, stewardship efforts and risk management related to deforestation. It should be noted that currently available data do not allow attributing actual deforestation impact to individual companies, but estimates risk exposure and assesses company performance to avoid deforestation, conversion and associated human rights abuses. We will continue to perform annual deforestation risk assessments and to disclose the results and any further changes to methodology and data sources. 

## Presentation of 2024 results:

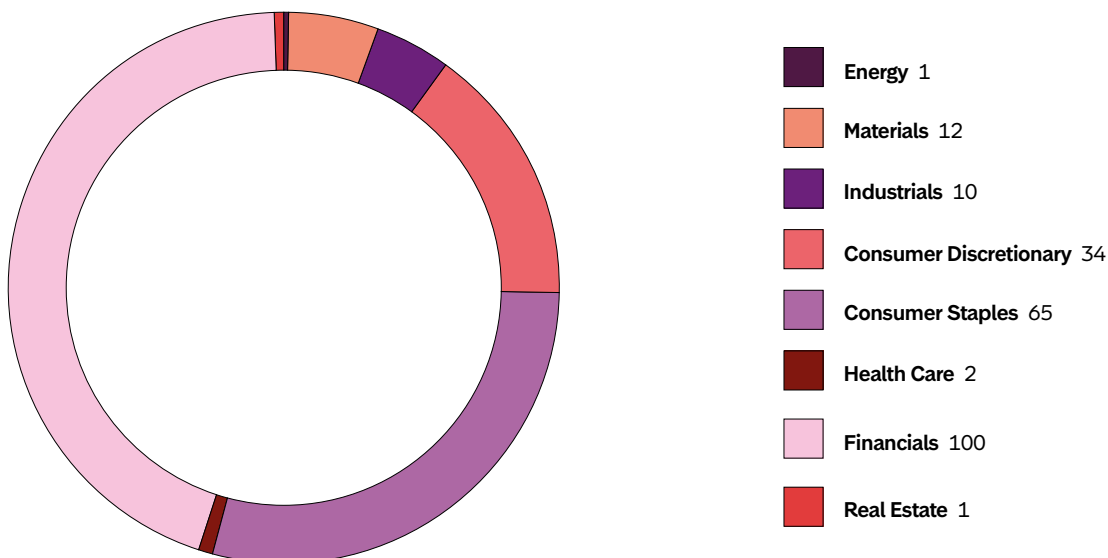
### Metric 1: Exposure to Forest Risk Commodities

Metric 1 Total exposure by assessment category	Number of companies	Market Value of holdings (MNOK)	Share of AuM
Critical (5)	66	42,939	3.83%
Very High (4)	105	72,259	6.44%
High (3)	74	23,660	2.11%
Moderate (2)	16	6,999	0.62%
Total	261	145,857	13.00%

### Metric 2: Sector Distribution

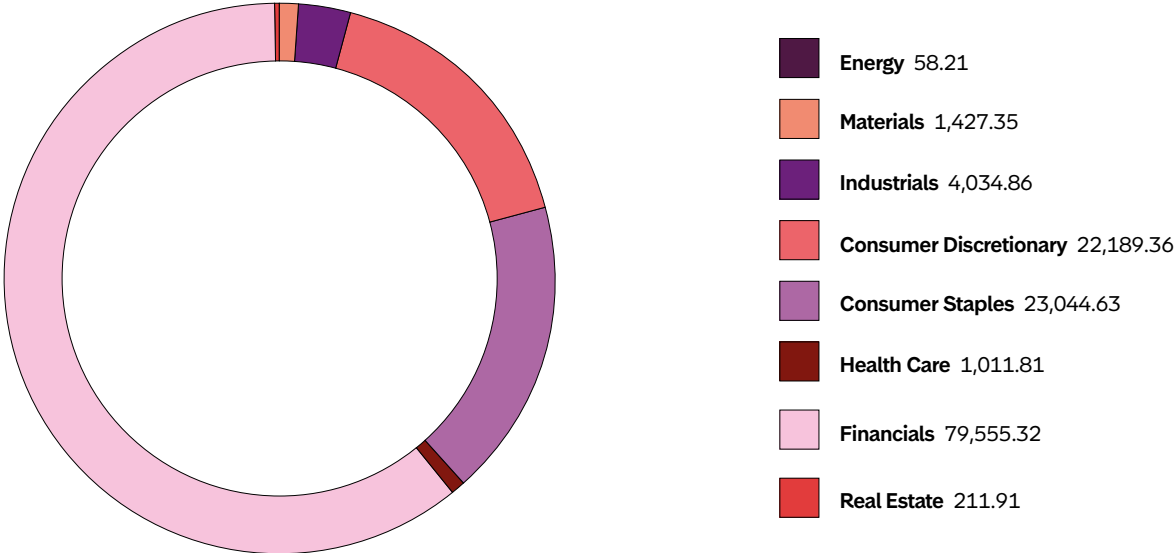
Industry	Number of companies in holdings with deforestation exposure	Market Value of holdings (MNOK) with deforestation exposure
Energy	1	58.21
Materials	12	1,427.35
Industrials	10	4,034.86
Consumer Discretionary	34	22,189.36
Consumer Staples	65	23,044.63
Health Care	2	1,011.81
Financials	100	79,555.32
Real Estate	1	211.91

Number of companies in holdings with deforestation exposure — by industry



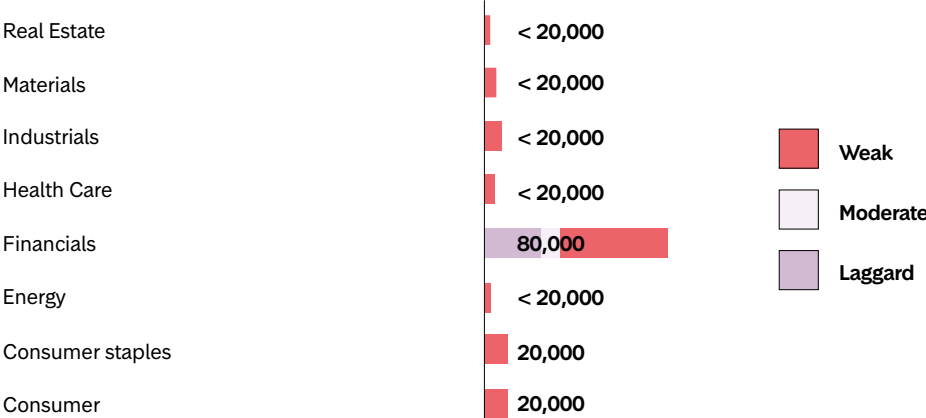
## Metric 2, continued

Market value of holdings (MNOK) exposure



## Metric 3: Company Management of Deforestation Risk

Investments exposed to deforestation by industry and deforestation management score (in MNOK)



## Bunge progress on deforestation risk


Company announces accelerated implementation schedule

**B**unge Global SA, a leading global agribusiness company which is on Storebrand's observation list due to deforestation risk, announced in June this year that it had elected to accelerate its soy cut-off date for deforestation and conversion of natural vegetation from late 2025 to late 2024.

The company has now committed to not purchase any soy from newly deforested or converted land after 31 December 2024, a year earlier than previously anticipated.

The commitment followed a shareholder proposal from Storebrand Asset Management and five other investors, asking the company to address the risk that its 2025 cut-off date could inadvertently cause farmers to rush to clear forests for new fields before the deforestation ban enters into force.

In exchange for a withdrawal of the proposal, Bunge committed to assessing and taking further steps to reduce deforestation risk in its indirect soy supply chains. In its subsequent statement on accelerating the cut-off date, Bunge said that the change had been made possible by its rapid progress towards full traceability to farm for both direct and indirect sourcing in priority regions.

Storebrand has been engaging with Bunge on this issue for several years and considers this move by the company to be a major step forward. We will continue our dialogue with the company and pay close attention to the implementation of the new commitment. 

## Progress with Yara on hazardous chemicals risk

We have been in dialogue with several companies regarding the companies' exposure to financial risks from the adverse impacts of hazardous chemicals.

This work has been carried out under the platform of the Investor Initiative on Hazardous Chemicals (IIHC), an investor-led collaborative engagement initiative involving 60+ participating investors and their representatives with over \$12 trillion under management or advice.

Our engagement with the Norwegian company Yara, as part of the IIHC, continued during the second quarter. The dialogue centred on upcoming EU regulations and the transparency of Yara's global product portfolio.

Since the time the engagement began, we note that Yara has notably improved its standing on the issues, and **is now ranked 3rd out of 50 in the latest annual ChemScore rankings**, which assess the world's biggest chemical producers on their environmental footprint.



The dialogue with Yara on this topic is planned to continue later this year, through the platform of the IIHC with Storebrand in a supporting role.


## ENCORE updated

Storebrand supporting development on tools that help companies and investors reveal and act on nature-related dependencies, risks and opportunities.

**B**usinesses and financial institutions now have an opportunity to gain an even greater understanding of their vital relationships with nature, following a major update to ENCORE, a leading UN-backed tool for screening risks to natural capital.

Storebrand Head of Environment and Climate Emine Isciel is part of the Advisory Board of EU-funded SUSTAIN project, which aims to strengthen understanding and awareness of how all economic activities depend on and impact biodiversity. SUSTAIN contributes to ENCORE through a dedicated work package led by UNEP-WCMC, which aims to improve, update and validate ENCORE's natural capital knowledge base. This work incorporates the current scientific and empirical research to build ENCORE's knowledge base, and enhances its structure and usability.

The main benefit of this latest update to ENCORE is a much higher degree of granularity. The previous 92 'production processes' have been superseded by 271 'economic activities' as defined by the International Standard Industrial Classification for All Economic Activities (ISIC). This also provides better alignment with the UN's System of Environmental Economic Accounting (SEEA) Ecosystem Accounting, which incorporates nature-related services that had not previously been captured. These include non-monetary benefits such as recreation, aesthetic appeal, education, and other positive contributions to human physical and mental wellbeing.

The ENCORE team has also improved the methodology that underpins the ratings, with more precise, quantitative materiality scoring that allows for greater comparability across industries and sectors. Along with the greater granularity, an investor looking to assess its investee companies' exposure to nature-related risks within the agricultural sector is now able to drill down to the production of specific crops, such as rice or sugar cane, rather than the previously used far broader categories, such as large-scale irrigated arable crops or large-scale rainfed arable crops. 



→ Issues related to the rights of workers to associate with organized labour have been an ongoing theme at Amazon.

## FSDA report published

New progress report outlines the steps taken and impact so far

**A**t London Climate Week in June this year, the Finance Sector Deforestation Action initiative (FSDA) published a report on the progress made so far by the initiative, including several examples with details of engagements in which Storebrand participated.

Storebrand Asset Management has been active in the FSDA right from the very beginnings of the initiative several years ago. The FSDA is a collaboration among 34 financial institutions, with more than (US) \$8 trillion in assets under management, that are working toward eliminating agricultural commodity-driven deforestation risks in their investment portfolios by 2025.

The financial institutions all signed a commitment letter that was launched at COP26 in 2021, in which the signatories committed to:

- adopt deforestation policies
- collaborate to eliminate deforestation from their investments
- report on their efforts.

The newly published report is therefore an important deliverable of the third of those commitments, and contributes transparency on how well the initiative is making good on the first two commitments. [🔗](#)

**+** [Learn more in the Finance Sector Deforestation Action initiative \(FSDA\) Progress Report.](#)

## Blue Economy Progress

Our 2023 Progress Report on the Sustainable Blue Economy (SBE) Finance Principles is now published

**I**n May, Storebrand Asset Management Published an annual progress report that documents our implementation of the Sustainable Blue Economy Finance (SBE) Principles, which as a signatory, we are required to report annually on.

The SBE 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. Our progress report for 2023 follows this format, summarizing progress in the document and citing other public policies and reports where more information can be found. [🔗](#)

**+** [Read the full 2023 Progress Report on Sustainable Blue Economy Finance Principles in our document library.](#)

## Pressuring Amazon.com on respecting workers' rights

Storebrand co-files resolution at AGM and supports joint letter on company's response to trade union campaigns

**O**ver several years, Storebrand has been engaging Amazon on various aspects of its management of human rights, given what we perceive as a gap between the company's stated commitments, and their implementation. These gaps can constitute a reputational and operational risk that may negatively impact Amazon's long-term performance. Our work on this issue continued in several areas during the second quarter.

### Co-filed shareholder resolution

At Amazon.com's recent annual general meeting (AGM) we co-filed a shareholder resolution asking the company's Board to assess how it respects international human rights law regarding workers freedom of association (FOA) including the right to associate in organized labour unions. In the proposal we asked Amazon.com to launch an independent assessment of how it was implementing its own stated commitment to workers' freedom of association and collective bargaining rights, as detailed in the company's Global Human Rights Principles. This was a follow-up, a re-filing of a proposal previously sought in 2022 and 2023.

Unfortunately, the resolution fell short of success, as it received 31.8 per cent of the votes of shareholders (equating to 37 per cent of non-insider votes, as Amazon founder and executive chairman Jeff Bezos owns 10.8 percent of voting power among shareholders). It was also notable that this resolution received the most support of all the shareholder resolutions submitted at the AGM.

### Supported joint investor letter on union rights

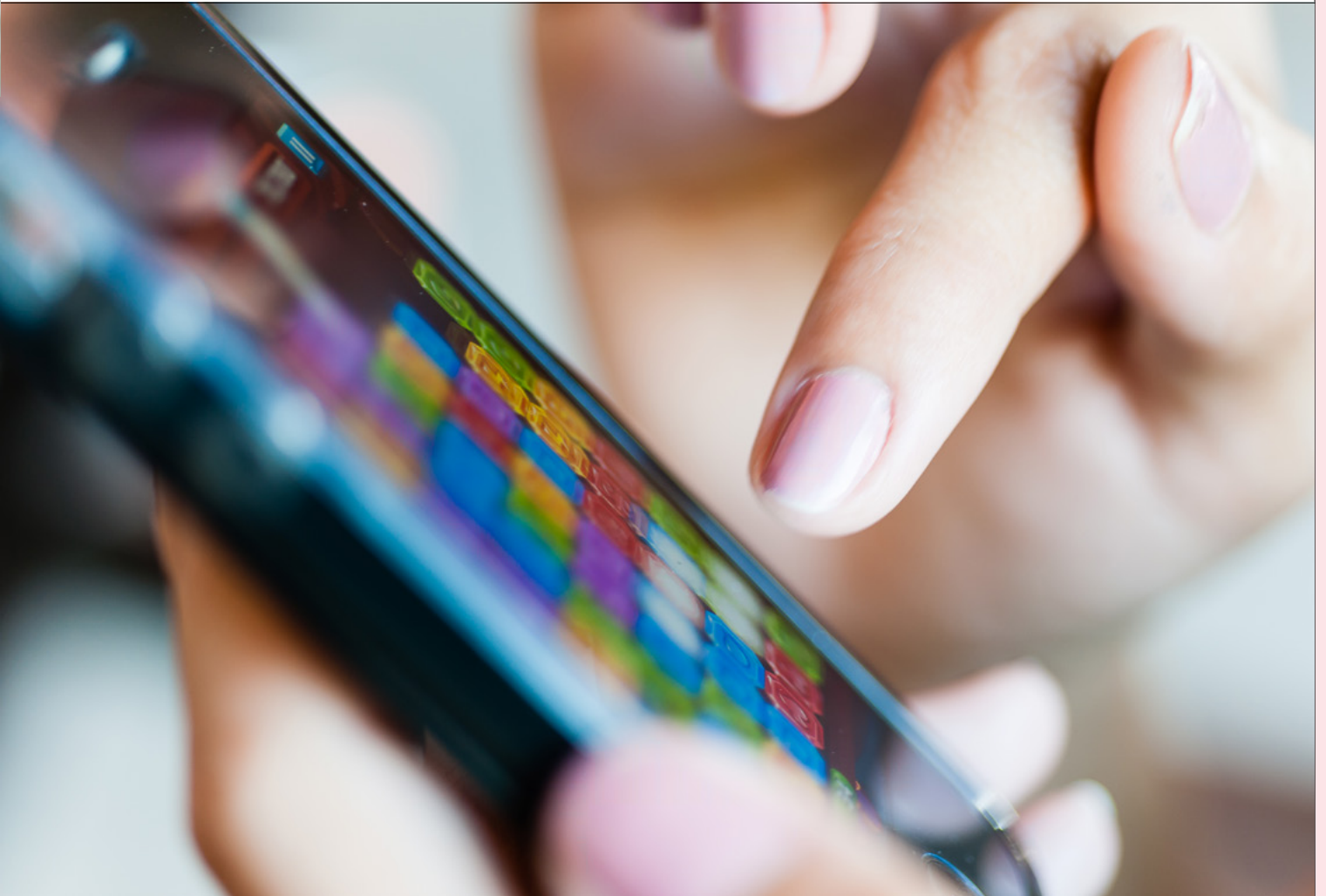
Furthermore, in June, Storebrand was part of a group of 50 investors and advisers that submitted a joint letter to Amazon, in defence of worker's collective bargaining rights in the UK.

In the letter, organized by CLA Investment Management, the group expressed concerns regarding reports of Amazon's conduct in the issue of trade union membership at its warehouse facility in Coventry, UK. The investors stated that they believed Amazon may be taking actions inconsistent with its stated commitments to implementing globally recognised human rights principles.

The joint letter resulted in a response from Amazon.com, which the group of investors finds to be unsatisfactory, as the company's response continues to suggest that it views union membership as conflicting with its ability to engage directly with workers. The company's actions since the letter was sent also included publicly documented actions which arguably constituted interferences with workers' rights to freedom of association, as defined by International Labour Organisation (ILO) standards.

Consequently, we consider the company's responses and actions to be still unsatisfactory. We are assessing the issue and expect to take further action on the issue during the third quarter. [🔗](#)





↑ Ensuring that social media platforms take appropriate measures to prevent involvement in human rights harms such as hate speech, is increasingly an urgent issue.  
Source: Colourbox.com

# Shareholder Resolution at Meta AGM

**Seeking transparency on measures taken  
to prevent human rights harms enabled by  
Facebook and Instagram**

**D**uring the second quarter of 2024, at the Meta AGM, shareholders voted on a human rights resolution that we had co-filed in December 2023. AkademikerPension was the main filer of the resolution, with Storebrand and Amundi as co-filers.

Unfortunately, the resolution did not receive a majority of the votes, given that it was formally opposed by company management and that Meta Co-Founder, Chairman and CEO Mark Zuckerberg controls a significant portion of the voting rights at the company, due to its dual-class share structure.

#### **Seeking transparency on human rights harms of Meta's services**

The resolution requested that Meta Platforms Inc. ("Meta") should issue a report to its shareholders regarding the effectiveness of measures it is taking to prevent and mitigate human rights risks in its five largest non-US markets (based on number of users) enabled by its Instagram and Facebook platforms came up for voting during the company's AGM.


By providing the report, Meta can address the persistent human rights risks which can and have had a negative impact on brand value and, indirectly, on its advertising revenue, as well as on diversified investment portfolios as viewed through a universal ownership lens.

The issues that we are seeking a report on, include topics such as proliferation of hate speech, disinformation, and incitement to violence. The dissemination of hatred that incites discrimination, hostility or violence, are actions that violate international human rights standards. Where content moderation systems have failed to effectively detect divisive content in non-English languages, there has been an associated increase in hate speech, disinformation, and incitement to violence.

Meta's stakeholders and the public have repeatedly raised significant concerns regarding what appears to be an obvious lack of proportionate investment in content moderation resources and expertise in Meta's global majority markets.

Proponents suggest that the report include data on the number of content moderators fluent in local languages in Instagram and Facebook's five largest non-US markets based on number of users and an assessment by external, independent, and qualified experts of the effectiveness of Meta's measures taken to meaningfully manage hateful content, disinformation, and incitement to violence on those platforms.

#### **Engagement planned to continue**

Although the shareholder resolution did not surmount the voting hurdle at the Meta AGM, it contributed to affirming the significant level concerns held by a significant block of shareholders. We believe the shareholder resolution will therefore serve a meaningful milestone point to build on, as we continue our ongoing engagement with the company on these critical issues. 

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The dissemination of hatred that incites discrimination, hostility or violence, are actions that violate international human rights standards.

## Global engagement on living wages

Storebrand mobilises investors to push companies on living wages and living incomes

In June, 28 international institutional investors led by Storebrand sent a letter to over 90 companies to encourage them to take action on living wages/living income by joining the UN **Global Compact Forward Faster** initiative and/or adopting its set business targets.

This initiative was born at the UN Business and Human Rights Forum in Geneva in November 2023, during a conversation between Storebrand, the leads of UNGC Living Wages action area and a large European investor (who would like to remain anonymous).

Storebrand has already been engaging companies in its portfolios on the issue of living wages and living incomes for several years, including through the Platform on Living Wages Financials. This collaboration gave us the opportunity to reach out to an even larger group of companies, and all the major players within four sectors considered to be high-risk on this issue: Textile and Apparel, Food and Beverage, Food Retail and Information and Communication Technology (ICT).

The Forward Faster initiative of the United Nations Global Compact challenges businesses to raise their ambition levels by taking tangible, accountable actions in five areas — living wage, gender equality, climate, water and sustainable finance. Through a principles-based, holistic approach, companies can drive impact on the SDGs and advocate for policies to unlock new opportunities, build resilience and secure long-term prosperity for business, people and the planet.

On living wage, companies can sign up to one or both of the following targets:


- Target 1: 100 per cent of employees across the organization earn a living wage by 2030.
- Target 2: Establish a joint action plan(s) with contractors, supply chain partners and other key stakeholders to work towards achieving living wages and/or living incomes with measurable and time-bound milestones.

These targets are backed up by a comprehensive methodology guiding the companies in steps to achieve these goals because of the thorough work conducted by UNGC together with civil society and expert organisations.

Since the Forward Faster launch in September 2023, 350 companies have signed up to the first living wage target and 200 companies signed up to the second living wage target. We expect more companies to join.

Paying living wages to workers or a living income to farmers is one of the most broadly found and pervasive gaps in most companies' implementation of their social and human rights commitments. Many workers in the extended value chains of companies do not earn a living wage, a standard usually broadly defined as covering a decent standard of living for the worker and their family, which includes food, water, housing, education, health care, transportation, clothing and other essential needs, including essentials for unexpected events.

We, investors, are strongly convinced that living wage/living income is a human right that requires urgent attention by companies worldwide. Therefore, we strongly encourage all corporate members of the UNGC to ensure they put living wage on their agenda by committing to the Living Wage target(s) of the Forward Faster initiative as well as we encourage non-UNGC to join. In addition, it is a great opportunity for companies and investors to contribute to the SDGs and honour their commitments to following the international guidelines for responsible business conduct.

As part of this initiative, an Informational webinar that explained: the "Forward Faster" initiative; the concepts of living wages and living incomes, and the methodology used to calculate them; was held in June this year for interested companies and investors. A further seminar is planned for September as well. 

## Seeking Mondelēz action on CAHRA

This May, we pre-announced our plans to vote in support of a shareholder proposal on conflict-affected and high-risk areas (CAHRA) at the AGM of Mondelēz International. This work is part of our broader efforts to mitigate the risks of involvement in violations of human rights.

Filed by Wespeth Benefits and Investments, the resolution, which focused on the company's response to the heightened risk of operating in Russia, asked Mondelēz to commission an independent analysis of how well it is implementing its human rights policy for operations in CAHRA, including Russia and Ukraine.


Our pre-declaration came alongside similar commitments from Norges Bank Investment Management, the New York City Comptroller, KLP, AP4 Group, Sjunde AP-fonden, and the Swedish AP7.

Unfortunately, while the resolution received significant shareholder support at 31.3 percent of the votes cast, this figure was insufficient to overcome the opposition led by company management, which secured a majority of the votes cast on the issue.

# Engagement data

## Q2 2024


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. 

**1074** Ongoing engagements  
**8** Completed engagements  
**146** Activities directly linked to engagement

## Engagement summary

### Q2 2024

As of the end of the second quarter of 2024, we saw a rise in the number of engagements compared to the previous quarter. This increase mainly stemmed from a small number of newly initiated collaborative initiatives. Since these collaborative initiatives target several companies, it contributes to an increase in the number of engagements recorded. The new initiatives are focused on addressing issues related to conflict-affected areas and occupied territories, ethics of artificial intelligence technologies, as well as climate change and biodiversity. 

## Where we engaged

### Top countries engaged in

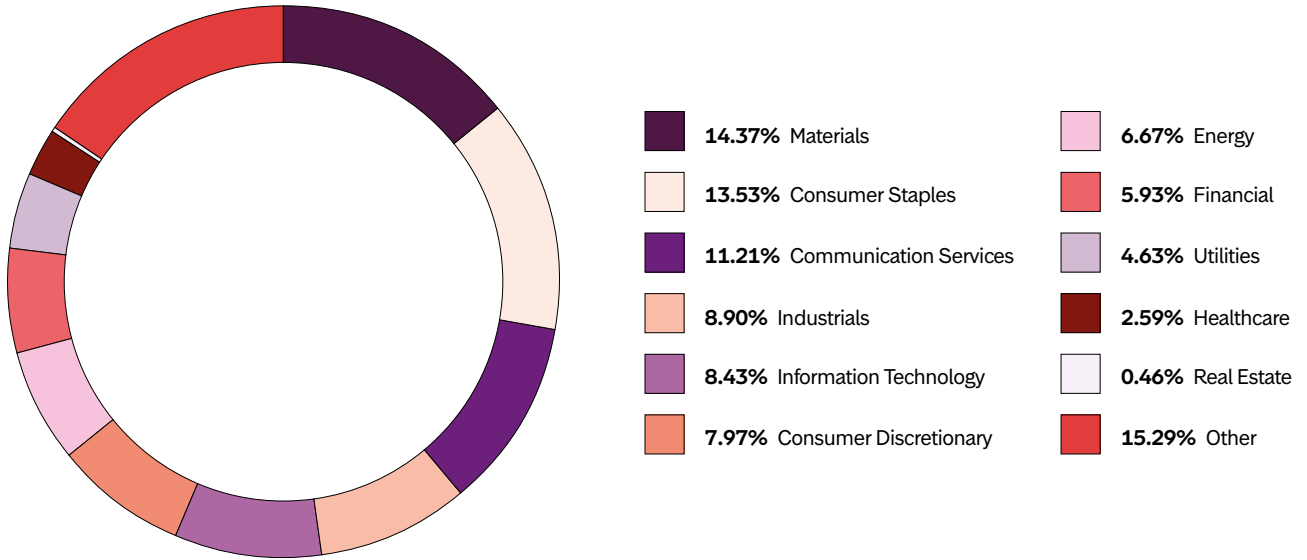
Country	Number of engagements	Percentage
United States	277	25.67%
Japan	70	6.49%
Norway	66	6.12%
United Kingdom	41	3.80%
Germany	45	4.17%
France	42	3.89%
China	34	3.15%
Sweden	31	2.87%
Switzerland	27	2.50%
All other countries	446	41.33%

### Sectors engaged in

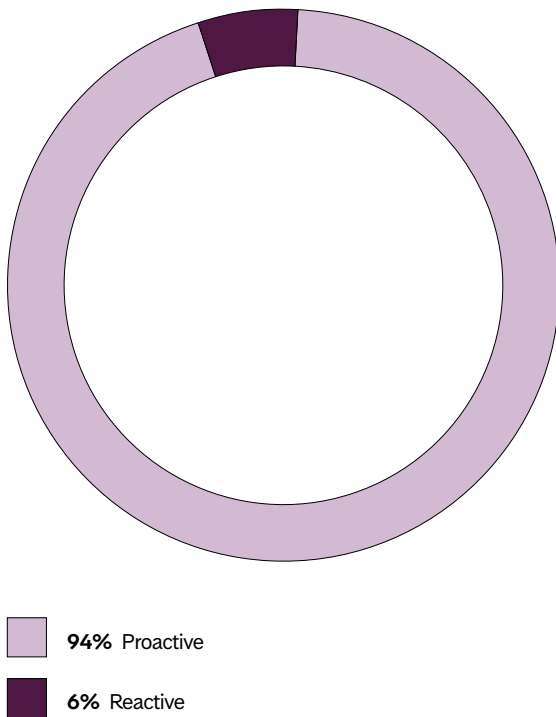
Sectors	Percentage
Materials	14.37%
Consumer Staples	13.53%
Communication Services	11.21%
Industrials	8.90%
Information Technology	8.43%
Consumer Discretionary	7.97%
Energy	6.67%
Financial	5.93%
Utilities	4.63%
Healthcare	2.59%
Real Estate	0.46%
Other	15.29%

This increase mainly stemmed from a small number of newly initiated collaborative initiatives.

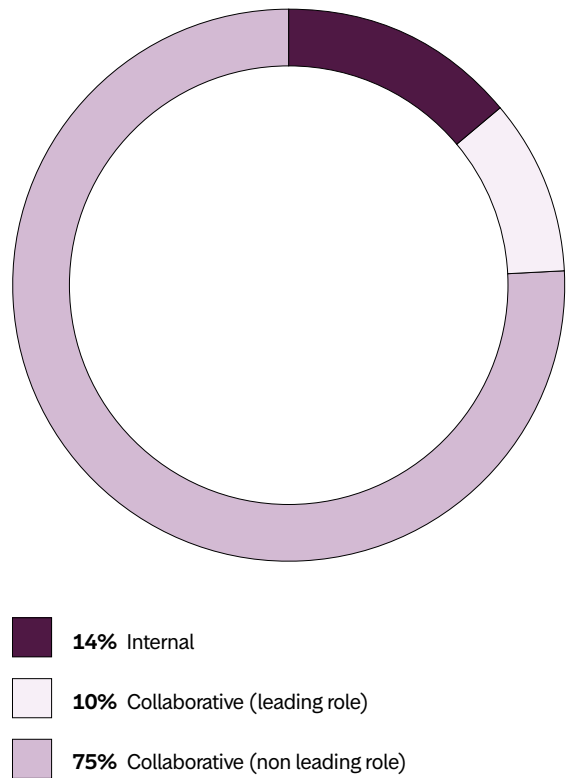
Sectors engaged in



Reasons for engagement

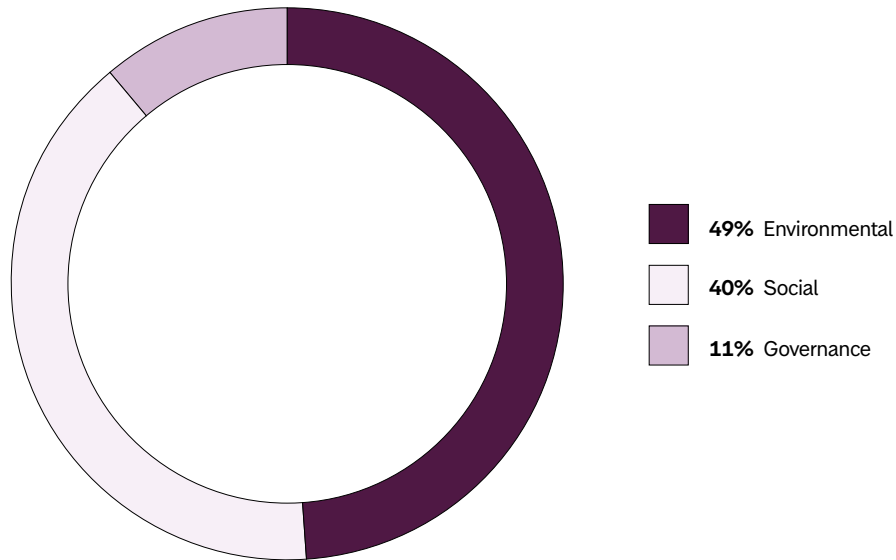


Format of engagements

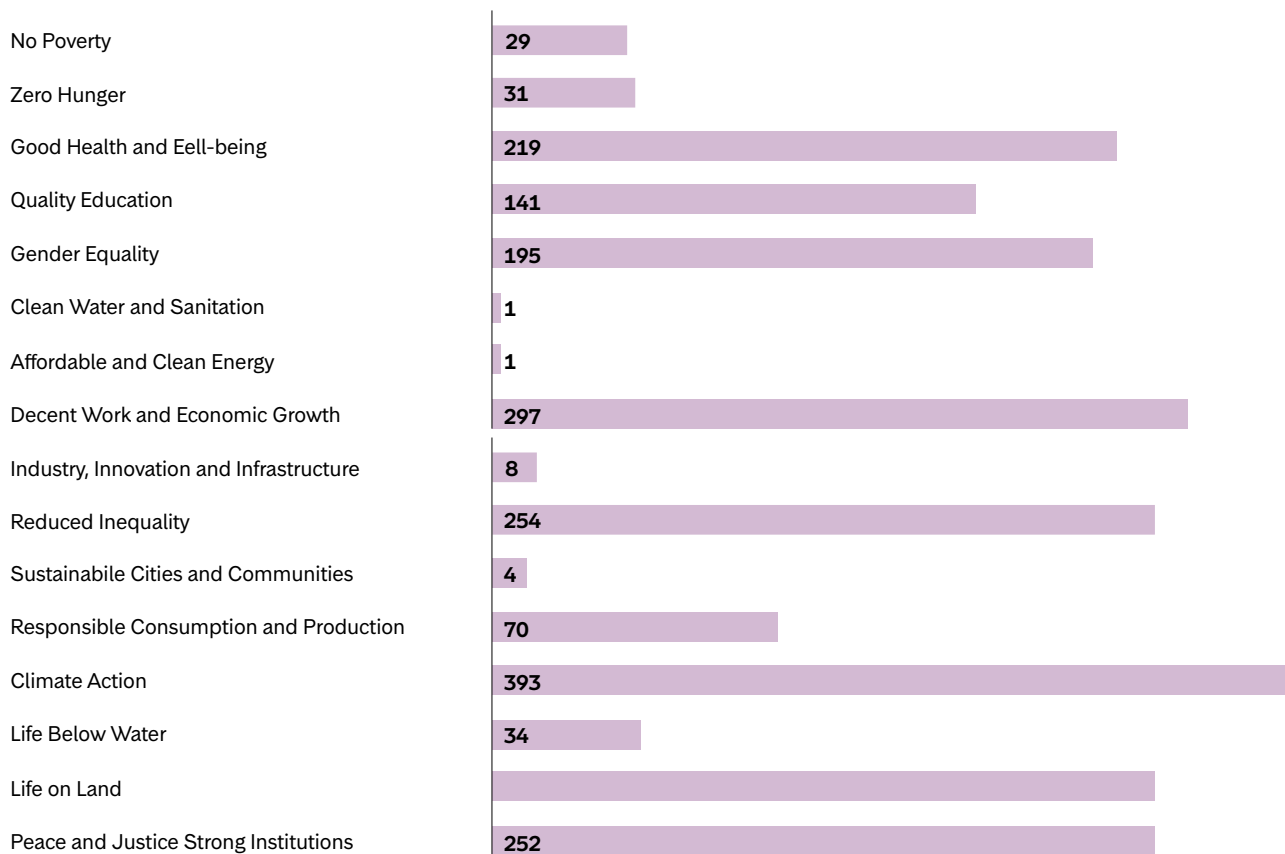


## Where we engaged

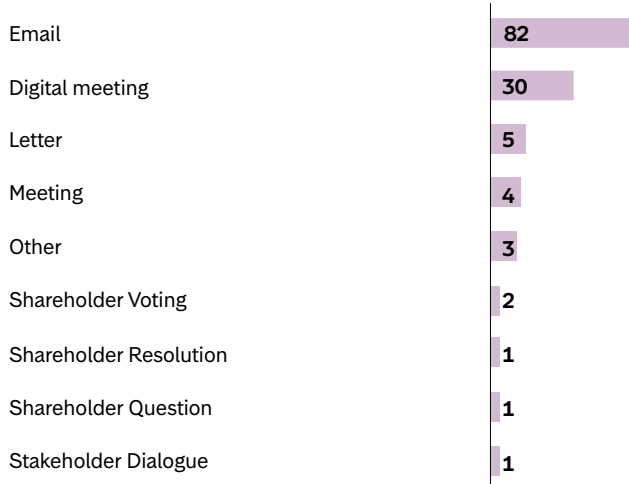
### ESG categorizations of engagements



### SDGs impacted by engagements



Engagement activity type: How did we contact companies?



Engagement contacts: Who did we contact at companies?



## Voting summary Q2 2024

The second quarter of the year is the busiest period of what is known as “AGM season”, the months when many of the largest companies hold their annual shareholder meetings. Storebrand Asset Management (SAM) has voted at 1453 company meetings during this second quarter of the year and a total of 1728 in the first half of 2024.

Casting our vote at shareholder meetings allows us to express our views on environmental, social and corporate governance issues, and is an important part of our sustainable investment efforts. Most agenda items are related to governance issues such as director elections, financial statements and audits. However, environmental and social issues are becoming increasingly important to many shareholders, and it is our policy to vote on all meetings where such proposals are on the agenda.

### Climate and nature prominent on voting agenda

Climate change continues to be the main topic of voting items related to the environment. We voted on 76 climate-related proposals during the second quarter, asking companies to develop ambitious transition plans and to set science-based targets in accordance with the 1.5-degree temperature target. As part of our efforts to push for transition of the oil and gas industry, we supported climate proposals at the general meetings of oil majors Equinor, Shell, TotalEnergies, Repsol and Woodside. We also continued our focus on climate lobbying, voting for 9 shareholder proposals asking companies to disclose their lobbying on climate policy, including at the general meetings of Toyota and Nippon Steel.

As part of our engagement with companies that score poorly on climate and deforestation risk management, we have begun voting against company financial statements or relevant board directors. In Q2, we voted against 23 such companies with regards to climate and 17 on deforestation.

We supported several proposals related to reduction or recyclability of plastic, and voted for a proposal asking Tesla to commit to a moratorium on sourcing materials from deep-sea mining.

### Actively engaging through shareholder resolutions

Regarding human rights, it is worth noting that the two shareholder resolutions Storebrand co-filed in 2023 on Amazon and Meta Platforms came to vote during the companies’ AGM during Q2. Amazon.com Inc’s resolution asked the Board to assess how Amazon respects international human rights law regarding workers freedom of association (FOA) including the right to associate in organized labour unions. The Meta Platforms Inc. (“Meta”)’s resolution requested Meta to report to shareholders on the effectiveness of measures it is taking to prevent and mitigate human rights risks in its five largest non-US markets (based on number of users) relating to the proliferation of hate speech, disinformation, and incitement to violence enabled by its Instagram and Facebook platforms.

In addition, Storebrand voted on significant number of human rights-related proposals, including asking companies to carry out human rights due diligence assessments, respect freedom of association, pay a living wage and ensure good working conditions, as well as report on risks of operating in conflict-affected and high-risk areas, and respect Indigenous peoples’ rights. We voted on 30 human rights-related proposals in Q2, of which 23 were votes against management. 🗳️


## Voting key figures Q2 2024 only

### General voting data

	Voted	Votable	Percentage voted
Number of meetings voted at	1453	2998	48.50%
Number of items voted on	20997	40853	51.40%
Number of shareholder proposals voted on	754	994	75.86%

### Top Countries Voted In

Country	Voted Meetings	Votable Meetings	Percentage voted
United States	431	574	75.09%
Japan	157	271	57.93%
China	89	384	23.18%
Sweden	79	306	25.82%
Norway	77	111	69.37%
Canada	63	92	68.48%
Taiwan	53	114	46.49%
France	49	62	79.03%
United Kingdom	47	71	66.20%
Brazil	43	102	42.16%
Cayman Islands	43	149	28.86%
Germany	42	60	70.00%
Netherlands	29	50	58.00%
Switzerland	27	47	57.45%
Bermuda	26	43	60.47%

 To learn about our voting guidelines and see a live presentation of more voting data, visit our [proxy voting dashboard](#).

**All voting data presented here represents quarterly totals, documenting the voting activity we conducted during Q2 2024 (the period 01/04/2024 to 30/06/2024).**



## Proposals overview

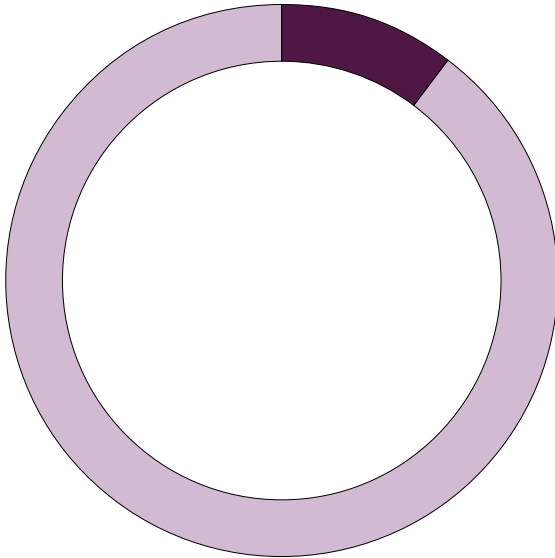
Proposal category	Number of proposals	With management	% with management	With ISS Sustainability policy	% with Policy	ESG Flag
Audit Related	1230	1218	99%	1222	99%	G
Capitalization	1367	1169	86%	1360	99%	G
Company Articles	325	285	88%	321	99%	G
Compensation	2720	2251	83%	2699	99%	G
Corporate Governance	43	43	100%	43	100%	G
Director Election	1272	1093	86%	1265	99%	G
Director Related	9630	8645	90%	9534	99%	G
E&S Blended	111	77	69%	108	97%	ES
Environmental	87	31	36%	85	98%	E
Miscellaneous	185	169	91%	184	99%	G
Non-Routine Business	159	138	87%	159	100%	G
Routine Business	2520	2425	96%	2495	99%	G
Social	215	76	35%	208	97%	S
Strategic Transactions	114	82	72%	114	100%	G
Takeover Related	102	94	92%	102	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 - Management Climate-Related Proposal	E	Mgmt.	4	3	75%
Environmental - Reporting on Climate Transition Plan	E	Mgmt.	9	6	67%
Environmental - Phase Out Nuclear Facilities	E	Shareholder	3	3	100%
Environmental - Community -Environment Impact	E	Shareholder	7	0	0%
Environmental - Report on Climate Change	E	Shareholder	6	0	0%
Environmental - GHG Emissions	E	Shareholder	14	0	0%
Environmental - Climate Change Action	E	Shareholder	1	1	100%
Environmental - Restrict Spending on Climate Change-Related Analysis or Actions	E	Shareholder	12	12	100%
Environmental - Proposals Requesting Non-Binding Advisory Vote On Climate Action Plan	E	Shareholder	8	0	0%
Environmental - Recycling	E	Shareholder	7	0	0%
Environmental - Miscellaneous Proposal - Environmental	E	Shareholder	5	5	100%
Environmental - Disclosure of Fossil Fuel Financing	E	Shareholder	8	0	0%
Environmental - Restriction of Fossil Fuel Financing	E	Shareholder	3	1	33%
E&S Blended - Accept/Approve Corporate Social Responsibility Report	E,S	Mgmt.	39	39	100%
E&S Blended - Establish Environmental/Social Issue Board Committee	E,S	Shareholder	5	3	60%
E&S Blended - Require Environmental/Social Issue Qualifications for Director Nominees	E,S	Shareholder	4	0	0%
E&S Blended - Link Executive Pay to Social Criteria	E,S	Shareholder	3	0	0%

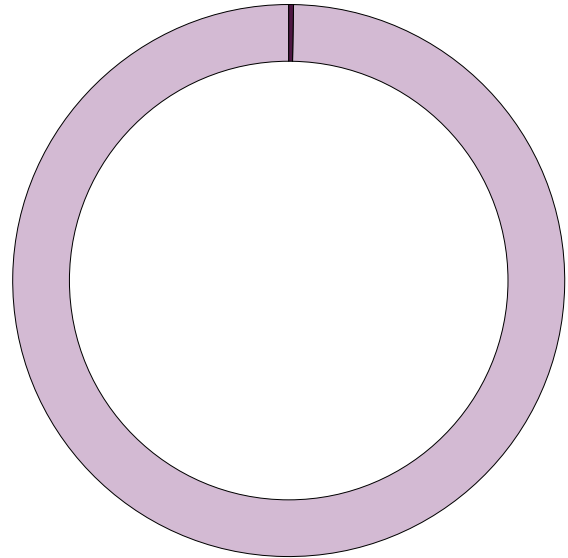
Proposal category	ESG Pillar	Proponent	Number of proposals voted	Number voted with management	% voted with management
E&S Blended - Product Toxicity and Safety	E,S	Shareholder	7	1	14%
E&S Blended - Sustainability Activities and Action	E,S	Shareholder	1	0	0%
E&S Blended - Miscellaneous -- Environmental & Social Counterproposal	E,S	Shareholder	27	25	93%
E&S Blended - Miscellaneous Proposal -- Environmental & Social	E,S	Shareholder	13	9	69%
E&S Blended - Climate Change Lobbying	E,S	Shareholder	9	0	0%
E&S Blended - Report on "Just Transition"	E,S	Shareholder	3	0	0%
Social - Approve Charitable Donations	S	Mgmt.	9	6	67%
Social - Approve Political Donations	S	Mgmt.	34	34	100%
Social - Black Economic Empowerment(BEE) Transactions (South Africa)	S	Mgmt.	1	1	100%
Social - Board Diversity	S	Shareholder	1	0	0%
Social - Human Rights Risk Assessment	S	Shareholder	10	1	10%
Social - Improve Human Rights Standards or Policies	S	Shareholder	12	0	0%
Social - Operations in High Risk Countries	S	Shareholder	8	5	63%
Social - Data Security, Privacy, and Internet Issues	S	Shareholder	2	0	0%
Social - Racial Equity and/or Civil Rights Audit	S	Shareholder	3	0	0%
Social - Miscellaneous Proposal - Social	S	Shareholder	18	4	22%
Social - Political Spending Congruency	S	Shareholder	10	1	10%
Social - Report on Pay Disparity	S	Shareholder	2	2	100%
Social - Prepare Tobacco-Related Report	S	Shareholder	1	1	100%
Social - Avoid Support of Abortion-Related Activities	S	Shareholder	2	2	100%
Social - Facility Safety	S	Shareholder	4	0	0%
Social - Review Drug Pricing or Distribution	S	Shareholder	2	0	0%
Social - Reduce Tobacco Harm to Health	S	Shareholder	1	0	0%
Social - Prepare Report on Health Care Reform	S	Shareholder	5	1	20%
Social - Charitable Contributions	S	Shareholder	10	8	80%
Social - Political Contributions Disclosure	S	Shareholder	18	2	11%
Social - Political Lobbying Disclosure	S	Shareholder	18	0	0%
Social - Political Activities and Action	S	Shareholder	2	1	50%
Social - Report on EEO	S	Shareholder	11	0	0%
Social - Labor Issues - Discrimination and Miscellaneous	S	Shareholder	8	0	0%
Social - Gender Pay Gap	S	Shareholder	11	1	9%
Social - Income Inequality	S	Shareholder	1	1	100%
Social - Workplace Sexual Harassment	S	Shareholder	1	0	0%
Social - Animal Welfare	S	Shareholder	10	5	50%

Voting choices compared to management recommendations



■ 0,105 Votes against management  
■ 0,895 Votes with management

Voting choices compared to ISS recommendations



■ 0,0025 Votes against ISS Sustainability Policy  
■ 0,9975 Votes with ISS Sustainability Policy



# Exclusion key figures Q2 2024

Companies excluded by Storebrand, as of June 30, 2024

## Storebrand exclusion list

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 4.000 companies.

Category	Newly excluded	Total excluded
Environment	0	20
Corruption and financial	0	9
Human rights	3	63
Tobacco	0	27
Controversial weapons	1	41
Coal	3	110
Oil sands	0	5
Lobbying	0	5
Arctic drilling	0	0
Marine/riverine tailings	0	4
Deep-sea mining	0	1
Deforestation	0	14
Cannabis	0	0
State-controlled companies	0	15
<b>Total</b>	<b>7</b>	<b>298*</b>
Observation list	0	3

## Storebrand extended exclusion list (for selected funds)

This supplementary list details further exclusions, based on additional exclusion criteria, that apply only to selected funds and saving profiles.

Category	Newly excluded	Total excluded
Serious environmental	1	15
Corruption and financial crime	0	1
Human rights	0	42
Fossil fuels	14	508
Alcohol	0	87
Weapons/arms	2	65
Gambling	1	38
Adult entertainment	0	0
<b>Total</b>	<b>18</b>	<b>705*</b>

\*Some companies are excluded on the basis of several criteria. We have also excluded 33 countries on our government bonds criteria. This pertains to countries that are systematically corrupt, systematically suppress basic social and political rights, or that are subject to EU sanctions and/or UN Security Council sanctions. Learn more about how we manage exclusions in the updated [Storebrand Exclusion Policy](#) on our website.



Storebrand manages sustainability risks through the coordinated efforts of our risk and ownership team, in collaboration with our investment managers, including the Solutions investment team. The Risk and Ownership team is dedicated to integrating environmental, social and governance (ESG) risks into our analysis of companies and management of investment portfolios.



**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 Agency (GIEK), 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 on companies, and evaluating environmental and social risks and impacts of projects. He has an LLM in International Law and an M. Phil in Human Rights Law from the University of Oslo.



**Tuli Machado-Helland**  
**Head of Human Rights and Senior Sustainability Analyst**

Machado-Helland, who joined our sustainable investments team in 2008, specializes in human rights, labour rights, Indigenous peoples' rights and international humanitarian law. She is responsible for Storebrand's active ownership strategy and company engagement, and engages with companies mainly 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 of Climate and Environment, on multi-lateral environmental agreements, advising the government on sustainability policies and strategies and leading the implementation of the 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 University of Cape Town, New York University and 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 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 and 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 nomination committees. 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 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.



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## Roundup

## In the media

### + [Investors back supply chain proposal at Ford Motor Company](#)

**Responsible Investor, May 8, 2024**

An overview of shareholder resolutions, including Storebrand Asset Management's declaration of support for a supply chain traceability and transparency proposal at Ford Motor Company's AGM. Storebrand Asset Management is quoted as saying that it will back the proposal because additional information could allow shareholders to determine how Ford is managing and mitigating the related risks.

### + [Amazon Pressed on Workers' Rights — Again](#)

**ESG Investor, May 14, 2024**

Ahead of the Amazon.com annual general meeting, the company's challenges with workers' rights to freedom of association and collective bargaining came under the spotlight. Tulia Machado-Helland, Head of Human Rights at Storebrand Asset Management is quoted on our experiences as an investor in engaging with the company on these issues, and their growing importance in light of the emerging regulatory landscape.

### + [Closing the global biodiversity funding gap is addressing systemic challenges](#)

**InvestESG.eu, May 28, 2024**

The independent ESG debate platform InvestESG.eu published an op-ed by Emine Isciel, ahead of the UN CBD COP16 preparatory meetings in Nairobi, Kenya. In the piece, Isciel stresses the urgent need to address the protection of nature and the need for governments to implement policies that are consistent across all arenas, in order to make this possible.

### + [Norway: Financial giant Storebrand divests from IBM over human rights concerns](#)

**Business & Human Rights Resource Centre, May 29, 2024**

A report on Storebrand's divestment from IBM over the role its biometric database technologies play in maintaining illegal Israeli settlements. The publication notes the opacity of tech companies on safeguarding human rights, and concludes that Storebrand's action not only increases scrutiny over the role of tech companies in human rights abuses, but could also set a precedent for other European investors to take action on the issues.

### + [Investors write to Amazon over Coventry union response concerns](#)

**Independent, June 5, 2024**

Storebrand is mentioned in The Independent's news article, citing our support for a joint investor letter sent to Amazon regarding concerns about its anti-union actions in the UK.

### + [Investors seek certainty on deep sea mining](#)

**ESG Investor, June 13, 2024**

A news analysis on how some NGOs and investors, such as Storebrand, are challenging governments to be more rigorous in securing more knowledge about the potential impact of commercial deep-sea mining rather than rush into permitting it.

### + [Eierne uenige om Equinors klimaplaner](#)

**E24, June 13, 2024**

The Norwegian business media channel E24 notes major Norwegian institutional shareholders such as Storebrand backing foreign shareholders who raised concerns over what is viewed as a misalignment between the Norwegian energy company Equinor's investment plans and Norway's commitments to meeting the Paris Agreement goals. Company management and the majority owner, the Norwegian government, dispute that any misalignment exists.

### + [Resolution round-up: Support grows for lobbying proposals at Toyota and Nippon Steel](#)

**Responsible Investor, June 17, 2024**

In a roundup of shareholder resolutions, a resolution filed at the Nippon Steel AGM seeking that the company amend its articles to include a commitment to report annually on its own direct and indirect lobbying. Storebrand is quoted on its stance that bridging this disclosure gap would help Nippon reduce the risk of its supporting organizations whose purposes are not aligned with its goals in regard to the Paris Agreement.

### + [Investors join forces to push for policy action on nature loss](#)

**Reuters, June 26, 2024**

A news report on the launch of the Spring collaborative initiative that gathers over 200 investors to collectively engage 60 major companies on their biodiversity. Emine Isciel, Storebrand Asset Management's Head of Climate and Environment, is quoted emphasizing the centrality of the issue to sustainability, including climate goals, and to long-term investment.

### + [Comment: Investors don't need to invent policies on Gaza](#)

**AM Watch, June 28, 2024**

In an opinion, Storebrand Head of Human Rights and Senior Sustainability Analyst Tulia Machado-Helland, lays out the case for the value of Storebrand's proactive and structured approach to handling risks related to conflict areas, and provides a perspective on the emerging awareness of the issue in the financial sector.

### + [Comment: Pre-disclosure is growing, but is selective transparency actually transparency?](#)

**Responsible investor, July 23, 2024**

In an analysis, Storebrand Asset Management is mentioned as being among the leaders in terms of comprehensively pre-disclosing votes ahead of AGM. The pros and cons of the practice are also discussed.

## Events calendar

# Looking ahead

### IEA Renewables 2024

**October 2024**

Planned to be published in early October, the IEA's *Renewables 2024*, is a key annual report that provides a comprehensive global overview of the renewable energy sector. It includes forecasts and analysis, based on the most up-to-date policy and market developments, while assessing key challenges for the sector. This year's report will feature a section on renewable fuels.

### COP16

**Cali, Colombia**

**October 24–25, 2024**

The 16th meeting of the Conference of the Parties (COP) to the Convention on Biological Diversity. At COP 16, governments will review the state of implementation of the Kunming-Montreal Global Biodiversity Framework and show the alignment of their National Biodiversity Strategies and Action Plans (NBSAPs) with the Framework. COP 16 will further develop the monitoring framework and advance resource mobilization for the Global Biodiversity Framework. Storebrand will be present at the event as part of the Finance for Biodiversity (FfB) delegation of observers.

### COP29

**Baku, Azerbaijan**

**November 11–22, 2024**

The 29th United Nations Climate Change conference or Conference of the Parties of the UNFCCC, also known as COP29, will be held in Baku, Azerbaijan. With climate change indicators having worsened since the previous conference, the event takes on even more heightened importance. Governments gather at this high-level conference to agree on national commitments that should together add up to boosting action and implementation towards keeping the 1.5°C goal of the Paris Agreement.

### UN Forum on Business and Human Rights

**Geneva**

**November 25–27, 2024**

This year's forum will focus on the "smart mix of measures" — national, international, voluntary and mandatory — that has been central to the realization of the UN Guiding Principles, to evaluate what has and hasn't worked. This may include specific application and implementation of a smart mix of measures in the following proposed, but not exhaustive areas:

- State action;
- Technology and Artificial Intelligence (AI);
- Access to Remedy for all;
- Climate change, environmental challenges, and nature-based solutions; Indigenous Peoples rights; and human rights due diligence.



#### 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/](http://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/](http://www.storebrand.com/). Storebrand Asset Management AS may terminate arrangements for marketing under the Cross-border Distribution Directive denotification process.

**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.

**Sara Skärvad**

**Director of communications**

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