Storebrand

Transition Plan for Climate Storebrand ASA

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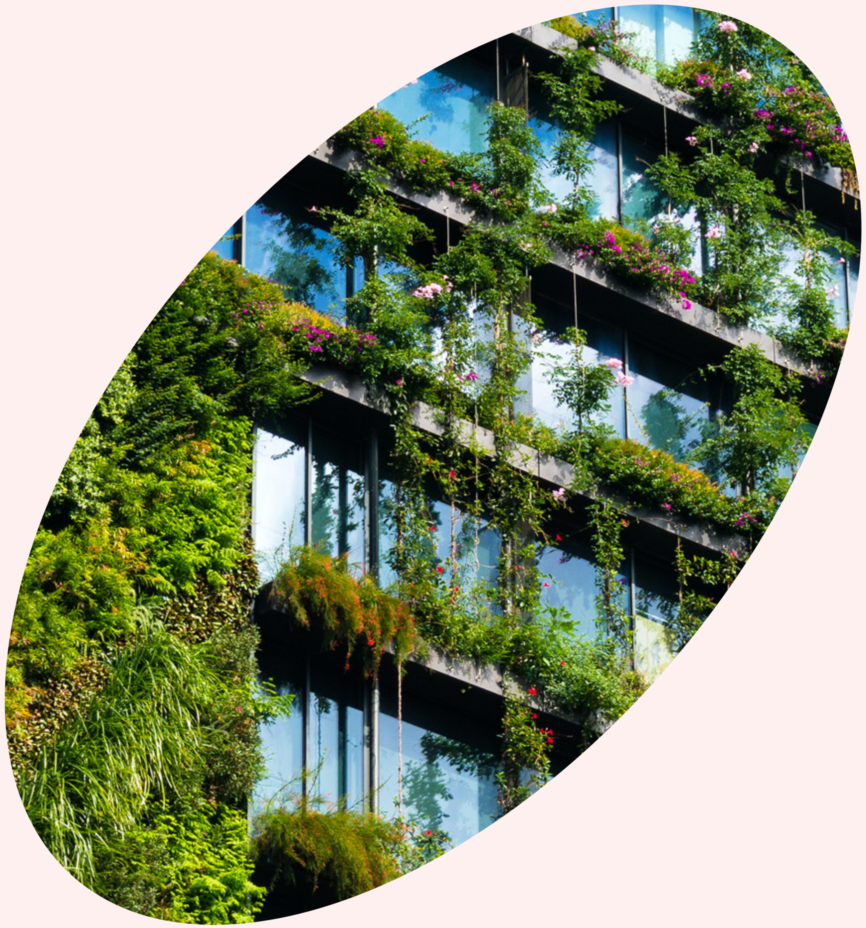
Content



Foreword by the CEO

Climate records have been occurring more frequently in recent years. Every part of our planet is affected, and the year 2024 has gone down in history as one of the warmest on record. Here at home, we were hit by torrential rain, floods, and landslides, and weather-related damages reached record heights. To ensure a future we can look forward to, we all need to take responsibility and make plans for a transition to a low-emission society.

So far, no one has done enough. Nevertheless, we remain steadfast in our belief that it is possible, and important EU legislation means that many companies—big and small, pioneers and laggards—must create a roadmap towards net-zero emissions in line with the Paris Agreement. Storebrand has been committed to working towards this for several years, both in our own operations and for our investments. It is not an easy task.

However, recent developments in the climate field have provided everyone with a better foundation for understanding what is needed. We now have a clearer view of what contributes negatively and positively, along with new frameworks that allow us to compare companies and projects.

Everything is in place for concrete, binding action in each company and nation. As this plan shows, the path is not well-trodden, nor is the terrain easy. This plan is not perfect, and in some areas, we know we need to improve. Additionally, frameworks, legislation, technology, and climate research will continue to evolve. Therefore, we will update and adjust the plan as we progress.

The transition is not a competition to be the best. Collaboration is crucial for success. The harsh truth is: If not everyone makes an effort, no one succeeds. Therefore, we actively prioritize ownership in our investment portfolios and use our position to influence governments and companies we collaborate with. Storebrand's success in achieving its goals is entirely dependent on the efforts of other companies, as well as national and international laws and regulatory policies. We will use our voice in dialogue with the companies we invest in and with governments to share knowledge about what we believe is necessary for success.

At Storebrand, many of our employees and leaders prioritize working with national and global networks and alliances. This is essential to accelerate the transition and share knowledge to support better decision-making.

We also strive to lead by example where we can. We continuously work to improve our procurement processes through dialogue with suppliers. Among other initiatives, we work to change the way producers, customers, and our experts view repair and replacement in insurance claims.

Storebrand employees are our most valuable resource for the success of the transition plan. It is essential that they have the right competencies to make the necessary adjustments in operations, products, and services in a way that enables us to achieve the group's ambitions together. It also requires us to be mindful of how we travel to meet customers and employees.

Predictability for the future is created through thoughtful and realistic plans, anchored in all parts of the organization where changes need to take place. In 2025, the most important message remains that much work still lies ahead if we are to succeed. This plan is our contribution to outlining the steps we believe are necessary to achieve a future we can look forward to.

Purpose and Structure

This document describes the Storebrand Group's ambitions and measures within the climate area.

The transition plan outlines Storebrand's assessments of how we will contribute to achieving net-zero emissions by 2050, the assumptions underlying this, and how the ambitions and measures will affect our business. The plan sets clear guidelines for the group's climate work towards 2030. At the same time, it must be continuously assessed and adjusted as needed, for example, due to changes in external or internal conditions. This will ensure that the plan remains relevant and purposeful. The document covers the operations of Storebrand ASA and its subsidiaries included in the group. The plan has been adopted by the board of directors of Storebrand ASA.

Storebrand ASA's Approach to Climate

A solid and ambitious sustainability effort is crucial for Storebrand to achieve its vision of creating "A future to look forward to." As a provider of pensions, savings, insurance and banking services to over 55,000 corporate customers and 2.2 million individual customers – with over 1,300 billion NOK in assets under management – Storebrand is an important societal actor that can contribute to accelerating sustainable development. We do this through dialogue with companies and governments, through ambitions and measures in our own operations, and through targets and measures for our products and services. The group's strategy for sustainability sets the framework for our priorities.

Our greatest impact is as an asset owner and asset manager. We are committed to investing our customers' pensions and savings efficiently and responsibly, helping them achieve greater security and financial wellness. We will ensure the best possible risk-adjusted returns for our customers in the long term and believe that good management of environmental, social, and governance (ESG) risks and opportunities will contribute to this.

As a property and casualty (P&C) insurance company, we are exposed to climate risks that affect our customers through weather events such as floods, torrential rain, landslides, and storm surges, which in turn cause damage to the things we insure. Insurance companies are both affected by climate change and can take measures to reduce emissions. We can contribute to less material use and energy consumption through damage prevention and more circular insurance settlements.

Storebrand Bank can facilitate advice and information for savings and pension customers about the greenhouse gas emissions and other sustainability-related characteristics associated with different portfolio choices, and support customers in making their homes more energy-efficient.

The Storebrand Group has committed to achieving net-zero greenhouse gas emissions in its investment portfolios by 2050. In 2019, we were a founding member of the UN-convened Net-Zero Asset Owner Alliance (NZAOA). As a member, Storebrand commits to transitioning its investment portfolios in line with a maximum temperature increase of 1.5°C above pre-industrial levels, based on the best available scientific knowledge, and to regularly report on progress. We recognize that achieving the goals of the Paris Agreement is extremely challenging, and we will be open and transparent about our progress. However, we stand by the ambition and commit to setting five-year goals. However, achieving our goals depends on many external factors, which we describe in the chapter "Dependencies and Dilemmas."

Storebrand actively participates in public debates and engage in dialogue with governments to accelerate and improve the sustainable transition and the conditions for responsible investments. We are active in industry collaborations to discuss new and upcoming legislation and express our views on important issues through industry forums, government dialogue, consultation rounds, debate articles, conferences, and interviews.

Social conditions can be both positively and negatively affected by the transition to a net-zero society. A successful transition involves taking into account the rights and needs of affected groups. The term "just transition" is used to describe a transition policy that safeguards human rights and workers' rights, ensuring that vulnerable groups and communities are not unduly negatively affected. Although the just transition is not specifically addressed in this document, Storebrand incorporates this perspective in our work toward climate transition.

Success Factors

We recognize five essential factors for the success of the plan:

1. **Collaboration to achieve the goals:** We use our position as an investor, societal actor, and provider of financial services to influence governments and companies we collaborate with.
2. **Government support for political measures and framework conditions:** We recognize the precondition of the entire economy transitioning to the 1.5-degree pathway. It is essential that governments and regulatory bodies establish framework conditions that make it favorable for the real economy to cut emissions in line with this pathway.
3. **Technological development and international markets:** To succeed with the transition plan, we, as a globally diversified investor, depend on technological advancements.
4. **Honest and open communication:** We aim to build trust through open communication and transparent reporting on our progress towards our targets.
5. **Data availability and quality:** Effective reporting on our progress toward targets relies on high-quality data with comprehensive coverage.

Double Materiality Analysis

Through a double materiality analysis conducted in line with the CSRD, climate is defined as one of the areas where the Group has the greatest impact and that affects Storebrand financially. As a broad financial company with activities in savings, investment, life and non-life insurance, and banking, we have both direct impacts through our own operations and indirect impacts through our products and services. Climate-related risks and opportunities primarily affect our products and services, while the risks related to our own operations (e.g., office activities) are considered low.

Physical climate changes could lead to significant losses for our investment and insurance businesses if not managed effectively. Transition risks, such as regulatory changes or market risks, could also significantly affect Storebrand. This could reduce the demand for our products if they are not adapted, and it could reduce the value of investments or properties, leading to financial losses. At the same time, the transition to a low-emission society offers significant opportunities to contribute to this transition by adapting and developing new products and services.

EU Taxonomy

The EU Taxonomy for sustainable activities is a classification system designed to clarify which economic activities are environmentally sustainable. The goal of the taxonomy is to prevent greenwashing, help investors make informed decisions about sustainable investments, and promote environmentally sustainable activities.

The coverage and quality of reported taxonomy data from companies are continuously improving, and the EU also plans to expand the taxonomy. Storebrand is supportive of the increased investment information that the taxonomy provides and sees it as a potentially useful tool in identifying sustainable investments. As the regulations and reporting evolve, we aim to integrate the taxonomy more clearly into our targets. Currently, Storebrand incorporates the taxonomy into its goals by using it as a tool to identify solution companies and in efforts to integrate and price climate risk appropriately within insurance. Additionally, Storebrand is working to increase taxonomy alignment in its real estate portfolio. Read more about this in the chapter on investments and on property and casualty insurance.

Summary of Targets

Here is an overview of Storebrand's targets, the methodology, and the decarbonization pathway they follow, as well as the main decarbonization levers to achieve the targets. Each subsequent chapter elaborates on the targets and the planned measures to achieve them. The implementation of these measures will occur continuously, and in most cases, the work has started prior to the adoption of the transition plan. However, an intensification of the measures is expected, with clearer integration into business management, financial planning, and strategic work.

The main decarbonization levers Storebrand will use to achieve the targets are:

- Prioritize climate transition in dialogue with governments, active ownership, customer engagement, and supplier collaboration.
- Continue to integrate decarbonization into investment decisions and scale up solution-based investments.
- Ensure strong internal business management and incentives for efficiency and consumption reduction.
- Continuously strengthen Storebrand's sustainability competence and further develop sustainability initiatives.

Area - Own Operations	2030 Target	Method	Decarbonization Levers	Scope for Storebrand	Decarbonization pathway
Energy Use, District Heating / Cooling, and Own Transport	52% reduction in Scope 1+2 emissions 2018-2030	SBTi's absolute reduction pathway – SBTi-validated	• Energy Efficiency • Decarbonization of the Energy Mix	1 & 2	1,5 degrees
Electricity	Storebrand ASA commits to continuing with the annual purchase of 100% renewable electricity until 2030	SBTi renewable electricity goal – SBTi-validated	• Renewable Energy	2	1,5 degrees
Air Travel	40% reduction in Scope 3.6 greenhouse gas emissions from air travel 2019-2030	Absolute Emission Reduction	• Reduction of Consumption • Fuel Shift	3	Well below 2 degrees
Waste	At least 80% waste sorting	Sorting Degree	• Material Efficiency and Reduction of Consumption	3	N/A
Suppliers	80% volume-weighted share of suppliers with annual turnover at the agreement level over 5MNOK must either a) set science-based targets in line with relevant industry standards or b) document that significant parts of the company's deliveries are through circular measures.	Signing of agreement with commitment to set science-based targets or implement circular measures, as well as follow-up on this	• Decarbonization of the Supply Chain • Less Material Use through Circular Measures • Dialogue	3	N/A
Green Bonds	Storebrand will contribute to a growing market for green bonds.	Framework for green bonds in line with ICMA's voluntary principles.	• Integration of Decarbonization in Capital Raising	N/A	N/A

Area - Investments	2030 Target	Method	Decarbonization Levers	Scope for Storebrand	Decarboniza-tion pathway
Listed Equities and Corporate Bonds	60% reduced emission intensity 2018-2030 for Storebrand ASA, Storebrand Asset Management and Storebrand Livsforsikring	Emission Intensity Reduction, sub-targets for NZAOA's 1.5-degree pathway, which recommends 40-60% emission reduction (along with goals for active ownership and solution investments)	• Active Ownership (dialogue, voting, using investment alliances, developing sector-specific methods and guidance) • Government Dialogue • Reallocations	3 (Companies' Scope 1 & 2)	1,5 degrees
	70% reduced emission intensity 2018-2030 for SPP Pension & Försäkring				
Real Estate – Residential Buildings	64% reduced emission intensity 2019-2030	Emission Intensity Reduction – SBTi-validated	• Use of Renewable Energy • Energy Efficiency in Buildings • Decarbonization of the Energy Mix in Operating Countries	3 (Properties' Scope 1 & 2)	1,5 degrees
Real Estate – Commercial Buildings	71% reduced emission intensity 2019-2030	Emission Intensity Reduction – SBTi-validated			1,5 degrees
Listed Equities and Corporate Bonds	42% of AuM in listed shares and corporate bonds have set SBTi-validated targets (by 2027) [1)]	SBTi's SBT Portfolio Coverage method based on Financial Sector Science-Based Targets Guidance – SBTi-validated	• Active Ownership (dialogue, voting, using investment alliances, developing sector-specific methods and guidance) • Government Dialogue • Reallocations	3 (Companies' Scope 1, 2 & 3)	1,5 degrees
Private equity (PE)	The carbon intensity of the PE portfolio does not exceed 60% of the current listed index.	Emission intensity reduction.	• Active ownership	3 (Companies' Scope 1 & 2)	N/A
Infrastructure	90% of infrastructure investments should be in line with the net-zero pathway by 2030.	Net Zero Investment Framework	• Active ownership	3 (Companies' Scope 1 & 2 and material 3)	N/A
Listed Equities and Corporate Bonds, Infrastructure, Real Estate, Private Equity	20% of AuM allocated to solutions for Storebrand ASA and Storebrand Asset Management	Custom method, based on sub-targets for NZAOAs 1.5-degree pathway (along with goals for active ownership and emission intensity reduction).	• Reallocations	3	1,5 degrees
	17% of AuM allocated to solutions for Storebrand Livsforsikring				
	At least 20% of AuM shall consistently be invested in solutions through 2030.				
Sector-specific target: Fossil production and distribution	In SPP, 0% of capital is invested in companies within GICS sector 10 - energy from coal, oil, and gas, as well as other producers and distributors of fossil fuels.	N/A	• Exclusions	3	N/A

1) 2027 target

Area - Investments	2030 Target	Method	Decarbonization Levers	Scope for Storebrand	Decarboniza-tion pathway
External Funds	70% of the number of fund companies or manager teams SPP works with in regular offerings should have set a goal of net-zero emissions from investments by 2030.	Absolute emission reduction	• Dialogue • Reallocations	3 (Companies' Scope 1 & 2)	N/A
Active Ownership	Prioritize dialogue with the 30-50 companies with the highest emissions in Storebrand ASA's/Storebrand Asset Management's investment portfolio.	Custom method, based on sub-targets for NZAOAs 1.5-degree pathway (along with goals for emission intensity reduction and solution investments).	• Active ownership (dialogue, voting, investment alliances, developing sector-specific methods and guidance).	3	1,5 degrees

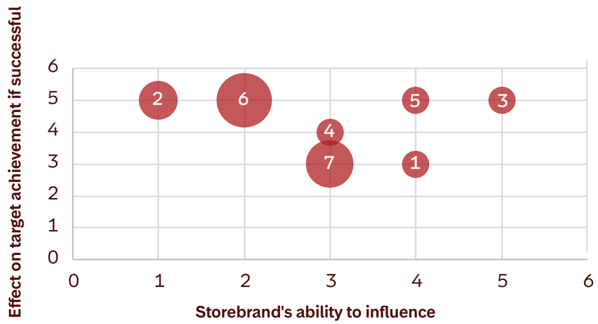
Area - P&C Insurance	2030 Target	Method	Decarbonization Levers	Scope for Storebrand	Decarboniza-tion pathway
Circular Economy	Goal for the proportion of components in motor claims: Glass repair: 35% Plastic repair: 15% Repair (steel/aluminum): 20% Used parts: 10%	N/A	• Decarbonization of the value chain • Dialogue with suppliers • Government dialogue	3	N/A
Damage Prevention	Reduce the number of damage cases through good damage prevention.	N/A	• Product and terms design. • Adaptation to the EU taxonomy • Customer dialogue	3	N/A
Climate Risk	Manage and price climate risk in a good and appropriate way.	N/A	• Adaptation to the EU taxonomy	N/A	N/A

Area - Bank	2030 Target	Method	Decarbonization Levers	Scope for Storebrand	Decarboniza-tion pathway
Savings & Investment	Facilitate sustainable choices for customers.	N/A	• Customer dialogue, information, and advice	N/A	N/A
Financed Emissions – Mortgages	Contribute to reducing CO2 emission intensity from the mortgage portfolio to 2.00 $kgCO2e/m^2$/year by 2030, corresponding to a reduction of 58% from 2023.	Sectoral approach to decarbonization (SDA), CRREM	• Customer dialogue, advisory services, and incentives for energy efficiency • Include climate risk in the credit process	3 (Emissions from the exposure's Scope 1 og 2)	1,5
Climate Risk – Mortgages	Avoid undesirable changes in climate risk for the mortgage portfolio	Measure loans secured by collateral in various physical risk zones relative to the loan portfolio and the market	• Climate risk management	N/A	N/A

Contribution to Achieving the Targets

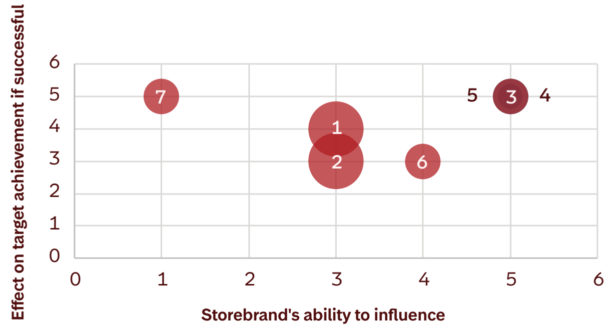
It is not possible to quantify exactly how much each decarbonization lever will contribute to the targets. However, below is an assessment of how likely Storebrand is to achieve each decarbonization lever and the effect it will have on goal achievement if the measures are successful. The size of the bubble indicates the potential impact on global emissions if the measures succeed.

Own operations



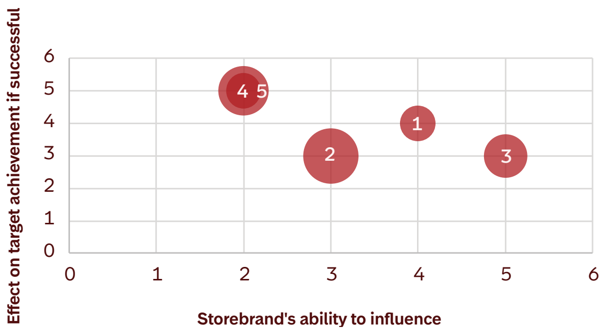
Nr.	Decarbonization lever
1	Energy efficiency in offices
2	Decarbonization of the energy mix (Norway & Sweden)
3	Renewable energy in offices
4	Fuel switch for Storebrand's air travel
5	Reduction in the use of air travel
6	Decarbonization of the supply chain
7	Dialogue with suppliers

Investments



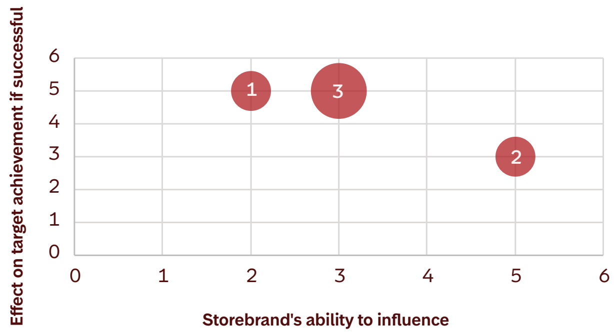
Nr.	Decarbonization lever
1	Active ownership (dialogue, voting, using investment alliances, developing sector-specific methods and guidance)
2	Government dialogue
3	Reallocations
4	Exclusions
5	Use of renewable energy in real estate
6	Energy efficiency in buildings
7	Decarbonization of the electricity mix in operating countries

Property and Casualty Insurance



Nr.	Decarbonization lever
1	Dialogue with suppliers
2	Government dialogue
3	Design of products and terms
4	Dialogue with customers
5	Decarbonization of the value chain

Bank



Nr.	Decarbonization lever
1	Customer dialogue, information, and advice
2	Pricing (incentive for efficiency)
3	Government dialogue

Our Targets and Plans to Achieve them

Own Operations

Ambitions and Targets

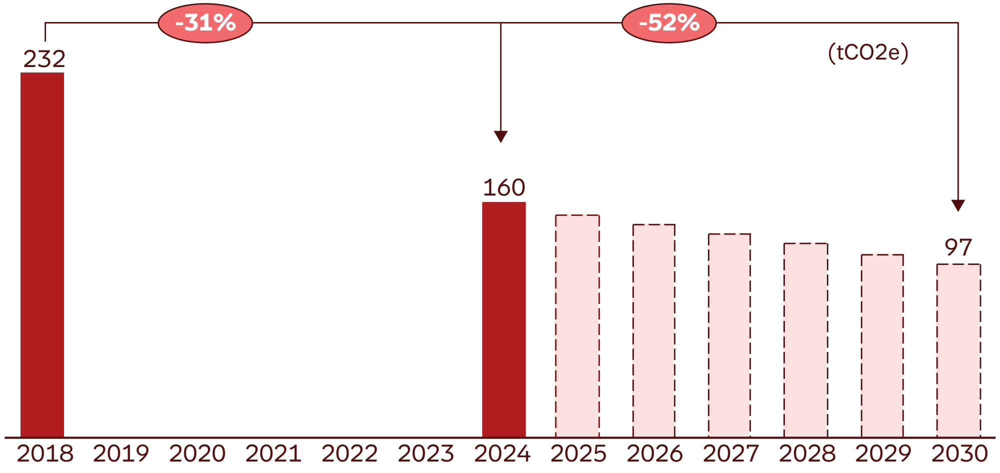
The following targets apply to Storebrand's own operations and are similar across the entire Group. Each subsidiary will contribute to achieving these targets, but the distribution of responsibility across subsidiaries is managed separately from the transition plans.

Area	Description of target	Definition	Scope	Method	Status 31.12.2024	2030 target
Energy Use, District Heating/Cooling, and Own Transport	Storebrand commits to reducing absolute Scope 1+2 emissions by 52% by 2030, with 2018 as the base year.	Reduction of absolute scope 1+2 emissions, baseline 2018, location-based.	1 & 2	SBTi's absolute reduction pathway – SBTi-validated	-31%	-52%
Electricity	Storebrand ASA commits to continuing with annual purchases of 100% renewable electricity until 2030.	Purchase of 100% renewable electricity through guarantees of origin.	2	SBTi renewable electricity goal – SBTi-validated	100%	100%
Air Travel	Storebrand commits to reducing absolute Scope 3 greenhouse gas emissions from air travel in the period 2019-2030 by 40% through a combination of reduced travel activity and the purchase of biofuel, and will adhere to a total carbon budget for the period.	Reduction of absolute scope 3.6 emissions from air travel, baseline 2019.	3	Absolute emission reduction	- 19.5%	- 40%
Waste	At least 80% sorting of waste.	Reduction of absolute scope 3.5 emissions, waste.	3	Sorting degree	72%	80%
Suppliers	80% volume-weighted share of suppliers with annual turnover at the agreement level over 5MNOK should either a) set science-based targets in line with relevant industry standards or b) document that significant parts of the company's deliveries are through circular measures.	80% volume-weighted share of suppliers with annual turnover at the agreement level over 5 million NOK should have signed an agreement where the commitments are stated.	3	Signing of an agreement with a commitment to set science-based targets or implement circular measures, and follow-up on this.	21% [2)]	N/A
Green Bonds	Storebrand will contribute to a growing market for green bonds.	Follows the framework for green bonds that Storebrand currently has. This can be updated over time.	N/A	Framework for green bonds in line with ICMA's voluntary principles	Storebrand Boligkreditt, Storebrand Livsforsikring, and Storebrand Bank have issued green bonds for 16.3 billion NOK since 2021.	N/A

2) Since 2020, Storebrand has been working to ensure that suppliers commit to reducing their own emissions and compensating for those they cannot reduce. These commitments have been adjusted over time, resulting in different obligations for suppliers. Volume-weighted, among suppliers with an annual turnover at the agreement level exceeding 5MNOK, 41% have committed to climate neutrality, while 21% have committed to achieving net zero by 2050 and setting science-based targets. Both commitments involve measures that contribute to reducing emissions. So far, we have not identified any suppliers that can be classified as circular. The goal for 2030 is for 80% to have committed to science-based targets or be implementing circular measures.

Plan to Achieve the Targets

Emissions from Scope 1 + 2, 2018–2024, and target for 2030, tCO_2eEnergy



Use and Waste Management
We have a dedicated working group that monitors our goals for energy and water consumption, waste production, and the degree of sorting in office premises to ensure that we reduce our environmental footprint. The group meets quarterly to agree on improvement measures. Storebrand commits to purchasing 100% renewable electricity annually until 2030. We aim to reduce energy consumption through measures such as better control of water usage and energy consumption, as well as reducing energy use during periods of low office activity (e.g., holidays).

Air Travel
The Storebrand Group will reduce absolute Scope 3 greenhouse gas emissions from air travel by 40% between 2019 and 2030 through a combination of reduced travel activity and the purchase of biofuels. Storebrand will adhere to a total carbon budget for the period. Each subsidiary will contribute to achieving this goal, but the allocation of responsibilities across subsidiaries will be managed separately from the transition plans. An updated travel policy, launched in 2024, clarifies Storebrand's approach to travel. Travel activity will be regularly monitored by managers, using a tool that tracks air travel and emissions data to assess progress toward the goal.

An internal CO2 fee is charged to departments for flight purchases, calculated per ton of CO2e emissions. The cost per ton will be reviewed regularly.

Suppliers
Our ambition is for suppliers to achieve net-zero emissions from their operations by 2050. We expect at least 80% of our suppliers with an annual turnover exceeding 5 MNOK to commit to either setting science-based targets aligned with relevant industry standards to reduce carbon emissions or documenting that significant parts of their deliveries contribute to Storebrand's strategy of increased reuse and repair.

Circular initiatives may include recycling materials, reuse, repair, and refurbishment/improvement instead of using new materials. Suppliers must measure and report greenhouse gas emissions from their operations, reduce emissions as much as possible, and implement measures to offset unavoidable emissions.

Sustainability is weighted at least 20% in all procurement processes, and purchases must align with Storebrand's sustainability ambitions while meeting the requirements and expectations set by authorities, employees, and partners. ESG analyses and/or due diligence assessments must be conducted when entering new agreements, in accordance with applicable external and internal regulations. These analyses will form the basis for risk assessments of new suppliers.

New suppliers must sign our sustainability declarationbefore entering into an agreement. If a supplier does not sign the declaration, they must demonstrate equivalent practices and ambitions as outlined in the declaration.

By the end of Q2 each year, suppliers must report on their status, progress, and measures taken to achieve the ambitions in a format deemed appropriate by Storebrand. We conduct an annual review of progress for suppliers with a spend of over 10 MNOK. By 2030, our ambition is to extend this follow-up to suppliers with a spend of over 5 MNOK.

The follow-up process involves surveys, analysis of results, and subsequent dialogue with suppliers. Suppliers with lower turnover with Storebrand will be monitored through annual spot checks.

Green Bonds
Financing and raising capital for the Group through the issuance of bonds, including green bonds and sustainability-linked bonds, will be prioritized. The Group already has a framework for green bonds that can be updated.

Our Targets and Plans to Achieve them

Investments

The Storebrand Group is committed to ensuring that our investment portfolios achieve net-zero greenhouse gas emissions by 2050. In 2019, we were one of the founding members of the UN-convened Net-Zero Asset Owner Alliance. As a member, Storebrand is dedicated to transitioning its investment portfolios in alignment with limiting global temperature increases to a maximum of 1.5°C above pre-industrial levels. This commitment is based on the best available scientific knowledge, and we regularly report on our progress. Additionally, our asset manager, Storebrand Asset Management (SAM), is a member of the Net-Zero Asset Manager Initiative.

The transition to a low-carbon society—considering nature, social conditions, and international commitments and regulations—presents both financial risks and opportunities for Storebrand as an investor, asset manager, and pension provider.

Storebrand is committed to managing customers' money efficiently and responsibly, helping them achieve greater security and financial wellness. We strive to deliver the best possible risk-adjusted returns for our customers over the long term, believing that robust management of environmental, social, and governance (ESG) risks and opportunities is essential to achieving this goal.

Storebrand's investments are managed through Storebrand Asset Management (SAM) as well as the life insurance companies Storebrand Livsforsikring AS (SBL) and SPP Pension & Försäkring AB (SPP).

To meet our expectations of companies and reduce risks, Storebrand employs a variety of methods and approaches as part of our due diligence assessments for investment portfolios:

1. Screening and exclusions
2. Engagement and voting
3. Investments in solutions

The transition plan includes targets for the following asset classes:
- Listed equities and corporate bonds
- Infrastructure
- Real estate
- Private equity

Both SAM, SBL, and SPP have established targets across asset classes in three key categories, based on the guidance from the Net-Zero Asset Owner Alliance:
- Emission reduction targets (sub-portfolio targets)
- Targets for the share of total capital invested in solutions
- Targets for active ownership and dialogue with portfolio companies, focusing on high-emitting sectors
  - Including targets for nature, biodiversity, and just transition

The Group-level investment goals generally apply to Storebrand as both an asset owner and asset manager. However, where the life insurance companies SPP and SBL face distinct conditions for contributing to the overall Group goals, they have adjusted their targets accordingly.

It is important to note that these are overarching goals for 2030. Additional sub-goals, such as those for shorter time horizons or other asset classes, may be added to complement these targets.

Ambitions and Targets

The following targets apply to assets under management in the Storebrand Group, primarily managed by Storebrand Asset Management. Specific goals set by the capital owners SPP or SBL are highlighted where applicable.

Asset class	Area / Group	Description of target	Definition	Scope	Method	Status 31.12.2024	2030 target
Listed Equities and Corporate Bonds	ASA / SAM	60% reduction in CO2 emissions compared to 2018 baseline year	Reduction in emissions intensity (weighted average of emissions relative to company revenue, tonnes of CO2e per NOK 1 million in sales income)[3]	3 (Companies' Scope 1 & 2)	Emission intensity reduction aligned with sub-targets of NZAOA's 1.5°C pathway, recommending 40–60% reduction (together with active ownership and solution investments targets)	-58%	-60%
	SBL	60% reduction in CO2 emissions compared to 2018 baseline year				-48%	-60%
	SPP	70% reduction in CO2 emissions compared to 2018 baseline year				-81%	-70%
Real Estate – Residential Properties	ASA	64% reduction in CO2 emissions compared to 2019 baseline year	Reduction in emissions intensity (emissions per m^2), market-based	3 (Properties' Scope 1 & 2)	Emission intensity reduction – SBTi-validated	+0.4%	-64%
Real Estate – Commercial Properties	ASA	71% reduction in CO2 emissions compared to 2019 baseline year	Reduction in emissions intensity (emissions per m^2), market-based	3 (Properties' Scope 1 & 2)	Emission intensity reduction – SBTi-validated	+44% [4]	-71%

3) The reduction in emissions is calculated based on a market-adjusted baseline for portfolios from 2018, compared to a corresponding updated and market-adjusted intensity.

4) The reason emissions have increased significantly, despite the overall reduction in energy consumption, is primarily due to the near doubling of the market-based emission factor for electricity in Norway and Sweden since 2019. It is possible to purchase guarantees of origin to "reduce" these emissions from electricity consumption. However, Storebrand's primary strategy is to reduce energy consumption and thereby achieve "real" emission reductions within the managed building portfolio.

Asset class	Area / Group	Description of target	Definition	Scope	Method	Status 31.12.2024	2030 target
Listed Equities and Corporate Bonds	ASA	42% of AuM in listed equities and corporate bonds to have set SBTi-validated targets	The method reflects the latest SBTi guidelines and methodologies available, enabling companies to set and achieve SBT validation. Storebrand expects continued methodology development and expanded sector guidance by SBTi to meet the target.	3 (Selskapenes Scope 1, 2 & 3)	SBTi's SBT Portfolio Coverage Method, based on Financial Sector Science-Based Targets Guidance – SBTi-validated	31%	42% 5)
Private equity (PE)	ASA	Carbon intensity of PE portfolio not to exceed 60% of current listed index	Listed index used: MSCI ACWI. New commitments in high-emission sectors require improvement plans	3 (Companies' Scope 1 & 2)	Emission intensity reduction	<60% of ACWI	<60% of ACWI 6)
Infrastructure	ASA	90% of infrastructure investments aligned with net-zero pathway by 2030.	Investments in renewable energy (solar, wind) are considered aligned with net zero regardless of life cycle stage (development, construction, operation) due to current framework limitations on solution investments. Other assets must meet criteria in the Net Zero Investment Framework. Updates to frameworks may lead to adjustments in this document.	3 (Companies' Scope 1 & 2 and material Scope 3)	Net Zero Investment Framework	74%	90%

5) 2027 Target: SPP and SBL have a target of 42% only for listed equities equities due to a different allocation of AuM between listed equities and corporate bonds compared to SAM and ASA in general.
6) The assumption is that the All Country World Index (ACWI) will decarbonize in line with the overall economy. As a result, emissions intensity will decrease further in absolute terms, even though the relative thresholds remain unchanged.

Asset class	Area / Group	Description of target	Definition	Scope	Method	Status 31.12.2024	2030 target
Equities, Bonds, Infrastructure, Real Estate, Private Equity	ASA / SAM	20% of AuM allocated to solutions	**Equities and Bonds:** • Issuers with a minimum of 25% green revenue • Issuers with at least 25% CapEx, operating expenses, or revenue aligned with EU Taxonomy • Issuers with at least 25% revenue addressing SDGs • Green, social, sustainable, or sustainability-linked bonds **Infrastructure:** • An infrastructure investment that contributes to an environmental or social objective, does not significantly harm any environmental or social objective, complies with minimum safeguards and follows good governance practices **Real Estate:** • BREEAM or equivalent certification **Private Equity** • Investments in sustainable solutions through Impact Fund vintages, 15% of each CIPE vintage	3	Custom methodology based on NZAOA's 1.5°C pathway interim targets (along with targets for active ownership and emission intensity reduction)	16%	20%
	SBL	17% of AuM allocated to solutions				13%	17%
	SPP	At least 20% of managed capital shall consistently be invested in solutions through 2030				28%	>20%
Sector-Specific Target: Fossil Production and Distribution	SPP	0% of invested capital in companies within GICS sector 10 – energy from coal, oil, and gas, as well as other producers and distributors of fossil fuels.	Companies with more than 5% of their revenue from the production or distribution of fossil fuels are excluded across the asset classes listed equities, all bonds, infrastructure, private equity, real estate, and mortgages. Exceptions are allowed for green bonds, where the entire GICS sector 10 is excluded, but the revenue threshold is 50% for other cases. Potential Exceptions: Companies in the "utilities" sector undergoing a credible transition may be exempt from exclusion, though criteria for this will be developed in the future.	3	N/A	0%	0%

Asset class	Area / Group	Description of target	Definition	Scope	Method	Status 31.12.2024	2030 target
External Funds	SPP[7)]	70% of the fund companies or management teams SPP works with in regular offerings must have set a net-zero emissions target for investments by 2030.	Targeting net-zero emissions by 2050, achieved by signing the NZAM initiative, setting Science-Based Targets, or credibly demonstrating goals and measures aligned with these. At a minimum, this should cover Scope 1 & 2 emissions of the investment.	3 (Companies' Scope 1 & 2)	Absolute emissions reduction	56%	70%
Active Ownership	ASA	Prioritize dialogue with the 30–50 companies with the highest emissions in Storebrand ASA's/Storebrand Asset Management's investment portfolio.	Dialogue conducted directly or through alliances via email, phone, digital, or physical meetings.	3	Custom method based on interim targets of NZAOA's 1.5°C pathway (together with targets for emissions intensity reduction and solution investments)	15	30-50

7) SBL will examine the baseline and consider setting a 2030 target in the coming years. The fund manager's ESG efforts are always evaluated during fund selection

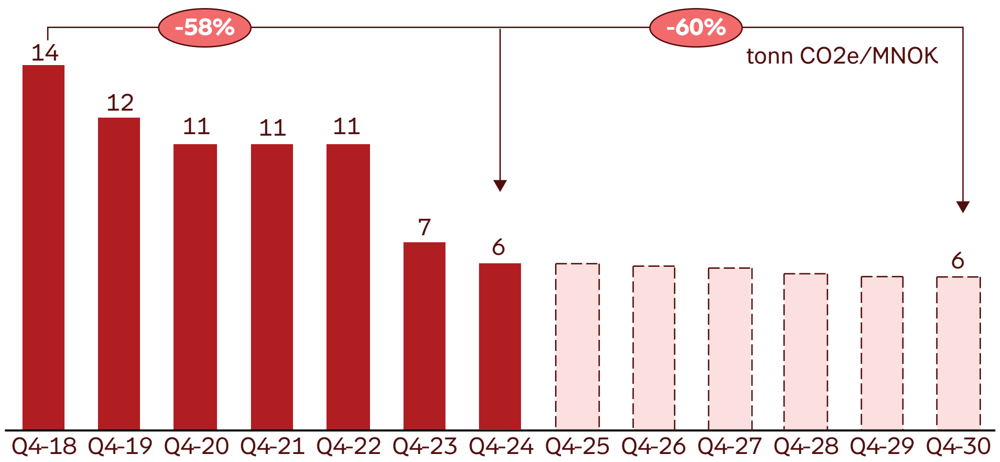
Plan to Achieve the Targets

Equities and Bonds

Our primary strategy for achieving the goals is active ownership and dialogue with the companies we invest in, as well as with relevant authorities that establish the frameworks for climate transition (see below). Storebrand Asset Management actively exercises ownership on behalf of capital owners and prioritizes engagement with the Group's 30–50 largest emitters. SPP and SBL will monitor the development of the companies in which they are invested.

We will also increase the share of capital invested in companies that contribute to achieving sustainability goals, including climate solutions and companies that have set science-based targets. Certain high-emitting sectors are excluded from our investment universe, and companies that fail to demonstrate progress in transitioning over time may also face exclusion.

Emissions intensity from listed equities and corporate bonds 2018–2024 and target for 2030, tons of CO_2e/MNOK



Special Measures for SBL

SBL has several active portfolio adjustments and actions that can be implemented to reduce carbon intensity. This may include increasing investments in green bonds or carbon-optimizing equity mandates. The latter can be achieved by incorporating low-carbon optimization into discretionary equity mandates or allocating more funds to low-carbon footprint funds.

Special Measures for SPP

SPP will continue to invest in funds that optimize their portfolios for CO2 emissions, incorporate CO2 data as a parameter when purchasing bonds, and conduct quarterly follow-ups. SPP will also continue to invest in funds that use SBTi as a criterion for identifying portfolio companies.

Sector-Specific Target for SPP – Fossil Production and Distribution

SPP excludes companies that derive more than five percent of their revenue from the production or distribution of fossil fuels in its investment guidelines and mandates.

Active Ownership

Our strategy is to act as an active owner, enabling us as an investor to contribute to meaningful change in the economy. We collaborate with other investors, companies, and authorities to achieve this goal.

We participate in international investor coalitions and partner with other stakeholders to amplify our influence in meetings with partners and portfolio companies. This collaboration allows us to set expectations for climate transition that align with both international and internal commitments.

Storebrand's Main Goals for Portfolio Companies:

- We prioritize dialogue with the 30–50 companies that have the highest emissions in our investment portfolio. We assess their transition potential by monitoring carbon emissions and evaluating whether climate goals are integrated into their strategy, investment decisions, and reporting.
- For companies in high-emitting sectors that we assess as not adequately managing climate risk, we set specific expectations based on data from the Transition Pathway Initiative, Climate Action 100+, and our internal analyses. These expectations must be met within 36 months. If sufficient progress is not achieved during this period, we will consider excluding these companies from Storebrand's investment universe.

Furthermore, we have defined the following priorities for our active ownership with decision-makers and networks, as well as our engagement with stakeholders in alternative asset classes:

- We will engage transparently and responsibly with decision-makers to promote net-zero-aligned business practices, primarily through networks such as IPDD and IIGCC.
- Asset Class-Specific Goals:
  - Infrastructure: We will actively engage with investment partners to ensure the implementation of net-zero strategies across all relevant sectors.

- Real Estate: We prioritize client dialogue to establish mandates aligned with the manager's Science-Based Targets (SBT, scope 1 & 2) goals and supplementary scope 3 goals. These goals must incorporate a lifecycle perspective on real estate emissions.
- Private Equity: We will prioritize dialogue with General Partners in cases of significant events and request improvement plans for high-emitting companies.

In addition to climate, we prioritize the following areas:

- Deforestation: Eliminate commodity-driven deforestation from Storebrand's investment portfolios. Active ownership will focus on companies involved in the production, trade, or financing of commodities linked to deforestation risk (e.g., soy, palm oil, tropical timber, and beef).
- Biodiversity: Incorporate nature-related risk assessments into financial decision-making processes and set specific biodiversity goals.
- Just Transition: Ensure that companies in the portfolio transition in ways that respect human rights and workers' rights.

Real Estate

Within real estate management, we work systematically to reduce energy consumption, phase out fossil energy sources, and establish renewable energy production in our buildings. Between 2019 and 2024, the energy intensity of the portfolio has been reduced by 23%, from 194 kWh/m² to 149 kWh/m². This is the result of active energy and climate management, including operational optimization, energy efficiency measures in maintenance, and climate-effective solutions in renovation and refurbishment projects.

The primary strategy is to implement emission-reducing measures directly within the building stock. Through dialogue with investors, efforts are made to secure mandates aligned with the asset manager's ambitions. As of 2024, the results of climate efforts show that location-based emissions have decreased by 18% for commercial properties and 6% for residential buildings. However, market-based emissions, which are reported in accordance with the SBTi target, have increased by as much as 44% for commercial properties. This is primarily due to an increase in the market-based emission factor for electricity, which has nearly doubled since the 2019 reference year. This rise is driven by higher demand for guarantees of origin and an increased share of fossil fuels in Europe's power production. While the emission factor has a significant impact, it cannot be influenced by the asset manager. It is possible to purchase green electricity or guarantees of origin in the market to significantly reduce the calculated emissions and thereby still achieve the market-based targets. However, the value of such measures has been debated, making this a secondary strategy.

In autumn 2024, SBTi published its "New Guidance for the Buildings Sector," which is now also applicable to financial groups and requires the use of location-based calculations for emissions trajectories. In addition to the current targets for "in-use operational" emissions (scope 1+2), targets must also be set for scope 3 "embodied emissions," i.e., emissions from material use in construction projects but only for new buildings, not for renovations and refurbishments. These "embedded" emissions from construction projects can be significant within the real estate sector and may far exceed operational emissions. Storebrand aims to develop methods for setting and monitoring targets for these emissions to create a more holistic strategy with the right incentives, in line with the 1.5-degree target and net zero. In 2025, new frameworks and methods will be assessed to determine whether climate targets should be updated.

Together with several other players in the real estate industry, advisors, and property owners, Storebrand has developed a tool to promote reuse and responsible material choices in interior design projects. The tool provides an educational illustration of the impact of reuse, measured in terms of avoided air travel and kilograms of waste saved.

Infrastructure

The following activities will be prioritized to achieve the goal of aligning 90% of infrastructure investments with the net-zero pathway by 2030:

- ***Investment Assessment:*** Storebrand will ensure that due diligence for an investment opportunity includes an evaluation of what is required to align the investment with the net-zero pathway, including specific measures and a plan to achieve this alignment. If there is significant risk that the net-zero pathway cannot be achieved within five years, the investment case will be weakened.

- ***Ongoing Monitoring and Management***: Storebrand will, in most investments, have substantial influence over the underlying company or project through board representation, either indirectly via the fund's investment partners or directly through a board seat. Storebrand will ensure, through continuous dialogue with partners and/or the company, that net-zero strategies are implemented and adhered to.

Private equity

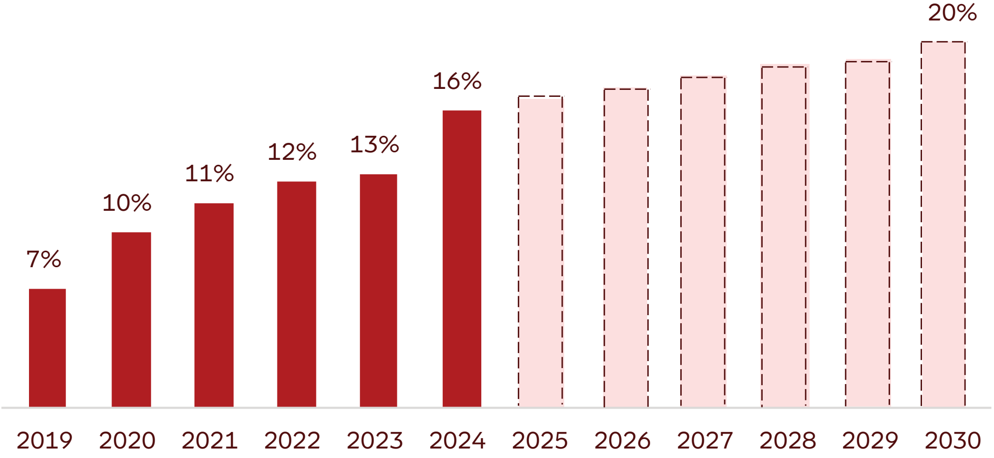
Our primary strategy for achieving the established goals relies on a careful selection of funds based on due diligence assessments of fund managers. We adhere to Storebrand's exclusions, which limit exposure to (fossil) energy-related assets and address poor carbon performance measured annually in collaboration with the fund managers. The impact program focuses, among other things, on carbon reduction strategies and can gradually build exposure to climate solutions over time.

Our approach involves active ownership and dialogue with the companies we invest in, as well as with relevant authorities that set the frameworks for the climate transition.

Solutions

Through proprietary analysis, we identify solution companies those that contribute to achieving sustainability goals through their products, services, and operations, without causing significant harm to society or the environment. These companies are included in a regularly updated database, which is used by fund managers and serves as the foundation for our investment portfolios

Share of AuM in Solutions Investments



Special Measures for SBL

The key asset classes for SBL's allocation to solutions are real estate and infrastructure, measured by the proportion of solutions within each asset class. These asset classes represent a limited portion of SBL's funds. SBL's products with investment choices are expected to be the primary drivers of growth in total assets going forward, but they have a lower allocation to real estate. As a result, we anticipate a decrease in the overall share of real estate investments. It will therefore be crucial to increase the proportion of environmentally certified real estate in our portfolio, aiming for 100%. The total allocation to infrastructure is expected to increase slightly as committed capital is invested. In line with the infrastructure goal, the proportion of solutions within this asset class is expected to remain high.

In more liquid asset classes, especially listed equities and bonds, SBL has more flexibility. To achieve a higher share of solutions, SBL may increase investments in green bonds or allocate more capital to funds with a low-carbon footprint. This must be balanced against deviation risks and customer considerations.

Special Measures for SPP

SPP exclusively invests in equity funds that prioritize or focus entirely on solutions. SPP's real estate company, which forms a significant part of the portfolio, aims to have 100% environmentally certified properties similar to SBL. The share of green bonds within the total interest-bearing investments is monitored on a quarterly basis.

Asset Management Outside Storebrand

Special Measures for SBL

External asset managers manage about 3% of SBL's capital. The Group has clear expectations for all external fund managers we work with, or where we make external managers' funds available to our pension clients. We expect them to:

- Aim for net-zero emissions by 2050 through their investments, either by signing the Net-Zero Asset Managers initiative or demonstrating progress in other ways.
- Set medium-term goals for reducing emissions from investments.
- Take action to reduce emissions from investments and actively engage with companies.
- Work to limit biodiversity loss.

SBL will assess the baseline and consider setting 2030 targets. The manager's ESG work is always evaluated during the fund selection process.

Special Measures for SPP

The goal will be achieved through an annual assessment of fund companies and manager teams via a survey. Selection teams maintain an ongoing dialogue with the manager teams and conduct annual reviews. If sustainability-related events are discovered, we will engage in dialogue with the manager. The outcome of the annual assessment is analyzed, and an action plan for dialogue with prioritized fund companies and teams is implemented. SPP will annually assess if any funds are managed by "laggards" in sustainability i.e., fund companies or manager teams that do not have formal policies, actions, or willingness to implement the prioritized sustainability goals SPP is working on. These funds will be given up to three years to improve; otherwise, the process to find a replacement will be initiated.

Advising and Guiding Clients – SBL and SPP

As providers of pension products, SBL and SPP can assist corporate clients in making well-informed choices about how to invest their pensions. The MIFID II and IDD regulations require sustainability to be integrated into product advice, taking it into account alongside other preferences. SBL and SPP have implemented this requirement and will continue to develop and train both advisors and clients to increase understanding of how sustainability and pension savings can be linked.

Additionally, SBL and SPP can provide clients with information about the carbon footprint of their portfolios and how they can invest in products with lower carbon intensity than the market, as well as solutions-based investments, should they wish to do so. Storebrand also shares knowledge about regulations, reporting, and trends in sustainability with our clients and stakeholders.

Our Targets and Plans to Achieve them

Property and Casualty Insurance

Insurance is one of the industries that first notices the effects of climate change. We experience more severe weather events, such as floods, heavy rainfall, landslides, and storm surges, which in turn cause damage to the things we insure. The insurance business is both affected by climate change and can also take actions to reduce its climate emissions. Our main focus areas for reducing emissions are loss prevention and more circular insurance claims settlements.

As an insurance company, we thrive by understanding and managing risk. Changes in the loss profile represent a financial risk to us if we are not sufficiently able to understand these changes and price the risk correctly. Climate risk assessment is an integral part of our risk assessment, just like any other type of risk (fire, theft, water, etc.). Both loss prevention and circular insurance claims settlements are measures that primarily contribute to making global material flows more circular. These measures are not direct responses to how we replace today's fossil energy, which generates large CO2 emissions, with renewable alternatives. However, prevention and circularity belong in a transition plan because these measures reduce the need for input factors (materials), thus also reducing energy consumption, as circular solutions are almost always more energy-efficient.

Our climate strategy in the insurance area has four main objectives:

1. To promote the circular economy through product and service offerings, and actively communicate this with customers and suppliers.
2. To reduce the number of claims through effective loss prevention.
3. To manage and price climate risk in a fair and appropriate way.
4. To map our emissions in order to implement effective measures in the most significant areas.

Limitations

To implement effective measures, we must first have an overview of where the largest footprint lies. We have focused our efforts on claims settlement, both in terms of actions and detailed mapping, as this is considered the most important area for Storebrand Insurance, both in terms of emission amounts and potential for influence. According to the Claims Carbon Whitepaper[8)], emissions related to claims settlements are the second-largest source of emissions after financed emissions. For Storebrand Insurance, financed emissions are covered by the goals set for investments for the Storebrand Group.

In claims settlement, we can influence the emission amount through repair methods, choices of materials, and the suppliers we choose to restore the damage. It is likely that the share of insurance-related emissions in our portfolio is relatively lower than in the industry as a whole, given that our portfolio mainly consists of individual clients. There is also relatively low carbon intensity in the Norwegian energy mix and a high proportion of electric vehicles, both in Norway and in our portfolio. Going forward, we will consider whether insurance-related emissions should be integrated and targeted in our transition plan.

8) Claims Carbon Whitepaper "Insurance Claims Emissions" September 2023

Ambitions and Targets

The following approach, ambitions, and targets apply to the P&C insurance business.

Area	Description of Goals / Ambition	Ambition	Overarching Goals / Approach	Prioritized Areas	Status 31.12.2024	2030 Target
Circular Economy	Promote circular economy through products/services and active communication.	• Circular claims settlements as the first choice. • Our suppliers must contribute to net-zero emissions or document that significant parts of the company's deliveries are through circular measures. We will follow up to ensure that our suppliers contribute to reduced emissions through emission cuts, repairs, and reuse.	• Comprehensive understanding of environmental footprint (climate and materials) to focus efforts where impact is greatest. • Significant portions of settlements shifted from a linear to a circular economy. • Projects with partners to develop circular business models accessible to others. • Suppliers will set science-based targets or adopt reuse and repair solutions.	• Environmental footprint analysis • Circular procurement methods • Governance • Circular innovation • Communication and policy advocacy	**Circular Targets (based on component proportions):** **Motor** **Glass repair 2024:** • 36.7% **Plastic repair Target 2024 for cars:** • 8.9% **Steel / aluminum repair Target 2024 for cars:** • 17.2% **Used parts ratio Target 2024 for cars:** • 3.4%	**Circular Targets (based on component proportions):** **Motor** **Glass repair** • 35%[9)] **Plastic repair** • 15% **Steel / aluminum repair:** • 20% **Used parts ratio:** • 10%

9) The 2030 target is lower than in 2024 because car windows will be designed in ways that make repairs more difficult. For example, they will include more technology and materials other than glass, and the proportion of a window that can be recycled will decrease. Therefore, we also need to identify new areas for action.

Area	Description of Goals / Ambition	Ambition	Overarching Goals / Approach	Prioritized Areas	Status 31.12.2024	2030 Target
Damage Prevention	Reduce claims through effective damage prevention.	Storebrand Forsikring will lead in damage prevention	• Prevention will reduce the frequency and scope of damages compared to a scenario without preventive measures. • Prevention should contribute to profitable growth. Our work should make customers with good insurance risk aware of Storebrand as an insurance provider, choose Storebrand, and continue to be customers with us. • Prevention will reinforce Storebrand's leadership in sustainability, including within insurance.	• Active customer advisory services. • A strong voice in public debate. • Incentives for prevention in insurance products.	Ranked #2 in the industry based on EPSI survey regarding customer advice on damage prevention.	Top 3 in the industry on damage prevention according to EPSI.
Climate Risk	Storebrand Insurance will manage and price climate risk effectively and appropriately.	Storebrand Insurance will be well-adapted to climate risk from a risk perspective.	• Climate risk will be thoroughly understood and priced into products. • Products will be well-suited to climate risk.	• Climate risk models will be further developed based on insights. • Products will be refined based on experiences from the first version of changes to meet EU taxonomy requirements.	N/A	

Plan to Achieve the Targets

1 Promote Circular Economy through Products and Services, and Communicate This Actively

The Norwegian economy is 2.4% circular (Circularity Gap Report 2020), and although our individual contribution may be small, as an insurance provider, we can help contribute to a more circular economy. Storebrand Forsikring has been working on circular claims settlements over time and established a circular strategy in 2024. Through this strategy, we facilitate circularity through products, supplier agreements, settlement practices, and systems. We must also work effectively with our customers to ensure we provide good communication and manage expectations in line with increasingly circular practices.

Our measures and activities:

- Storebrand will continue to demand high standards of responsible operations from our suppliers. Over 90% of our repair workshops have signed the Group's supplier statement on sustainability commitments, where we expect companies to work toward net-zero emissions by 2050 and set science-based targets by 2025. These expectations will be followed up, and suppliers will be assessed and monitored for repair rates and reuse of parts as indicated in the goals above.
- We will collaborate with suppliers to facilitate circular value chains. For example, we have partnerships with suppliers in car part assembly to increase the reuse of car parts, and with Miljø Norge and Jernia on the distribution of recycled fire extinguishers.
- We will continue to update terms and conditions to promote increased repair rather than the purchase of new items. We will also work through the industry and relevant partners. For example, the threshold for when a car should be replaced rather than repaired has been raised from 60% to 80%.
- We have a strategic partnership to assess material consumption and greenhouse gas emissions in motor claims settlements. This gives us a better understanding of where the largest emissions come from and allows us to identify and quantify reduction potential, as well as prioritize actions.
- We are taking the initiative to share our work and methodology for calculating emissions in claims settlements through the Finans Norge working group for property insurance and sustainability. Going forward, we will consider how this can be followed up and work toward a common methodology for the industry.
- We will continue to participate in the public debate through industry organizations and government initiatives to contribute to the transition to a circular economy.

2 Reduce the Number of Claims through Good Damage Prevention

All claims are wasteful of resources. When we replace items after damage, it requires new materials and energy, while waste is generated. The primary role of insurance is to provide expert advice to customers to prevent future claims. Our understanding of risks and insights into claims history enable us to offer professional advice on preventative measures. It is important that the message reaches the customer at a time when the advice is valuable and when the likelihood of the customer following it is high. It is difficult to measure the effects of claims that have been prevented through effective prevention.

Our measures and activities:

- Adaptation of terms to encourage prevention, including climate adaptation to meet taxonomy requirements.
- Distribution of prevention advice via SMS, emails to customers, marketing campaigns, and PR cases.
- Offering customers products and services to help them take care of their belongings, such as boat monitoring.
- Storebrand will continue to use our voice to highlight the need for climate adaptation in society through communication activities, collaboration, and dialogue with authorities.

3 Manage and Price Climate Risk in a Good and Appropriate Way

Storebrand is continuously working to understand, price, and report on climate risk by gathering data and integrating forward-looking climate risk into scenario and stress tests. The company's overall risk profile serves as the basis for the scenario analyses and stress tests conducted. The latest climate risk scenario focused on the central location of the portfolio in and around Oslo, with the highest potential loss in these areas.

Climate risk assessments are made through the ORSA process. We use geodata to assess forward-looking climate risk. This work is actively used in relation to the EU taxonomy, where the goal is to contribute to climate adaptation. Read about our EU taxonomy work in UN Global Compact Norway's guide to transition plans (p. 26).

Storebrand is collaborating with the industry to establish incentives and mechanisms that ensure climate risk prevention. For example, we participate in a working group on climate adaptation through Finans Norge and contribute to Kunnskapsbanken, where claims data is made available to municipalities for use in their planning efforts. This increases insight into how municipalities should prioritize their infrastructure initiatives. Effective damage prevention at the societal level will reduce the climate consequences for those who are not affected by natural disasters. Similarly, material use for reconstruction will be reduced through effective prevention measures.

4 Mapping Emissions from Claims Settlements

Work has begun to establish a climate account for claims settlements, with a baseline set in 2023. The baseline is established based on the product areas of personal cars and property, considering materiality in terms of both portfolio size and assumed emission intensity. Personal cars and property together account for approximately 80% of the premium volume for Storebrand Forsikring. Other products may be included in the future.

The figures show that emissions from insurance claims are significant. Our calculations indicate that emissions related to insurance claims for motor and property (including the entire supply chain for input factors) total around 10,000 tons of CO2. About half of this comes from the settlement of property products. A large proportion of the carbon footprint from the settlement comes from the production of materials used to repair the damage. For an average car accident, the materials can account for about 80% of the total emissions. This demonstrates that damage prevention and mitigation are effective measures for reducing CO2 emissions. It also shows that circular solutions work, as they reduce the need for (new) materials.

Our ambition for the period 2025-2030 is to set emission targets and implement measures to reduce emissions from claims settlements, in line with the Paris Agreement. The climate account for claims settlements provides us with a foundation to set a science-based emissions target for property insurance.

As part of the preparations for this work, we have identified and quantified potential absolute emission reductions, taking into account that claims will increase in our portfolio due to commercial growth ambitions, and we have included this in the projection of emissions[10)]. We also expect to be able to set a relative target for emissions from earned insurance premiums for the period 2025-2030.

10) Methodology: The emissions calculations for motor and property claims are based on the GHG Protocol Corporate Standard and the Corporate Value Chain Standard (Scope 3). Both data availability and data quality are limited, and assumptions have been made for estimates where data is lacking. Currently, we rely on our claims systems (DBS and MEPS) to provide the necessary data, but a challenge is the lack of product-specific data related to the claim. Another limitation is the inconsistent coding of claims.

Our Targets and Plans to Achieve them

Bank

A solid and ambitious sustainability effort is crucial for Storebrand to achieve its vision of creating "A Future to Look Forward To." As part of the Storebrand Group, Storebrand Bank (SBB) is also an important societal player that can help accelerate the transition through decisions made both in its business operations and internal practices.

SBB offers a wide range of banking and savings products to the Norwegian retail market, supporting a comprehensive savings strategy. The bank is positioned as a digital bank with a personal touch, offering a dedicated advisor for mortgages. The Savings and Investment (S&I) business distributes mutual funds and pension products through both personal and digital advisory services, as well as order management. Within S&I, personal advisory and order management are provided through the Private Banking department, while digital distribution of mutual funds is managed through the app Kron. S&I also offers individual portfolio management.

SBB is a relatively small retail bank and does not provide loans to corporate clients. Mortgages are the bank's primary business. Our double materiality analysis has identified that emissions from energy consumption in the mortgage portfolio, as well as emissions from S&I, are material both from an impact perspective and in terms of risk and opportunity.

SBB's sustainability ambition for home loan financing is to meet the industry standard for banks in the Norwegian retail market. S&I distributes savings products that reflect the group's high ambitions for sustainable investments. Storebrand Bank and Storebrand Boligkreditt will contribute to the growing market for green bonds.

For the bank's transition plan, three focus areas have been identified:

Savings and Investment Business

As an investor and asset manager, the Storebrand Group is committed to managing our customers' pension and savings funds efficiently and responsibly, helping them achieve security and financial wellness. We will ensure the best possible risk-adjusted returns for our customers in the long term and believe that good management of environmental, social, and governance (ESG) risks and opportunities will contribute to this. Through the Savings and Investment Business at SBB, we will ensure that savings and pension customers receive advice and information on the greenhouse gas emissions and other sustainability-related characteristics associated with different portfolio choices. We will also provide guidance on how these choices may affect the portfolio's risk, how to create the most suitable portfolio based on customer preferences, and how to compare the portfolio's characteristics to industry standards.

CO2 Emissions from the Mortgage Portfolio

Through mortgages, Storebrand Bank finances homes for retail customers, and therefore the emissions related to the energy use of these homes. This focus area aims to reduce the amount of financed emissions (CO2e/m2/year) in the mortgage portfolio.

Climate Risk

The two types of climate risk we assess in the mortgage portfolio are transition risk and physical risk. Transition risk, for example, is linked to the EU's new energy performance of buildings directive, which sets requirements for increased energy efficiency in homes. This may come at a cost to our customers, which could affect their ability to repay and the value of homes that serve as collateral for our loans. Physical risk, on the other hand, relates to climate change and its associated extreme weather, which can affect the homes used as collateral in our home loan portfolio. While this risk is mainly covered by the customer's insurance, it can still impact their ability to pay.

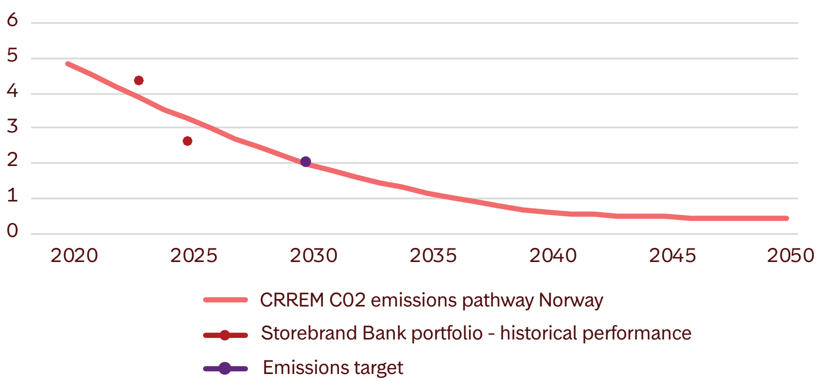
Ambitions and Targets
The following approach, ambitions, and targets apply to the banking business.

Area	Description of Focus Area	Ambition	Definition	Scope	Method	Status 31.12.2024	2030 Target
Savings & Investment	Distribution of savings products, portfolio management, and customer advisory (digital and personal).	Facilitate customers in making sustainable choices	Offer savings products and services that help customers make well-informed decisions on how to invest their savings and increase knowledge on how sustainability and savings can be connected, through engagement, a good product range, and advisory services.	N/A	N/A	N/A	N/A
Financed Emissions Mortgages	Measurement and monitoring of CO_2 emissions from the mortgage portfolio	Contribute to reducing CO_2 emission intensity from the mortgage portfolio	• Mortgages for single-family homes, semi-detached houses, townhouses, and apartments. Excluding other types of properties. • Excluding homes without emissions data. • Unit of measurement for area: Gross floor area (BRA).	3 (Emissions from exposure's Scope 1 and 2[11])	• Sectoral approach to decarbonization (SDA) • CRREM	2,78kg-CO_2e/m^2/ year	2,00 $kgCO_2e/m^2$/ year This equals a reduction of 58% from baseline year 2023 with 4,72 kg CO_2e/m^2/ year[12]
Climate Risk Mortgages	Monitor the development of climate risk (physical and transition risks) in the mortgage portfolio and assess measures in case of unwanted changes	Avoid unwanted changes in climate risk for the mortgage portfolio	Regularly assess the climate risk of the mortgage portfolio	N/A	Measure loans secured by properties in different physical risk zones relative to the loan portfolio and market	N/A	N/A

Elaboration of the Method for Financed Emissions in Mortgages

The emission pathway illustrates the reduction in CO_2 emissions that our mortgage portfolio needs to achieve in order to reach net zero by 2050. We have used CRREM's[13] CO_2 emission pathway for Norwegian homes as the basis for this calculation. The 2023 baseline value for the portfolio is 4.72 kg CO_2e/m^2/year, which is slightly above CRREM's emission pathway for this year. In 2024, the emission intensity was reduced to 2.78 kg CO_2e/m^2/year. The change was driven, among other factors, by an adjusted emission factor for the Norwegian energy mix, a more specific emission factor for district heating, and a reduction in energy intensity (kWh/m^2/year). To achieve net-zero emissions by 2050, the emission intensity must be reduced by 58% by 2030, compared to the 2023 baseline, reaching a target of 2.00 kg CO_2e/m^2/year[14]

Segment	Unit	Scope	2023 Baseline	2030 Target	2030 Target Percentage Change	Target Method	Selected Scenario
Mortgages	kg CO_2e/ m2/year	1 and 2	4.72	2.0	-58%	SDA	CRREM



11) Scope 3 is not included due to limitations in data quality and availability.
12) To succeed in reaching this goal, we depend on a number of external factors, many of which we have limited ability to influence. See the section "Dependencies and Dilemmas" for further descriptions of this.
13) CRREM – Carbon Risk Real Estate Monitor: https://www.crrem.org/
14) The calculation of the base year, historical values, and emission intensity targets covers all homes in the portfolio, including single-family homes, duplexes, row houses, and apartments. Other types of collateral, such as vacation homes, separate garages, and undeveloped land, are excluded. Financed emissions for Storebrand Bank fall under Scope 3, and in the calculation, we have included emissions from the exposure's Scope 1 and 2. The exposure's Scope 3 is not included due to limitations in data quality and availability. The emission intensity is calculated using a combination of the home's energy label (https://www.enova.no/energimerking/om-energimerkeordningen/om-energiattesten/karakterskalaen/), national statistics for the energy mix in Norwegian homes, location-based emission factors for the relevant energy source, and the home's area, where we have used the usable floor area (BRA). For cases where the energy label is not available, this has been estimated using property-specific data or an average emission value for the portfolio when data for the property is insufficient.

Plan to Achieve the Targets

Within the Savings and Investment Business, the measures are focused on engagement, product selection, and advice provided both by advisors and digitally. We will regularly measure the effect of these actions on the savings and investment portfolios.

We will engage customers through both digital and agent-assisted channels to raise awareness of the indirect greenhouse gas emissions and other sustainability-related characteristics associated with different portfolio choices. Our goal is for customers to have a basic understanding of how their portfolio's risk and return are expected to be affected by these choices, to be able to compare different portfolio options, and to have sufficient insight into the sustainability considerations taken into account in the various funds. We will continue to develop the product selection within existing and new individual funds and fund packages, with a focus on the sustainability-related characteristics of the fund products. We will also contribute to positive product development with our fund providers, based on the knowledge we gain from our own distribution.

Within advisory services, both in agent-assisted and digital channels, we will inform and advise customers on sustainability in a simple and understandable way. This includes how sustainability can affect both risk and return in the portfolio, as well as how the portfolio's characteristics align with industry standards. Additionally, we will tailor portfolios based on customers' preferences, ensuring that our employees have the necessary expertise to effectively reflect this.

To reduce the bank's CO2 emissions from energy consumption in homes within the mortgage portfolio, in line with our goal, we have identified three main measures:
- **Measure and report CO2e/m²:** We will establish a continuous measurement of CO2e/m² to track progress and compare this development to the CRREM emission pathway for Norwegian homes.
- **Include climate in the credit process:** The energy efficiency and climate risk exposure of a home will be considered in credit assessments and the bank's risk management processes.
- **Raise awareness and facilitate profitable energy efficiency**: We aim to engage customers in profitable energy efficiency. This will be done, for example, by further developing and revitalizing existing and new initiatives, such as the "Boliglån Fremtid" product, offering energy efficiency advice, collaborating with "Huseierne" on Environmental Loan Measures, and providing advice on energy efficiency tailored to the home's age through the "Min Bolig" service.

Since it is the energy used in our customers' homes that generates emissions, we rely on customers to implement energy efficiency measures themselves and choose homes with good energy labels, low energy consumption, and low emissions. Therefore, we aim to motivate, inform, and engage our customers to make purchasing decisions and implement energy efficiency measures.

However, we also consider other external factors as key drivers for achieving a reduction in CO2e/m². See more in the "Dependencies and Dilemmas" section.

SBB is committed to preventing the overrepresentation of climate risk in the mortgage portfolio and has implemented measures to monitor this development.

Engagement with the Value Chain and Other Stakeholders

Suppliers
The bank applies the same approach to suppliers and green bonds as the Group. We also integrate sustainability considerations into our business model for distributing savings products and services through collaboration with our fund suppliers.

Internal Operations
For our employees, we focus on competency development by providing relevant routines and tools for advisors to ensure they are well-prepared for customer dialogues, information, and advice. Advisors maintain direct communication with customers, and all employees contribute to the design of our products and services, as well as the information and advice provided, both in agent-assisted and digital channels. The risk assessment process (mortgages) will continue to evolve by integrating climate risk, with regular reassessments of the need for further adaptation of risk evaluations. The product departments will also continue to evaluate new and updated products, with sustainability being a recurring element in our product management processes for the savings and investment business.

Advisory Services and Customer Guidance
Downstream in the bank's value chain are our customers, their loans, the homes that serve as collateral, and their savings and investments in bank accounts and funds.

As a provider of savings products, SBB helps customers make well-informed choices about how to invest their pensions. The MiFID II regulation requires that sustainability be integrated into product distribution by considering it alongside other preferences during advisory services. SBB has implemented this and will continue to develop and educate both advisors and customers to increase understanding of how sustainability and pension savings are related.

Additionally, SBB provides customers with information on the carbon footprint of their portfolios and how they can invest in products with lower carbon intensity than the market, and in sustainable solutions, should they wish to do so. Storebrand also shares knowledge about regulations, reporting, and trends in sustainability with our customers and stakeholders.

Dependencies and Dilemmas

Authorities and Regulations

The consequences of the world failing to meet the goals of the Paris Agreement are significant, and it is crucial that global warming is limited to well below 2 degrees, ideally to a maximum of 1.5 degrees. To contribute to this, Storebrand aims to reduce emissions to net zero by 2050 and play an active role in increasing the chances of reaching the 1.5-degree target. However, the most critical factor is that the real economy must move in this direction in order for the world to succeed. This plan outlines the concrete measures we will take to achieve the ambitions and targets we have set. As a major player in the financial market, our actions have signaling value and we can use our size to influence the market and drive development.

At the same time, several of our ambitions and goals depend heavily on external factors, some of which are partly outside our control. We believe that authorities should also develop detailed transition plans at the national level, including a description of the decarbonization pathway and the solutions required to reach climate goals, as well as how society and the business sector will transition to net zero. This will make the framework conditions for our ambitions more predictable.

Changes in the real economy are outside our direct control, but it is essential that 1) the financial sector imposes the same high demands on the companies it finances, and 2) industries mobilize and contribute to a comprehensive transition of the real economy, not just individual companies.

This also applies to the changes facilitated by authorities and regulatory bodies through political measures, taxes, and incentive systems. The framework conditions established are necessary for the economy to change and for both Storebrand and the global economy to contribute to limiting global warming.

Furthermore, continuous development and improvement of available frameworks and methods are needed to ensure standardization for users and transparency for investors and end-users.

Own Operations

We have the greatest direct influence over our own operations and real estate portfolio. At the same time, there is a need to develop a greener energy system in the Nordics to improve the energy mix in our real estate portfolio.

Storebrand has direct control over our own consumption, which affects emissions related to items such as disposables, waste sorting, and electricity use at our locations. We also have partial control over the amount of travel we undertake using emissions-intensive methods like air travel, although certain parts of the business still rely on air travel to achieve commercial and organizational goals.

Our goals for our own operations, especially regarding air travel and suppliers, depend on several factors. Authorities must establish framework conditions aligned with net-zero emissions by 2050 and provide predictability for suppliers and developments in aviation. Achieving our goals is also dependent on progress in renewable energy markets, technology, and biofuels. We therefore view the development of biofuels and other environmentally friendly alternatives to traditional aviation positively. This will not only reduce the carbon footprint from business travel but also help preserve the transport sector, which is currently highly emissions-intensive but will remain necessary in the future.

However, there is a risk that biofuel production in the Nordics could contribute to deforestation, biodiversity loss, and increases in greenhouse gas emissions and food prices. It is important that EU and national policies address and mitigate this risk.

Investments

As an investor, Storebrand contributes through how we choose to allocate capital. For example, investments in green infrastructure or green bonds can accelerate development and transition. By investing in equity, we acquire an ownership stake, which gives us the opportunity to influence companies. However, to reach Storebrand's climate goals for investments, we rely on the companies we invest in to set their own goals and implement necessary measures to cut emissions.

As an individual investor, Storebrand may lack sufficient influence in dialogues with companies, reducing our ability to drive change. This is why we engage in investor alliances – working with other investors strengthens our ability to achieve global emissions reductions in line with our commitments.

We are also dependent on broader societal development and the profitability of sustainable investments. The goals outlined in this plan are partly based on current regulations and initiatives, such as the CSRD and the Science-Based Targets Initiative. Changes to these frameworks could impact the transition plan, which will be revised regularly.

A challenge we face is the variation in framework conditions, regulations, and political measures across borders. As a global investor, Storebrand may experience geographic differences in how our portfolios meet climate goals. We are also vulnerable to geopolitical instability. In recent years, there has been an "ESG backlash," particularly in the USA, where politicians are calling for less focus on ESG (Environmental, Social, Governance) factors in investments. This could hinder the development of responsible investments. At the same time, the EU, through its Green Deal, has taken significant steps to accelerate the transition in Europe.

Storebrand aims to deliver the best possible risk-adjusted return over time for our customers. For many of our customer portfolios, it is important not to create too much deviation risk from competitors or the market in general. Therefore, we will balance our ambition to lead in sustainability with our responsibility to meet customer obligations in a good and responsible manner.

Customer Considerations in Investments

The majority of Storebrand's invested assets are customer funds, and the company's investment strategies are focused on delivering the best possible risk-adjusted return over time. We believe that incorporating climate and sustainability considerations will enhance long-term returns. However, sustainability is just one factor among many in making investment decisions. If certain considerations become too dominant, various risks—such as excessive deviation from competitors or the market—may increase. This will be continuously assessed in our investment decisions.

We view sustainability and customer interests as aligned. Many customers choose Storebrand due to our strong focus on responsible investments. To manage the risks mentioned above, adjustments will be made gradually over time, likely in response to increasing market demand and general market development. Storebrand will always ensure that our customer obligations are met in a responsible and thoughtful manner.

P&C Insurance

A large share of emissions from our insurance claims comes from the materials used in the repair of damages. As a result, the insurance industry is highly dependent on the replacement of fossil energy with renewable energy in the production of materials for claims in order to meet net-zero goals.

Storebrand Forsikring is often at the end of long supply chains. The environmental footprint is determined early in the product design stage and in the extraction and processing of materials used in product manufacturing. Therefore, we are dependent on continuous improvement throughout the entire supply chain. In 2023, the purchase volume for our claims business was NOK 1.7 billion, distributed across over 4,500 suppliers. This represents a large volume, and we actively set requirements in procurement. At the same time, it is absolutely necessary for suppliers, the industry, and authorities to contribute to ensuring emissions reductions within our supply chains.

To improve the quality and accessibility of data used in our climate accounting, we also rely on suppliers of settlement services and systems that facilitate this process. Standardization is needed to allow meaningful comparison of figures across companies. Currently, there is no standard for how emissions from claims settlements should be calculated, including which emissions factors should be used. As a result, numbers across companies cannot be directly compared.

We are also dependent on changes in framework conditions from authorities to meet our goals. If damages from climate change are to be limited, extensive climate adaptation measures are required to prevent further damage. Additionally, we depend on authorities facilitating circular solutions that we wish to implement in claims settlements. For example, craftsmen must be trained to undertake specialized repair tasks, and incentives should be created for businesses that contribute to necessary repair and reuse solutions. Infrastructure and regulations are also needed to enable the greater reuse of materials in the real estate sector.

Bank

Regulations, Standards, and Subsidies: Authorities and regulators must facilitate the transition through political measures, taxes, and incentive systems. The established framework conditions are necessary for the economy to change and for both SBB and the global economy to contribute to limiting global warming. The pace and extent to which energy efficiency in Norwegian homes will improve is expected to be largely influenced by developments in regulations and subsidies.

Energy Prices vs. Cost of Energy Efficiency Measures: When assessing whether energy efficiency measures are worthwhile, the price of electricity is compared to the cost and potential profit from implementing these measures. The greater the expected profit from the measures, the more likely homeowners are to invest in them. Subsidies on electricity costs and low energy prices could make these measures less profitable.

Emissions from Energy Mix: Emissions from the Norwegian energy mix depend on the energy sources used, both domestic and imported. The emissions from the Norwegian energy mix will, in turn, affect the financed emissions from Norwegian homes.

Technology and Knowledge: New and further-developed technology and knowledge will be needed to increase energy efficiency and reduce emissions across industries. For homes, this could affect the available energy efficiency measures and influence developments in emissions from the energy mix.

Data Availability and Quality: Improved access to and quality of data is expected to enhance the accuracy of our status measurements. While this does not change the actual emissions, it could affect the reported progress toward our goals. Improved data access is crucial for offering customers products that align with their preferences, as well as for developing clear and meaningful data presentations for customers.

Customer's Housing Choice: We recognize that customers often decide on their homes before contacting the bank for a loan, and the choice of home significantly impacts their energy consumption and emissions. While the bank strives to inform and advise customers as early as possible in the home-buying process, the timing of the customer's purchase decision is crucial to achieving reduced emissions in the property portfolio.

Financial Inclusion and Understanding: A dilemma with the transition plan is that customers' ability to take action depends on their financial situation. For our financed emissions to decrease and energy efficiency to increase in our mortgage portfolio, we depend on our customers investing in energy efficiency measures and having the financial capacity to do so. One challenge is that some customers may not be able to afford the necessary measures. To address this, we will balance our net-zero ambition with our commitment to promoting financial inclusion and understanding among the population.

Locked-in Emissions

Locked-in carbon emissions occur when infrastructure or assets (existing or new) based on fossil fuels continue to be used despite the availability of low-emission alternatives, delaying or preventing the transition to such alternatives. These emissions can stem from energy sources already in use, as well as from buildings, transportation, and industrial activities.

When new facilities are built, or existing infrastructure is renewed, emissions may be locked in for many years. This underscores the need to consider the long-term consequences of current decisions to avoid exceeding climate targets.

Within Storebrand's operations, certain areas present a risk of locked-in emissions, particularly in the real estate portfolio, infrastructure, private equity, and companies we invest in through equity and bond portfolios.

Real Estate

The risk of locked-in emissions in the real estate portfolio is assessed as low due to the following factors:

- Our direct property management shows very limited risk of locked-in operational emissions. These emissions, largely within Scope 1 and 2, primarily result from electricity and heating use. Systematic work on energy efficiency and renewable energy solutions ensures that our Nordic properties are increasingly low-carbon in Scope 1 and 2. The primary risk lies within Scope 3.
- For Scope 3, we collaborate closely with our supply chain to minimize emissions related to upstream activities (construction of new buildings), midstream (maintenance and renovations), and downstream (demolition). Over the lifecycle of buildings, the total CO2 footprint is limited and expected to improve in line with industry and energy system advancements over the next 20 years. Consequently, we consider the risk of locked-in emissions and stranded properties to be low.

Infrastructure

The risk of locked-in emissions in the infrastructure portfolio is assessed as low due to the following factors:

- ***Strategic Focus:*** The Fund's strategy excludes investments in high-emission infrastructure sectors where the risk of locked-in emissions is greatest. By focusing on investments within the themes of "energy transition," "decarbonization," and "digitalization," we significantly reduce the risk of locked-in emissions while supporting the transition to a low-carbon economy.
- ***Thorough ESG Due Diligence***: Comprehensive ESG due diligence is conducted for each investment, with specific attention to risks related to GHG emissions. This is a key consideration in our investment decisions, as we are committed to increasing the portfolio's alignment with net-zero targets.
- ***Case-by-Case Assessment***: The risk of locked-in emissions is evaluated individually for each asset or sector, considering factors such as lifecycle emissions, energy payback time, and other sustainability aspects.

Private Equity

The risk of locked-in emissions in the private equity portfolio is assessed as low due to the following factors:

- The strategic focus in private equity investments ensures that the proportion of investments in capital-intensive companies is low, which means the risk of locked-in emissions within private equity, as a share of Storebrand's total emissions, is considered to have low materiality. Furthermore, we expect private equity managers to develop and implement strategies that enable long-term commercial success for portfolio companies, including operating in low-carbon environments.

Equity and Bond Investments

The assessment is that the risk of locked-in emissions within equity and bond investments is low/medium due to the following factors:

- Through equity and bond investments, Storebrand is exposed to companies whose assets may become stranded and/or involve locked-in emissions. As part of our active ownership efforts, we work to encourage investee companies to adopt and implement credible climate transition plans and align their capital expenditures with a net-zero target. We expect companies to assess and disclose the risks of stranded assets and locked-in emissions, follow their sector-specific pathways toward net zero, and transition away from carbon-intensive technologies. By doing so, we reduce the risk of exposure to new locked-in emissions, although such emissions will persist given Storebrand's broad investment universe.

Corporate Governance

Transition Plan and Alignment with Storebrand's Strategy

Roles and responsibilities within Storebrand ASA's climate and sustainability efforts are governed by the Group's Guidelines for sustainability work, adopted by both the ASA board and its subsidiaries. The ASA board adopts the Group's sustainability strategy, setting overall ambitions. Subsidiaries' sustainability work is guided by their respective strategies, which must align with ASA's overarching strategy. These strategies encompass ambitions across three focus areas: products and services, own operations, and societal impact.

The transition plan details the climate ambition in our sustainability strategy, and targets and measures from this plan will be followed up through investment strategies, annual targets and corporate governance. Subsidiary boards will review progress annually. Both the strategy and the transition plan will be reviewed and updated annually to ensure they are aligned with the Group's climate ambitions.

Targets for internal operations will be continuously monitored by Storebrand's Group Executive Managemet and the management teams of its subsidiaries through broader corporate governance processes. The Group's CFO area is responsible for ensuring an appropriate carbon budget is allocated each year.

Investments

Ambitions and targets for investments are translated into investment guidelines, mandates, and annual KPIs. These are monitored quarterly and embedded in daily operations by both the asset manager and the asset owners. Progress is also reviewed annually by the boards of directors of asset owners and asset manager.

The CEO of the asset management business is responsible for setting ambitions and criteria for sustainable investments in alignment with the Group's sustainability strategy. This includes developing guidelines for sustainable investments, such as principles for active ownership, supported by related expectation documents and strategies. Storebrand Asset Management's (SAM) approach to climate change is outlined in its climate policy, which complements the Storebrand Group's policy for sustainable investments. This climate policy details how SAM invests to mitigate and adapt to climate change through asset management.

To achieve climate ambitions, SAM focuses on contributing to real emissions reductions in the global economy and reporting progress. Interim targets are set every five years, in line with Article 4.9 of the Paris Agreement. The SAM board formally adopts both the

policy for sustainable investments and the climate policy, receiving updates on status and progress at least annually.

The risk and ownership team within asset management is responsible for active ownership and implementing strategies for carbon reductions in equities and bonds. For infrastructure investments, this work is carried out by the Group's infrastructure team in collaboration with the capital manager AIP (where Storebrand is the majority owner) and other investment partners. In private equity, Cubera is responsible for ongoing work and follow-up.

SAM also oversees solution-based investments, defining which investments qualify as such. These are subsequently followed up by the investment departments of SBL and SPP for their respective capital owners.

Property and Casualty insurance

Physical climate risk (including climate adaptation), damage prevention, and circular settlements have been identified as prioritized areas through a double materiality analysis. We systematically address climate risk and have established dedicated strategies for damage prevention and circular insurance settlements.

The head of insurance claims owns the strategies for damage prevention and circular insurance settlements. All relevant functions are responsible for integrating these strategies into their respective areas, with special emphasis on product development, procurement, marketing, communication, customer service, and digital operations.

Oversight of goals and actions outlined in the transition plan, covering both internal operations and insurance activities, is embedded within the company's broader governance framework and is overseen by the CEO of Storebrand Insurance.

Going forward, our focus will include:

1. Continuously refining calculations of greenhouse gas emissions from claims settlements
2. Ongoing implementation and updates of measures outlined in the transition plan
3. Exploring the possibility of setting science-based targets for Scope 3 emissions in Storebrand Insurance

Bank

Storebrand Bank's sustainability efforts are guided by its sustainability strategy, which aligns with ASA's overarching ambitions. The Storebrand Bank board adopts the strategy, which is owned by the bank's CEO and addresses sustainability across three main areas: products and services, internal operations, and societal impact.

The goals outlined in the transition plan will be integrated into the strategy to ensure proper follow-up and achievement. Progress will be reviewed by the board annually. Goals related to internal operations will be continuously monitored by Storebrand Bank's management through broader corporate governance processes.

Climate emissions and climate risk have been identified as key priorities through a double materiality analysis, and the bank is systematically addressing these issues. All relevant functions are tasked with integrating and implementing the strategies within their domains, with a particular focus on product development, risk management, marketing, communication, sales, customer service, and digital initiatives.

Financial Consequences

Own Operations

In our own operations, reduced travel activity will result in cost savings, although train travel can sometimes be more expensive than flights on certain routes, especially when it requires an additional hotel stay. Increased use of biofuels represents an additional cost but is partially offset by a reduced cost for the internal CO2 fee due to the lower emissions. Travel is an integral part of running a successful asset management company across countries and markets. If emission targets for travel impose too many restrictions on commercial operations, it could negatively affect business performance. To avoid negative financial consequences, it is necessary to carefully assess various measures related to travel emissions targets on an ongoing basis.

Investments

The transition to a low-carbon society, which takes into account nature, social conditions, and international commitments and regulations, presents both financial risks and opportunities for us as investors and capital owners. Storebrand's overarching goal is to deliver the best possible long-term, risk-adjusted returns for our customers, and we believe this is best achieved by considering sustainability. As a large investor, it is important for us to invest efficiently and responsibly. During certain periods, ambitious climate goals may have both positive and negative effects on returns. These returns, which may periodically affect our customers and, consequently, Storebrand's position as a pension and savings provider.

Within asset management, SAM primarily manages funds and portfolios with established mandates and will not expose customers to unwanted risk in pursuit of our climate goals. However, we will collaborate with customers to develop new mandates to offer attractive investment opportunities, including in climate solutions.

Active ownership drives costs and impacts both the expertise needed and the capacity for corporate dialogue and voting. In isolation, it is more resource-intensive to increase active ownership than to apply exclusions alone.

In addition to growing customer interest in products that consider climate and sustainability, this focus also motivates employees and helps attract new talent to work in sustainable finance. On the other hand, the focus on transition and transformation is more challenging and labor-intensive for asset managers compared to handling exclusions of companies as a binary measure based on Storebrand's exclusion policy.

Within real estate, significant investment capital is required to upgrade properties to reduce emissions from operations (Scope 1-2) and to minimize embedded emissions

from construction projects (Scope 3). The same applies to purchasing new climate-efficient buildings. Achieving the targeted emissions reductions while maintaining good returns and value development is a challenge. Proper timing of measures, market and technical expertise, and a well-adapted organization will be crucial.

While investments can improve environmental and climate performance in real estate, each measure also carries a certain environmental impact. Therefore, we prioritize measures with the greatest effect and strive to implement climate improvements during necessary upgrades and adjustments to properties. This also helps reduce the additional costs for climate measures relative to existing investments and ongoing costs.

Insurance

Both damage prevention and the increased use of circular settlement methods have the potential for significant cost savings. However, resources will be needed to develop and integrate these areas into our customer offering.

The operationalization of damage prevention and circular settlements must be integrated across the business. This means that existing functions will largely be responsible for ensuring the effective prevention of damage and the establishment, selection, and measurement of circular settlement methods. Clear prioritization of prevention and circularity across the business is essential. Resources will be allocated to implement circular settlement measures within the purchasing function and parts of claims settlements. The strategy for circular settlements is ambitious and calls for us to play a role in developing new solutions in collaboration with others. Various alternatives will be considered to operationalize this in the best possible way.

To provide prevention advice, resources from marketing and communications will be required. The most effective prevention involves personalized information, ensuring that the right customer receives relevant advice at the right time. This requires data and digital development. Additionally, customers should receive consistent messaging across all customer-facing channels, which will also require training and system support.

Bank

For Storebrand Bank, the primary role is to finance housing and facilitate investments in funds. The transition to a low-carbon society, which considers nature, social conditions, and international commitments and regulations, presents both financial risks and opportunities in this context.

Storebrand expects that considering climate and sustainability factors will ensure the best possible long-term, risk-adjusted returns. At the same time, sustainability is one of several considerations when working with our customers, alongside factors such as risk tolerance and financial situation. Sustainability should be considered when preparing investment recommendations, but it is not the sole guiding factor. It is important to ensure that the customer's interests are always prioritized from a holistic perspective. Return effects may periodically affect our customers and, consequently, the bank's position as a pension and savings provider.

This focus on sustainability may increase resource needs to implement measures, monitor progress, and assess outcomes.

Customers who see the value in having climate and other sustainability-related issues addressed in their investments are expected to choose Storebrand as a fund provider, thereby influencing turnover and capital under management.

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