

# Second-Party Opinion

## Storebrand Green Bond Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Storebrand Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9 and 11.



**PROJECT EVALUATION / SELECTION** Storebrand's internal process in evaluating and selecting projects is managed by the Green Bond Committee.<sup>1</sup> The Group CFO will have overall responsibility for approving allocation to eligible projects based on alignment with the Framework's eligibility criteria. Based on these elements, Sustainalytics considers this process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** Storebrand's process for management of proceeds is overseen by the Company's Nordic Head of Sustainability. The Company will establish an internal process within the Treasury department to establish a pool of eligible assets and will track allocations to a combination of specific assets or a portfolio of eligible assets. Storebrand will attempt to fully allocate the net proceeds raised by the Green Bond issuance within 3 years of issuance. Unallocated proceeds will be invested on a temporary basis in accordance with the relevant internal treasury policies, in cash, cash equivalents or similar instruments, or where possible in ESG-oriented funds. Based on these elements, Sustainalytics considers this process to be in line with market practice.



**REPORTING** Storebrand intends to report on the allocation of proceeds on its website on an annual basis until full allocation. The allocation reporting will include details such as total amount of proceeds allocated to eligible assets per category, proportion of refinancing versus financing, and details of any unallocated proceeds. In addition, Storebrand is committed to reporting on relevant impact indicators. Based on these elements, Sustainalytics considers this process to be in line with market practice.

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**Evaluation Date** November 18, 2020

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**Issuer Location** Lysaker, Norway

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<sup>1</sup> The Green Bond Committee is comprised by the Group CFO, Heads of Treasury, Investment Office, Head of Banking, Nordic Head Sustainability, a representative from Nordic Sustainable Reporting, and Group Head of Communications, Sustainability and Public Affairs.

## Introduction

Storebrand ASA (“Storebrand”, or the “Company”) is Norway’s largest private asset manager and provider of insurance and pension products. The Company operates in Norway and Sweden in the life insurance, asset management and banking businesses. Storebrand is headquartered in Lysaker, Norway, and traces its origins to 1767. As of December 2019, Storebrand had 1,742 employees.

Storebrand has developed the Storebrand Green Bond Framework (the “Framework”) under which it intends to issue multiple green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that promote the construction and renovation of green buildings and building stock energy efficiency, renewable energies and low-emission transportation systems. The Framework defines eligibility criteria in three areas:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation

Storebrand engaged Sustainalytics to review the Storebrand Green Bond Framework, dated November 2020, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).<sup>2</sup> This Framework has been published in a separate document.<sup>3</sup>

### Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent<sup>4</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.6.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Storebrand’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Storebrand representatives have confirmed (1) they understand it is the sole responsibility of Storebrand to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Storebrand.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

<sup>2</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>3</sup> The Storebrand Green Bond Framework is available on Storebrand ASA’s website at: <https://www.storebrand.no/en/investor-relations/rating-and-funding>

<sup>4</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Storebrand has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Storebrand Green Bond Framework

Sustainalytics is of the opinion that the Storebrand Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of Storebrand's Green Bond Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the GBP.
  - Within Green Buildings, Storebrand may finance or refinance the construction of new buildings, renovation and restructuring of existing buildings, or energy efficiency improvements on existing buildings, in Norway and Sweden according to the following eligibility criteria:
    - Regarding commercial buildings, Storebrand may finance buildings with the following minimum certification levels: BREEAM "Very Good", LEED "Gold", Miljöbyggnad "Silver", and Nordic Swan, or any equivalent certification. Sustainalytics recognizes that BREEAM Very Good is considered to be in line with market practice in some contexts, while in others BREEAM Excellent is preferred. In any case, Sustainalytics encourages the selection of BREEAM buildings that achieve a minimum score of 70% in the Energy category. For Sustainalytics' assessment of these building certification schemes, please refer to Appendix 1. The Framework also includes financing of commercial buildings with net primary energy demand at least 20% lower than the primary energy demand resulting from the relevant Nearly zero-energy buildings (NZEB) requirements.<sup>5</sup>
    - Residential buildings must comply with national building codes TEK10,<sup>6</sup> TEK17:<sup>7</sup> or Energimerking (EPC) building rating of A, B, or C; or buildings with net primary energy demand at least 20% lower than the primary energy demand resulting from the relevant NZEB requirements,<sup>8</sup> are also eligible.
    - Storebrand may finance renovations or refurbishment of existing buildings that: (i) achieve savings in net primary energy demand of at least 30% compared to the baseline performance of the building before the renovation, and/or (ii) result in the building obtaining or expecting to obtain the aforementioned green building certification levels.
    - Storebrand may also finance energy efficiency activities for green buildings including: (i) geothermal energy system installation, insulation, retrofitting, solar panels installation, and LED lighting that may lead to obtaining environmental certifications<sup>9</sup> and/or demonstrate at least a 30% reduction in the primary energy demand of the building, and/or (ii) measures which result in the achievement of an EPC building rating of A, B, or C.
  - Regarding Renewable Energy, Storebrand may finance or refinance the construction, development, acquisition, maintenance, and operation of renewable energy technology including solar, on- and offshore wind, hydropower, and geothermal. Hydropower projects exclude assets over 25MW and geothermal projects are required to meet a direct emissions threshold of

<sup>5</sup> Allocations may be made against this criterion when a definition becomes available of the performance level required under the Nearly Zero Energy Building concept in a Norwegian context.

<sup>6</sup> TEK 10 includes a specific energy demand for apartment buildings of 110 kWh/m<sup>2</sup>.

<sup>7</sup> TEK 17 includes a specific energy demand for apartment buildings of 92 kWh/m<sup>2</sup>.

<sup>8</sup> Allocations may be made against this criterion when a definition becomes available of the performance level required under the Nearly Zero Energy Building concept in a Norwegian context.

<sup>9</sup> Minimum certification levels: BREEAM "Very Good", Miljöbyggnad "Silver", and Nordic Swan, or any equivalent certification.

- <100gCO<sub>2</sub>/kWh. Sustainalytics views the establishment of direct emission thresholds as a strength of the Framework.
- Regarding Clean Transportation, Storebrand may finance or refinance the development, construction, acquisition, maintenance, and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation. For passenger transportation, an emissions threshold of <75gCO<sub>2</sub>e/passenger/km applies. Electric freight transportation, excluding transportation of fossil fuels is eligible. Additionally, Storebrand may finance the development, construction, acquisition, maintenance, and operation of Battery Electric Vehicle charging infrastructure. Sustainalytics views positively the establishment of emission thresholds and exclusion of fossil fuel transport.
  - Project Evaluation and Selection:
    - Storebrand's internal process in evaluating and selecting projects is managed by the Green Bond Committee, which is comprised of the Group CFO, Heads of Treasury, Investment Office, Head of Banking, and Nordic Head of Sustainability, a representative from Nordic Sustainable Reporting, and Group Head of Communications, Sustainability and Public Affairs. The Group CFO will have overall responsibility for approving allocation to eligible projects based on alignment with the Framework's eligibility criteria. Based on these elements, Sustainalytics considers this process to be in line with market practice.
  - Management of Proceeds:
    - Storebrand's process for management of proceeds is overseen by the Company's Nordic Head of Sustainability. The Company will establish an internal process within the Treasury department to establish a pool of eligible assets. Storebrand will track allocations to a combination of specific assets or a portfolio of eligible assets. Storebrand intends to allocate an amount equal to the net proceeds raised by the Green Bond issuance within 36 months of the date of issuance. Unallocated proceeds may be invested on a temporary basis in accordance with the relevant internal treasury policies, in cash, cash equivalents or similar instruments, or where possible in ESG-oriented funds. Based on these elements, Sustainalytics considers this process to be in line with market practice.
  - Reporting:
    - Storebrand intends to report on the allocation of proceeds on its website on an annual basis until full allocation. The allocation reporting will include details such as total amount of proceeds allocated to eligible assets per category, proportion of allocation to refinancing versus financing, and details of any unallocated proceeds. In addition, Storebrand is committed to reporting on relevant impact indicators subject to the availability of suitable information and data. Based on these elements, Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Storebrand Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Strategy of Storebrand

### Contribution of framework to Storebrand ASA's sustainability strategy

Sustainalytics notes that Storebrand views sustainability as core to its business.<sup>10</sup> Climate change and the transition to a low-emissions society are significant strategic issues for Storebrand, and it intends to develop measures to limit the Company's impact on climate and accelerate transition to low-emissions society.<sup>10</sup>

The Company has set measurable sustainability targets for its business and demonstrates progress on them. In 2019, 41% of the Company's direct real estate investments were green building certified.<sup>10</sup> Storebrand aims to achieve green building certification for three-quarters of its real estate portfolio by 2025, and its entire portfolio by 2030.<sup>10</sup> Additionally, through energy efficiency interventions, the CO<sub>2</sub> emissions per m<sup>2</sup> of direct real estate investments decreased 11% in 2019 compared to 2017.<sup>10</sup> By 2025, the Company aims to further reduce the CO<sub>2</sub> emissions per m<sup>2</sup> from direct real estate investments by 28.7% compared to 2019 levels.<sup>10</sup>

<sup>10</sup> Storebrand, "Annual Report 2019. Sustainable Solutions and Investments", (2020), at: [https://www.storebrand.no/en/sustainability/sustainability-library/\\_/attachment/inline/d0e9764c-1757-4fe1-a96b-c71c90a998a4:7cf55a6b7cc6fcd106f6bad885985c4c3608b11d/2019-annual-report-storebrand-asa.pdf](https://www.storebrand.no/en/sustainability/sustainability-library/_/attachment/inline/d0e9764c-1757-4fe1-a96b-c71c90a998a4:7cf55a6b7cc6fcd106f6bad885985c4c3608b11d/2019-annual-report-storebrand-asa.pdf)

As of 2019 Storebrand has invested 6.5% of total assets under management (AUM) solution companies,<sup>11</sup> green bonds, and real estate with a Green Building Certificate.<sup>10</sup> By 2025 the goal is to increase these investments to 15% of total AUM.<sup>10</sup> This in line with Storebrand's commitment to having net-zero GHG emissions from its investment portfolio by 2050, at the latest.<sup>12</sup> Sustainalytics expects that these efforts will be further strengthened by the Framework, through which Storebrand intends to optimise the environmental performance of the properties it invests in, and finance renewable energy and clean transportation projects.

Sustainalytics is of the opinion that the Storebrand Green Bond Framework is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

### **Well-positioned to address common environmental and social risks associated with the projects**

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are recognized by the Green Bond Principles (2018) to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include biodiversity, community relations and occupational health and safety risks.

Sustainalytics is of the opinion that Storebrand is able to manage and/or mitigate potential risks through respecting the following:

- The 'Storebrand Standard'<sup>13</sup> applies to all of Storebrand's internally managed funds and pension portfolios and includes criteria to prevent investment in practices that lead to environmental damage.<sup>13</sup>
- Storebrand assesses the Environmental Management Systems (EMS) of companies it finances, with particular attention to identification of products, activities and services that have significant impacts on the environment, biodiversity, compliance with environmental regulations and commitment to environmental protection, commitment to use natural resources or energy more efficiently and reduce emissions, releases and waste, training and awareness programs for employees, environmental performance records and a commitment to report regularly on environmental performance, internal and external audits, monitoring and measurement, and corrective actions to stimulate improvement. In addition, Storebrand assesses if companies engage with local communities.<sup>14</sup>
- Projects financed by Storebrand must comply with the Norwegian Working Environment Act, the legislation is intended to ensure a safe working environment, prevent work-related accidents and harm to health.<sup>15</sup>
- Norway is classified as a "Designated Country" under the Equator Principles, implying the presence of robust environment and social governance systems, legislation, and institutional capacity for protecting the environment and communities.<sup>16</sup>
- Storebrand is a signatory of the UNEP Finance Initiative (UNEP FI) by which it aims to make sustainability considerations of all financial decisions.<sup>17</sup>

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that Storebrand has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

## **Section 3: Impact of Use of Proceeds**

The three use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

<sup>11</sup> Clean tech and renewable energy solutions.

<sup>12</sup> Storebrand, "Storebrand climate policy for investments", (2020), at: <https://www.storebrand.no/en/asset-management/sustainable-investments/our-climate-strategy>

<sup>13</sup> Storebrand, "The Storebrand Standard", at: <https://www.storebrand.no/en/asset-management/sustainable-investments/exclusions/the-storebrand-standard>

<sup>14</sup> Storebrand, "ESG Risk Assessment of Companies", (2020), at: [https://www.storebrand.no/asset-management/barekraftige-investeringer/dokumentbibliotek-rapporter/\\_attachment/inline/7467c017-7d24-4fe6-8d66-e8a43864855f:eb6a4404662753ee2cb078238cb7abce0d6ebc1e/20201001\\_ESG\\_Risk\\_Assessment\\_of\\_Companies.pdf](https://www.storebrand.no/asset-management/barekraftige-investeringer/dokumentbibliotek-rapporter/_attachment/inline/7467c017-7d24-4fe6-8d66-e8a43864855f:eb6a4404662753ee2cb078238cb7abce0d6ebc1e/20201001_ESG_Risk_Assessment_of_Companies.pdf)

<sup>15</sup> EU-OSHA, "Norway", at: <https://osha.europa.eu/en/about-eu-osha/national-focal-points/norway>

<sup>16</sup> Equator Principles, "Designated Countries", at <https://equator-principles.com/designated-countries/>

<sup>17</sup> Storebrand, "Commitments, recognitions and international co-operations", at: <https://www.storebrand.no/en/sustainability/commitments-and-cooperations>



## Contribution of Green Buildings towards Norway's climate goals

The most recent Norwegian building code (TEK17) requires dwellings to become 26% more energy efficient and office buildings 38% more energy efficient compared to previous requirements, installation of fossil fuel heating is not permitted.<sup>18</sup> Norway's GHG emissions from the construction industry account for 2.62% of total emissions from all industries and households as of 2018,<sup>19</sup> and emission from heating purposes in households and industrial buildings account for about 2% of total GHG emissions.<sup>20</sup> While total energy consumption from buildings and construction sector are 22.58% of the final energy consumption in Norway.<sup>21</sup> In 2017, the Government of Norway introduced the Climate Change Act, a legally binding effort to promote the implementation of Norway's climate targets as part of its process of transformation to a low-emission society by 2050.<sup>22</sup> By the Act, Norway commits to reduce at least 40% of GHG emissions by 2030, and a reduction in the range of 80-95% by 2050, taking 1990 emissions as a baseline.<sup>23</sup>

Sustainalytics is of the opinion that Storebrand's financing activities for the renovation and energy improvement of residential and commercial green buildings will support Norway in meeting its climate-related goals.

## Importance of green infrastructure in Norway

### *Renewable Energy*

Almost 100% of electricity supply in Norway is from renewables, with hydropower delivering 96.27% and wind 1.42%.<sup>24</sup> As a result, electricity generation in Norway is one of the least carbon intensive in Europe, with an estimated emission factor of 18.6 gCO<sub>2</sub>eq/kWh in 2018,<sup>25</sup> while the average carbon intensity of the electricity produced in the EU is estimated at 241.7 gCO<sub>2</sub>eq/kWh (2016).<sup>26</sup> As of 2016, Norway is the world's sixth biggest producer of hydropower, taking the top position in Europe.<sup>27</sup> Norway has a particularly high storage capacity, representing close to 50% of Europe's reservoir capacity,<sup>28</sup> furthermore the available potential of hydropower is estimated to be more than 35 TWh.<sup>29</sup>

Sustainalytics believes that Storebrand's financing of renewable energy projects will increase Norway's overall renewable energy capacity, thus contributing to the country's transition to a low-carbon economy.

### *Clean Transport*

Transportation-related emissions account for 29% of Norway's overall CO<sub>2</sub> emissions.<sup>30</sup> Norway adheres to European emission goals and has set its own goal to reduce between 35 to 40% emissions from the transport sector by 2030, compared to 2005.<sup>31</sup> Norway is on path to achieve its goal as it has cut CO<sub>2</sub> emissions from the transportation sector by 11.4% between 2012 and 2018, mainly due to electrification of vehicle fleet.<sup>30</sup> To further promote the decarbonization of the transport sector, and to move closer to the country's overall

<sup>18</sup> NMCE, "Status report as of January 2020. Norway's Fourth Biennial Report Under the Framework Convention on Climate Change", (2020), at: [https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/58167\\_Norway-BR4-1-Norway\\_BR4%20\(2\).pdf](https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/58167_Norway-BR4-1-Norway_BR4%20(2).pdf)

<sup>19</sup> Statistics Norway, "Emissions from Norwegian economic activity", (2019), at: <https://www.ssb.no/en/nrmiljo>

<sup>20</sup> NMCE, "Status report as of January 2020. Norway's Fourth Biennial Report Under the Framework Convention on Climate Change", (2020), at: [https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/58167\\_Norway-BR4-1-Norway\\_BR4%20\(2\).pdf](https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/58167_Norway-BR4-1-Norway_BR4%20(2).pdf)

<sup>21</sup> Norwegian Ministry of Climate and Environment, "Norway's Seventh National Communication", at:

[https://unfccc.int/sites/default/files/resource/321045\\_Norway-NC7-BR3-2-Norways\\_seventh\\_national\\_communication.pdf](https://unfccc.int/sites/default/files/resource/321045_Norway-NC7-BR3-2-Norways_seventh_national_communication.pdf)

<sup>22</sup> Government of Norway, "Climate Change Act", (2017), at: <https://www.regjeringen.no/en/dokumenter/climate-change-act/id2593351/>

<sup>23</sup> Lovdata, "Act relating to Norway's climate targets (Climate Change Act)", (2017), at: <https://lovdata.no/dokument/NLE/lov/2017-06-16-60>

<sup>24</sup> Government of Norway, "Renewable energy production in Norway", (2016), at: <https://www.regjeringen.no/en/topics/energy/renewable-energy/renewable-energy-production-in-norway/id2343462/>

<sup>25</sup> Norwegian Electricity Regulatory Authority, "Electricity disclosure 2018", (2019), at: <https://www.nve.no/norwegian-energy-regulatory-authority/retail-market/electricity-disclosure-2018/>

<sup>26</sup> IEA, "Average CO<sub>2</sub> emissions intensity of hourly electricity supply in the European Union, 2018 and 2040 by scenario and average electricity demand in 2018", (2020), at: <https://www.iea.org/data-and-statistics/charts/average-co2-emissions-intensity-of-hourly-electricity-supply-in-the-european-union-2018-and-2040-by-scenario-and-average-electricity-demand-in-2018>

<sup>27</sup> Government of Norway, "The History of Norwegian Hydropower in 5 Minutes", (2016), at: <https://www.regjeringen.no/en/topics/energy/renewable-energy/the-history-of-norwegian-hydropower-in-5-minutes/id2346106/>

<sup>28</sup> Energi Fakta Norge, "Electricity Production", at: <https://energifaktanorge.no/en/norsk-energiforsyning/kraftproduksjon/>

<sup>29</sup> Statkraft, "Hydropower", at: [https://www.statkraft.com/globalassets/old-contains-the-old-folder-structure/documents/hydropower-09-eng\\_tcm9-4572.pdf](https://www.statkraft.com/globalassets/old-contains-the-old-folder-structure/documents/hydropower-09-eng_tcm9-4572.pdf)

<sup>30</sup> Climate Chance, "The progressive electrification of land and maritime transport", (2019), at: [https://www.climate-chance.org/wp-content/uploads/2019/11/cp4-2019-transport-norway-vf-en\\_20191126\\_complet.pdf](https://www.climate-chance.org/wp-content/uploads/2019/11/cp4-2019-transport-norway-vf-en_20191126_complet.pdf)

<sup>31</sup> Netherlands Enterprise Agency, "E-Mobility in Norway", (2019), at: <https://www.rvo.nl/sites/default/files/2019/04/E-Mobility%20in%20Norway%20-%20NL%20embassy%20Oslo.pdf>

climate goals in 2017 the Norwegian government launched the National Transport Plan 2018–2029, which introduced a set of incentives, including carbon and vehicle taxes.<sup>32</sup>

Sustainalytics is of the opinion that Storebrand’s financing of electric rail infrastructure and rolling stock and electric vehicle charging infrastructure will support Norway’s efforts to decarbonize the transport sector, transition to a low-carbon economy and accomplish national emissions targets.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable cities and communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons  11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

**Conclusion**

Storebrand has developed the Storebrand Green Bond Framework under which it intends to issue green bonds and the use of proceeds to finance that promote the construction and renovation of green buildings and building stock energy efficiency, renewable energies and low-emission transportation systems. Sustainalytics expects the projects funded by the green bond proceeds will provide positive environmental impact.

The Storebrand Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Storebrand Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11. Additionally, Sustainalytics is of the opinion that Storebrand has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Storebrand ASA is well-positioned to issue green bonds and that the Storebrand Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

<sup>32</sup> Norwegian Ministry of Climate and Environment, “Status report as of January 2020. Norway’s Fourth Biennial Report Under the Framework Convention on Climate Change”, (2020), at: [https://unfccc.int/sites/default/files/resource/Norway\\_BR4%20%282%29.pdf](https://unfccc.int/sites/default/files/resource/Norway_BR4%20%282%29.pdf)





## Appendices

### Appendix 1: Certification Schemes for Green Buildings

	BREEAM	LEED	Miljöbyggnad	Nordic Swan
<b>Background</b>	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC).	Administered by the Swedish Green Building Council (SGBC), Miljöbyggnad certifies new and existing residential and commercial buildings. First implemented in 2010, Version 3 launched in 2018.	Svanen is owned by "Ecolabelling Sweden", a Swedish state company responsible for both the Swan ecolabel and the EU Ecolabel. Svanen was first released in 1989 by the Nordic Council of Ministers.
<b>Certification levels</b>	Pass Good Very Good Excellent Outstanding	<ul style="list-style-type: none"> <li>• Certified</li> <li>• Silver</li> <li>• Gold</li> <li>• Platinum</li> </ul>	<ul style="list-style-type: none"> <li>• Bronze</li> <li>• Silver</li> <li>• Gold</li> </ul>	<ul style="list-style-type: none"> <li>• Certified</li> </ul>
<b>Areas of Assessment</b>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Land Use and Ecology</li> <li>• Pollution</li> <li>• Transport</li> <li>• Materials</li> <li>• Water</li> <li>• Waste</li> <li>• Health and Wellbeing</li> <li>• Innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and atmosphere</li> <li>• Sustainable Sites</li> <li>• Location and Transportation</li> <li>• Materials and resources</li> <li>• Water efficiency</li> <li>• Indoor environmental quality</li> <li>• Innovation in Design</li> <li>• Regional Priority</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Indoor Environment</li> <li>• Chemical Substances</li> <li>• Specific Environmental Demands</li> </ul>	<ul style="list-style-type: none"> <li>• General requirements</li> <li>• Resource efficiency</li> <li>• Indoor environment</li> <li>• Chemicals and materials</li> <li>• Construction Management</li> <li>• Regulatory requirements</li> <li>• Point-score requirements (including energy)</li> </ul>
<b>Requirements</b>	Prerequisites depending on the levels of certification and credits with associated points  This number of points is then weighted by item <sup>33</sup> and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the	Prerequisites independent of level of certification, and credits with associated points.  These points are then added together to obtain the LEED level of certification  There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing	Checklist of 15 indicators, all of which must be met in order to obtain certification.  Level of certification is determined by the lowest-scoring indicator.	Points-based assessment.  For apartment buildings at least 17 out of 44 possible points must be achieved.  For small houses at least 16 out of 42 possible points must be achieved.  For pre-school and school buildings at least 15 out of 39 possible points must be achieved.

<sup>33</sup> BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item



	<p>client can choose which to comply with to build their BREEAM performance score.</p> <p>BREAAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	Buildings: Operation and Maintenance).		
<b>Performance display</b>	 			
<b>Qualitative Considerations</b>	<p>Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.</p>	<p>Widely recognized internationally, and strong assurance of overall quality.</p>	<p>Developed specifically for Sweden. High emphasis on indoor environments.</p>	<p>Widely recognized within the region, strong assurance of quality.</p>

## Appendix 2: Green Bond / Green Bond Programme - External Review Form

### Section 1. Basic Information

Issuer name:	Storebrand ASA
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Storebrand Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	November 16, 2020
Publication date of review publication:	

### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, and Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9 and 11.

**Use of proceeds categories as per GBP:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input checked="" type="checkbox"/> Clean transportation   |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                            | <input checked="" type="checkbox"/> Green buildings  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

If applicable please specify the environmental taxonomy, if other than GBP:

**2. PROCESS FOR PROJECT EVALUATION AND SELECTION**

Overall comment on section (if applicable):

Storebrand's internal process in evaluating and selecting projects is managed by the Green Bond Committee, which is comprised by the Group CFO, Heads of Treasury, Investment Office, Head of Banking, Nordic Head Sustainability, a representative from Nordic Sustainable Reporting, and Group Head of Communications, Sustainability and Public Affairs. The Group CFO will have overall responsibility for approving allocation to eligible projects based on alignment with the Framework's eligibility criteria. Based on these elements, Sustainalytics considers this process to be in line with market practice.

**Evaluation and selection**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories    |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available                  | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

### Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
  In-house assessment
- Other (please specify):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Storebrand's process for management of proceeds is overseen by the Company's Nordic Head of Sustainability. The Company will establish an internal process within the Treasury department to establish a pool of eligible assets and will track allocations to a combination of specific assets or a portfolio of eligible assets. Storebrand will attempt to fully allocate the net proceeds raised by the Green Bond issuance within 3 years of issuance. Unallocated proceeds will be invested on a temporary basis in accordance with the relevant internal treasury policies, in cash, cash equivalents or similar instruments, or where possible in ESG-oriented funds. Based on these elements, Sustainalytics considers this process to be in line with market practice.

#### Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other *(please specify)*:

#### Additional disclosure:

- Allocations to future investments only
  Allocations to both existing and future investments
- Allocation to individual disbursements
  Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
  Other *(please specify)*:

### 4. REPORTING

Overall comment on section *(if applicable)*:

Storebrand intends to report on the allocation of proceeds on its website on an annual basis until full allocation. The allocation reporting will include details such as total amount of proceeds allocated to eligible assets per category, proportion of refinancing versus financing, and details of any unallocated proceeds. In addition, Storebrand is committed to reporting on relevant impact indicators. Based on these elements, Sustainalytics considers this process to be in line with market practice.

#### Use of proceeds reporting:

- Project-by-project
  On a project portfolio basis

- Linkage to individual bond(s)  Other (*please specify*):

**Information reported:**

- Allocated amounts  Green Bond financed share of total investment
- Other (*please specify*):

**Frequency:**

- Annual  Semi-annual
- Other (*please specify*):

**Impact reporting:**

- Project-by-project  On a project portfolio basis
- Linkage to individual bond(s)  Other (*please specify*):

**Information reported (expected or ex-post):**

- GHG Emissions / Savings  Energy Savings
- Decrease in water use  Other ESG indicators (*please specify*):

**Frequency**

- Annual  Semi-annual
- Other (*please specify*):

**Means of Disclosure**

- Information published in financial report  Information published in sustainability report
- Information published in ad hoc documents  Other (*please specify*):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.storebrand.no/en/sustainability/>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- Consultancy (incl. 2<sup>nd</sup> opinion)  Certification

- Verification / Audit  Rating
- Other (*please specify*):

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



## Disclaimer

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).



**Named**  
2015: Best SRI or Green Bond Research or Rating Firm  
2017, 2018, 2019: Most Impressive Second Opinion Provider

