



Storebrand Asset Management

Engagement and Voting Policy

Adopted by:
First updated:
Last updated:
Document owner:

Board of Directors, Storebrand Asset Management AS
20.08.2023
09.02.2026
CEO Storebrand Asset Management AS

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1. Background and purpose

On 10 June 2019, legislation on shareholder engagement, The Shareholders Rights Directive II ('SRD II') was introduced, implementing Directive (EU) 2017/828 of the European Parliament and of the Council of the European Union amending Directive 2007/36/EC¹. The SRD II aims to promote effective stewardship and long-term investment decision making. It sets requirements in several areas, including transparency of engagement policies and investment strategies across the institutional investment community. SRD II is one of a series of actions launched by the European Commission to promote better shareholder engagement and improve transparency in the ownership of companies. A key aim of SRD II is to enable asset owners to understand the way in which their asset managers engage with the companies they invest in.

This policy is a supporting document to Storebrand Asset Management's (Storebrand AM) Sustainable Investment Policy. The policy applies to investments made by investment funds managed by respective fund management company of the Storebrand AM Group ("the Company") including subsidiaries² or on behalf of customers. The policy applies to investments in all asset classes and describes³:

1. how the Company monitors investee companies in relevant areas,
2. how the Company engages in dialogue with investee companies,
3. the exercise of voting rights and other rights related to the shares managed on behalf of the unitholders of the Company's investment funds,
4. collaboration and communication with other shareholders and stakeholders; and
5. how the Company handles conflicts of interest in relation to the exercise of ownership rights.

In relation to the capital managed on behalf of the unitholders, across all fund management companies within the Storebrand AM Group, the Company shall use its ownership rights in those investee companies where the execution of ownership is considered material financially, regulatory, or when fiduciary duty mandates it. The ownership role must be performed in such a way that the interests of the unit holders are held foremost, for example by maximizing the long-term value of the investee companies. This means that the other interests of the Company or associated companies in the exercising of ownership must always give way in the event of any conflicts of interest.

Fund management legislation stipulates that a fund management company managing a fund that invests in shares listed for trading on a regulated market and issued by a company within the European Economic Area (EEA) must adopt principles for its shareholder engagement in relation to such shares. The requirement to adopt principles with a specific content is of a "comply or explain" nature.

The Storebrand AM Group has a range of group-wide policies and guidelines, and this specific policy is a specified supplement to the Policy on Sustainable Investments, which can be found via the Company's website, in which the management of, among other things, advocacy and engagement in relation to shareholdings in the Company's investment funds is governed at group level.

1) The directive was implemented into Norwegian Law by Resolution by the Ministry of Finance 22 June 2023 pursuant to Act no. 17 of 10 April 2015 relating to financial institutions and financial groups Sections 13-22 and 13-23, Act no. 28 of 20 June 2014 relating to the management of alternative investment funds § 4-1 a and § 4-7, Act no. 44 of 25 November 2011 relating to mutual funds § 8-1 a and § 8-8 and Act no. 75 of 29 June 2007 relating to securities trading § 9-16 a and § 10-10 a. EEA references: Annex XXII (10g of the EEA Agreement (Directive 2007/36/EC as amended by Directive (EU) 2017/828)).

2) Refers to the exercise of ownership rights either directly or through management as described in the Financial Institutions Regulations, the AIF Regulations, the Mutual Fund Regulations or the Securities Regulations.

3) For further description of how active ownership is integrated into the investment strategy, see section of Integration in Sustainable investment policy.

2. Roles and responsibilities

This Policy is approved by the Board of Directors in Storebrand Asset AM. The CEO of Storebrand AM, or the appointed representative, shall be responsible for ownership matters. The contact details of the person responsible for ownership matters shall be made available to investors, for example via the Company's website or prospectuses.

“SRD II is one of a series of actions launched by the European Commission to promote better shareholder engagement and improve transparency in the ownership of companies.

3. General principles and commitments

Based on the circumstances of the individual fund, voting rights shall be exercised in the common interest of the unit holders. Where justified on the grounds of the interest of the unit holders, the Company shall exercise its voting rights at the general meetings of companies in which the Company's funds invest. The Storebrand AM Group has engaged an external proxy advisory firm to monitor relevant company events, notify the Company about events of special interest, and to vote according to the Company's instructions. Final decision on voting is however taken by Storebrand Asset Management AS independently.

The purpose of the Company's shareholder engagement is to safeguard the common interest of the unit holders in ownership matters and to contribute to the healthy long-term development of both the specific investee company and the financial markets in general. As an expression of the Company's shareholder engagement, the Company may also choose to sell shares in or divest from an investee company.

The following general principles for shareholder engagement apply irrespective of whether a Company's investment fund is managed actively or passively and irrespective of whether consideration is given to sustainability in the fund. The principles also aim to describe how the Company integrates shareholder engagement in its investment strategy.

3.1 Monitoring

Storebrand AM monitors relevant issues relating to the strategy, financial and non-financial performance and risks, capital structure, social and environmental impact, and corporate governance of the Company's investee companies⁴.

The Company has a clear objective to exercise the rights conferred on the unit holders of the various funds. The manager of the Company's funds shall always work to ensure that the investee companies act in accordance with the relevant codes and guidelines and otherwise in accordance with good practice on the stock market and that they report on their work relating to the environment, social responsibility, and governance. The Company shall also work to ensure that the companies in which the Company's funds invest are managed in accordance with the principles of Storebrand AM's Sustainable Investment Policy and have well-composed boards of directors in terms of expertise, diversity, and gender balance.

Where it is suspected that an investee company is failing to comply with the Company's policies, the Company will try to ascertain the compliance failure and gather more information, including from the company directly. Situations may also arise where an investee company is

⁴) Refers to how the managers (or representatives of the managers) monitor investee companies in relevant areas as required by SRD II as implemented in local regulations

working on corrective measures, but that such measures cannot yet be assessed or verified. In such situations, the investee company may be placed on an observation list, which involves specific investment restrictions, to allow time for information to be collected and for engagement by the Company. Investee companies on the observation list shall be monitored on an ongoing basis and dialogue shall be held with representatives of the investee company. Depending on the outcome of this work, the investee company will subsequently either be removed from the observation list or placed on the exclusion list and consequently excluded from the investment universe of the Company's investment funds.

3.2 Engagement with representatives of portfolio companies

The manager (or the representative of the manager) of the Company's funds shall strive to achieve a dialogue with representatives of investee companies in various respects⁵, including on issues that are important to the Company. Ownership shall be exercised primarily through the exercising of voting rights at the general meetings of the investee companies and through engagement in the

form of dialogue with the management and the boards of directors of the investee companies. The decision about which investee companies may be suitable for engagement is based on factors such as the type of issues at hand, the size of the investment funds' holding, the likelihood of having an impact, and the possibility of collaborating with other investors. The engagement work conducted by the Company is described in greater detail in Storebrand AM's Sustainable Investment Policy, which is available on the Company's website. Dialogues with representatives of investee companies often take place in collaboration with other shareholders through collaborative engagements.

3.3 Exercising of voting rights and other rights linked to shareholdings

The manager (or the representative of the manager) of the Company's funds shall, where technically possible, participate in a well-considered manner at the general meetings of those investee companies where the shareholding of the funds under management is of such size, and otherwise at those meetings where for other reasons in the interest of the unit holders, it is considered justified to exercise the Company's voting rights⁶.



“ A key aim of SRD II is to enable asset owners to understand the way in which their asset managers engage with the companies they invest in.

⁵) This section refers to how the undertakings engage in dialogue with the investee companies as required by SRD II as implemented in local regulations.

⁶) This section refers to how the exercise of voting rights and other rights related to the shares as required by SRD II as implemented in local regulations.

The manager of the Company's investment funds shall ensure that the investee companies comply with the rules regarding ownership influence under the laws and regulations of the marketplace in question, as well as other commitments. This voting policy, adopted at Storebrand AM Group level, applies to the management of the Company's investment funds. Under this policy, voting rights and other rights deriving from shareholdings shall be exercised solely in the common interest of the unit holders, with the aim of ensuring the best possible risk-adjusted return for the unit holders. Responsibility for voting is delegated to the responsible manager, or to Storebrand AM's Risk & Ownership team who determines how to exercise the voting rights appropriately. The manager's board of directors evaluates the performance of corporate governance for the Company's funds annually and the Company's board of directors shall be informed of this evaluation. Voting rights are exercised either directly as part of management or using a system for exercising voting rights (known as proxy voting). The following topics are of particular importance when exercising our shareholder vote:

- Insufficient information provided or unresponsiveness to shareholder requests for information.
- Absence of a majority of independent board members or independent board committees (remuneration, nomination, and audit committees).
- If the Company considers that the board of directors or individual board members do not meet the requirements for sufficient competence and knowledge.
- Existence of mechanisms for preventing takeovers (poison pills, etc.) that counteract shareholders' final decision-making power in these matters.
- Unnecessary or indefensible changes in capital structure. Storebrand AM supports the principle of one share = one vote.
- Existence of remuneration structures for executives leading to conflicts of interest between management and shareholders.
- Unsatisfactory stewardship of climate, environment, fair labour practices, non-discrimination, and the protection of human rights.

All votes and voting rationales shall be published online on the Company website, five days ahead of general meetings.

3.4 Collaboration with other shareholders

If deemed to be in the interest of the unit holders, Storebrand AM will collaborate with other investors in engagement efforts directed towards investee companies⁷.

The Company may collaborate with other shareholders, either individually or at Group level. In addition to its established partnerships, the Company is also open to theme-based collaborations on an ongoing basis. For more information about collaborations and partnerships, see the Company's website.

3.5 Communication with relevant stakeholders of portfolio companies

In addition to direct dialogue with the company management (see sections 3.2 and 3.4 above), the manager of the Company's investment funds shall strive to communicate with relevant stakeholders of investee companies⁸.

3.6 Handling of actual and potential conflicts of interest

The Company shall have systems in place to identify, manage and document conflicts of interest that may arise in the exercising of voting rights⁹. Storebrand AM has established guidelines for handling conflicts of interest to ensure safeguarding of customers' interests and compliance with relevant provisions laid down in laws and regulations. The document is managed by the Head of Corporate Administration, reviewed and updated annually, and is owned by the CEO. The guidelines are applicable to all employees, and the document is made available on the Company intranet. The Company has identified that persons who participate in the management or who

⁷) This section refers to collaboration and communication with other shareholders as required by SRD II as implemented in local regulations.

⁸) This section refers to collaboration and communication with other stakeholders as required by SRD II as implemented in local regulations.

⁹) This section refers to how enterprises handle conflicts of interest in relation to the exercise of ownership rights as required by SRD II as implemented in local regulations.

are responsible for representing the Company's funds during voting could potentially make decisions designed to benefit the value of private investments or exploit the voting rights for similar purpose. The conflict of interest is managed through the stipulation in the investment funds' investment guidelines that the investment funds may hold a maximum of 10% of an issuer's outstanding financial instruments. This minimizes the risk of the investment funds having a considerable influence over the issuer.

3.7 Participation in the work of the nominations committee

The Company agrees that the manager or the representative of the manager of the Company's investment funds may participate in the work of the nominations committee where this is possible and in line with the investment strategy of the investment funds. The Company shall normally take a position on board nominations at those companies where the investment funds under management have large shareholdings. The Company shall perform its ownership role without board representation at the investee companies.

3.8 Insider information

The manager of the Company's funds needs to have access to information relating to the investee companies to be able to follow up on corporate governance issues. It is also important to always act in the common interest of the unit holders. Rules concerning insider information and market abuse apply to information which the manager of the Company's investment funds or the Company itself receives in the exercising of shareholder engagement. The Company expects the investee companies and their advisers to be aware of and comply with external rules in this respect and to share insider information only with prior consent. If there is any doubt, however, a clear statement should be required from the sender of the information as to whether the information constitutes insider information before it is received.

3.9 Escalation of engagement

Under this policy, the manager of the Company's funds shall consider acting in, for example, the following cases:

- Human rights violations.
- Large-scale corruption, money-laundering, and bribery.
- Serious environmental, climate, and nature-related deficiencies. Inadequate management of environmental, social or governance-related risks.

- A significant difference in the investee company's strategy or results compared with those previously communicated.
- Corporate governance issues (such as replacing senior executives, issuing shares and dividends, remuneration for personnel in key positions, transactions between related companies, gender equality issues).
- As part of formalised collaborations, the manager acts to reduce the carbon footprint of the investee companies over time. In addition, advocacy shall be conducted to provide encouragement to investee companies that are in a transitional phase where the carbon footprint effects can be reduced or improved.

If the results of the action do not fulfil expectations, particularly in cases that are triggered by a reactive dialogue to address potential breaches of Storebrand's Exclusion Policy, the manager of the Company's investment funds may choose to escalate the action. Examples of escalation may include:

- Express the Company's views publicly,
- Propose resolutions at the investee company's general meeting,
- Propose an extraordinary general meeting,
- Voting against the re-election of Directors
- Place the investee company on Storebrand AM's observation list, or
- If the investee company is on Storebrand AM's observation list, perform an exclusion assessment.

3.10 Use of proxy advisers

The Company has engaged an independent proxy voting service provider and proxy advisory firm. The proxy provider handles invitations to and registration for general meetings for the Company's funds and produces comprehensive information about the individual investee companies. The proxy provider presents the agendas of the meetings with research on all resolutions and recommendations on how managers of the Company's investment funds should vote based on a specific voting policy chosen by the Company. The Company's conduct in votes is nevertheless governed by Storebrand AM's common voting policy and is always based on what is in the interest of the funds and of the unit holders. In the absence of a policy for a specific vote, the recommendations of the proxy provider, based on the policy chosen by the Company, are usually followed. The manager of the Company's investment funds annually reviews the partnership with the proxy provider and evaluates the quality and efficiency of the services provided. All the Company's investment funds have a depositary that is subject to supervision and which, in addition to the proxy provider, provides information relating to the general meetings of the investee companies in the Company's investment funds.

3.11 Principles for Securities Lending

The Company has entered into an agreement with a Securities Lending Agent that governs the terms of securities lending for selected Company funds. The agreement The Company has entered into an agreement with a Securities Lending Agent that governs the terms of securities lending for selected Company investment funds.

The agreement stipulates how securities lending is to be made and to what extent. The Company allows securities lending for the investment funds' shares but will normally recall the shares before general meetings to be able to vote with at least 50% percent of the Company's shares at the general meeting. If securities lending is deemed more beneficial for unit holders, or do not have any material impact on shareholder engagement, then after an individual assessment, recall before general meetings might not occur. Securities lending must not result in any material negative impact on the sustainability focus of the Company's invest funds.

4. Reporting

The Risk & Ownership team in collaboration with the Chief Investment Officers (CIOs) and portfolio managers will report on activities and progress related to this policy to the management of Storebrand AM and Boards of Directors as required on a regular basis.

Externally, Storebrand AM will report annually on the application of the principles for shareholder engagement and voting, and the use of advisory deputies. Engagement and voting statistics are disclosed quarterly, and voting instructions 5 days ahead of investee companies' general meetings.

These reports shall be published on the Company's website, including via the Proxy Voting Dashboard. The reports should cover all shares that form part of an invest-

ment fund managed by the Company, i.e., including shares which are not listed for trading on a regulated market and shares that are listed for trading on a market outside the EEA. If a report cannot be provided for the latter category of shares, an explanation shall instead be provided in the report.

A summary of the Company's guidelines and principles and priorities for shareholder engagement shall be made available, on the Company's website. Statistics and examples of actions taken based on these principles shall be made available to clients free of charge on request.

5. Revisions

Version	Approved by	Approved date
1.0	Board of Directors – Storebrand Asset Management	20.10.2023
2.0	Board of Directors – Storebrand Asset Management	09.02.2026

