

Managing nature-related financial risks - from understanding to action

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Pioneering sustainable investing since its early days

Global leader in sustainable investing

Solution Focus + Proactive Engagement

Exclusion Focus + Reactive Engagement

1995
Sustainability team established two years before Kyoto

Early mover

2000
Exclusions rolled out across life insurance

Early mover

2005
Storebrand Standard

Early mover

2005
Founding signatory of UNPRI

1 of 12 signatories

2009
Exclusions on conflict areas

Groundbreaking

2010
Sustainability integrated across all funds

Groundbreaking

2013
Coal divestment strategy began

Early mover

2015
First Green Bond fund

First in Nordics

2015
Launching next-gen sustainability funds

Groundbreaking

2019
Founding member of Net Zero Asset Owner Alliance

Founding member

2020
Establish climate & lobbying policy

Groundbreaking

2020
Mobilizing investors in halting deforestation

Initiator

2021
Mobilizing investors in conflict areas

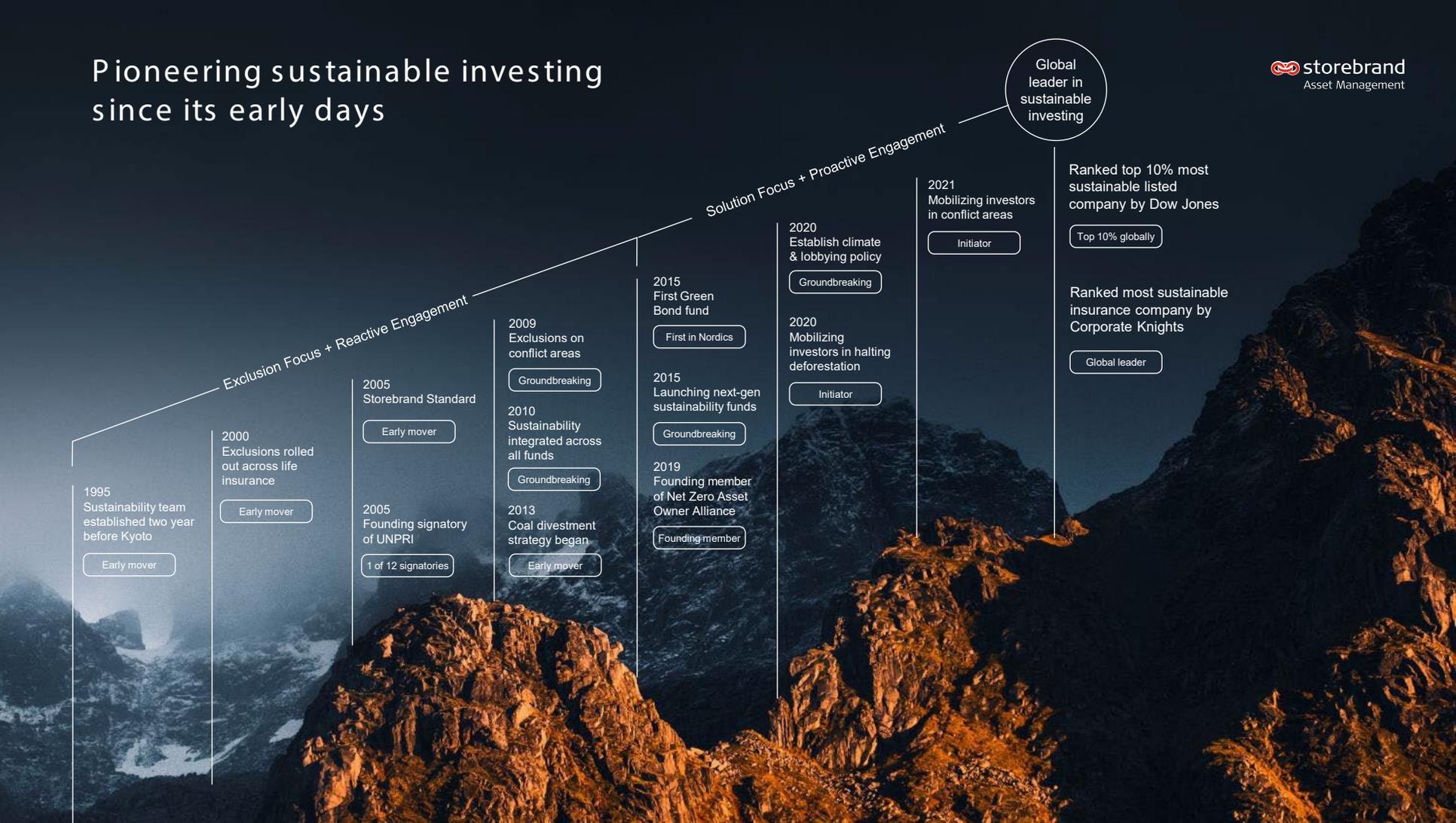
Initiator

Ranked top 10% most sustainable listed company by Dow Jones

Top 10% globally

Ranked most sustainable insurance company by Corporate Knights

Global leader



Our strategy

One strategy, three methods

Solutions

Internal sustainability rating in use since 2010. The rating reflects both sustainability risks and opportunities. Invest more in solution companies.

Invest more in
tomorrow's solutions

Active Ownership

We are active owners and have a dialogue with selected companies to call for improved sustainability and responsibility. We also actively exercise our vote as owners in line with our ESG priorities and ambitions.

Reduces risks and
improves the quality of
our investments

Exclusion

The Storebrand standard was launched in 2005 and covers all funds without exception. Excludes companies and industries with unsustainable businesses and products. Additional criterions for certain funds and mandates.

Excludes companies
and industries that
have unsustainable
products & operations

Exclusion criteria



* Decision to exclude a company, based on a conduct-based criterion, is made by Storebrand's Sustainable Investment Committee on the background of the recommendation by the Risk and Ownership Team. The Committee comprises several of the Storebrand Group's senior management team and other executives, who meet quarterly.

** A company will also be excluded when subsidiaries controlled by the company, typically through ownership of 50 percent or more, are in breach of the criterion.

*** Investment Office is comprised of, inter alia, SAM CEO, all Investment Directors from SAM, and Head of Risk and Ownership (R&O). A decision for exclusion is presented by R&O Team based on previous precedence. Investment Office can send case further for final decision to Investment Committee.



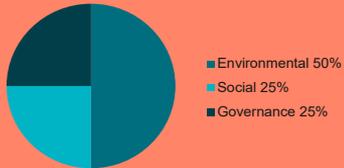
Engagement & Active ownership
2021-2023

Engagement themes for 2024-26 addressing environmental, social and governance issues

Engagements by category

Source: Storebrand Sustainable Investment Review Q3 2023

Number of new and on-going engagements full year 2023
(NB: This does not include number of finished engagements = 222)



Engagements by type

Source: Storebrand sustainable Investment Review, Full year 2023

Individual = 19%

Collaborative = 81%
(leading and non-leading)



Promoting change through voting & dialogue

General Principles of engagement

- ✓ Creating shareholder value
- ✓ Aiming for positive impact
- ✓ Multi-stakeholder engagement
- ✓ Integrated approach
- ✓ Targeted engagement
- ✓ Leveraging Nordic position

Tools

- ✓ Collaborative engagement
- ✓ Individual engagement
- ✓ Proxy voting
- ✓ Observation list
- ✓ Exclusion

Proactive approach increases shareholder value

Being an active owner entails **proactively** identifying addressing areas for improvements and risks with an aim of supporting and creating shareholder value. (NB: Reactive engagement = escalation and eventual exclusion)

Focus on engagement with Nordic companies

We leverage our strong position in the Nordics to promote change where we can have the highest direct impact

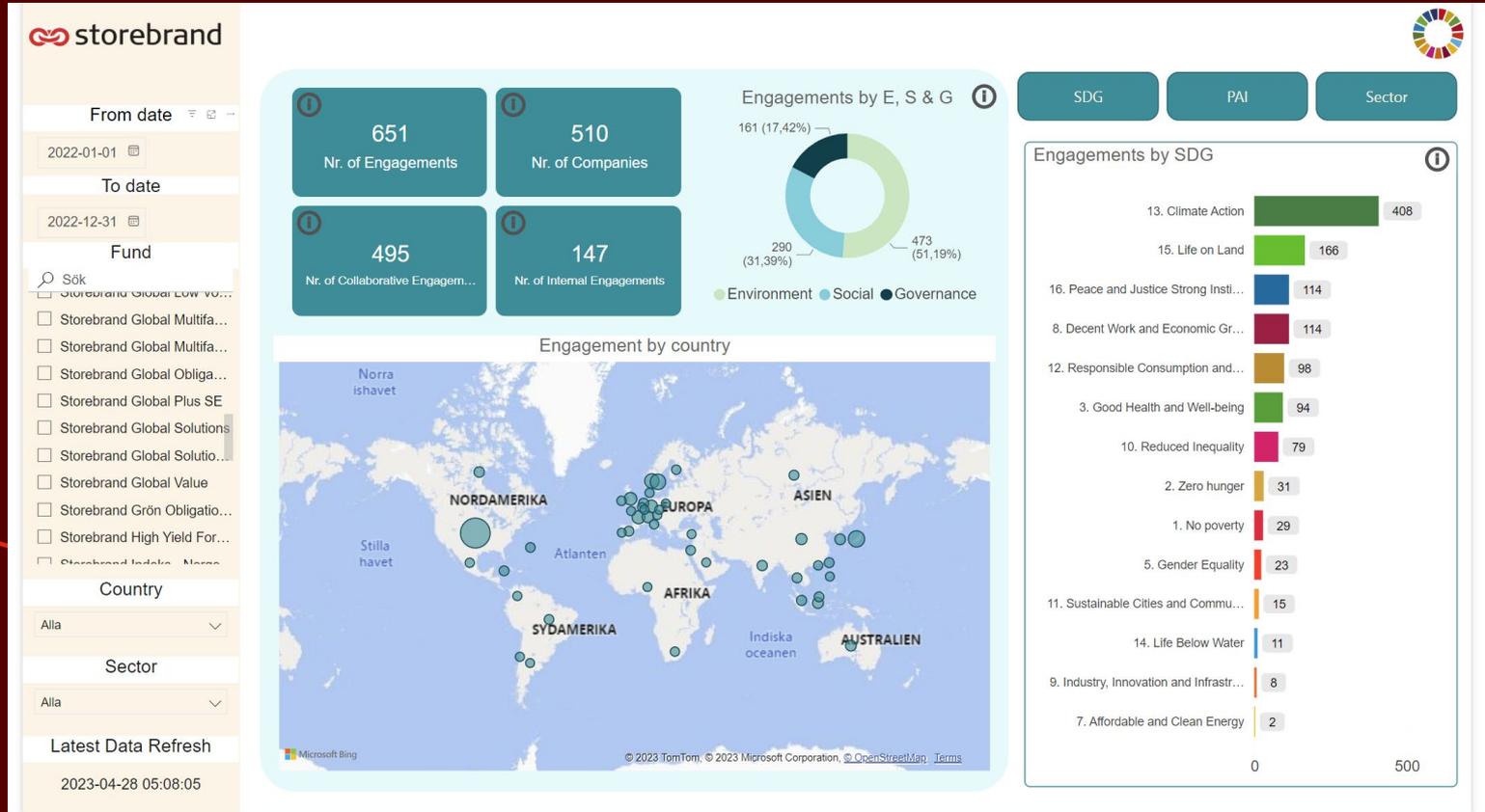
We engage individually or through collaborations

Direct dialogue with companies to call for improved sustainability work and increase responsibility but also collaborate with other investors to achieve greater influence and impact

We involve stakeholders, not only companies

Material and lasting change depends not only on the companies we invest in but the stakeholders making up the environment in which they operate and interact





Enabling
policies
remains
critical



COP16
CALI · COLOMBIA
Paz con la Naturaleza



Outcome COP15 – Highlights Goal D and Targets 14 and 15

By 2050 a world of living in harmony with nature

By 2030 take urgent action to halt and reverse biodiversity loss
to put nature on a path to recovery

Goal D

By 2030 and 2050:

- Adequate means of implementation.....progressively **closing the biodiversity finance gap of \$700 billion per year**, and **aligning financial flows** with the Kunming-Montreal Global Biodiversity Framework and the 2050 Vision for Biodiversity

Target 14

By 2030:

Ensure the full integration of biodiversity and its multiple values into policies, regulations [....] within and across all levels of government and **across all sectors**, in particular those with significant impacts on biodiversity, progressively **aligning all relevant public and private activities, fiscal and financial flows** with the **goals and targets of this framework**.

Target 15

By 2030:

Take legal, administrative or policy measures [...] **to ensure** that **large and transnational companies and financial institutions** :
(a) **Regularly monitor, assess, and transparently disclose their risks, dependencies and impacts** on biodiversity including with requirements for all large as well as transnational companies and financial institutions along **their operations, supply and value chains and portfolios** ;
(b) [....]
(c) [....]
in order to progressively **reduce negative impacts** on biodiversity, **increase positive impacts** [...]

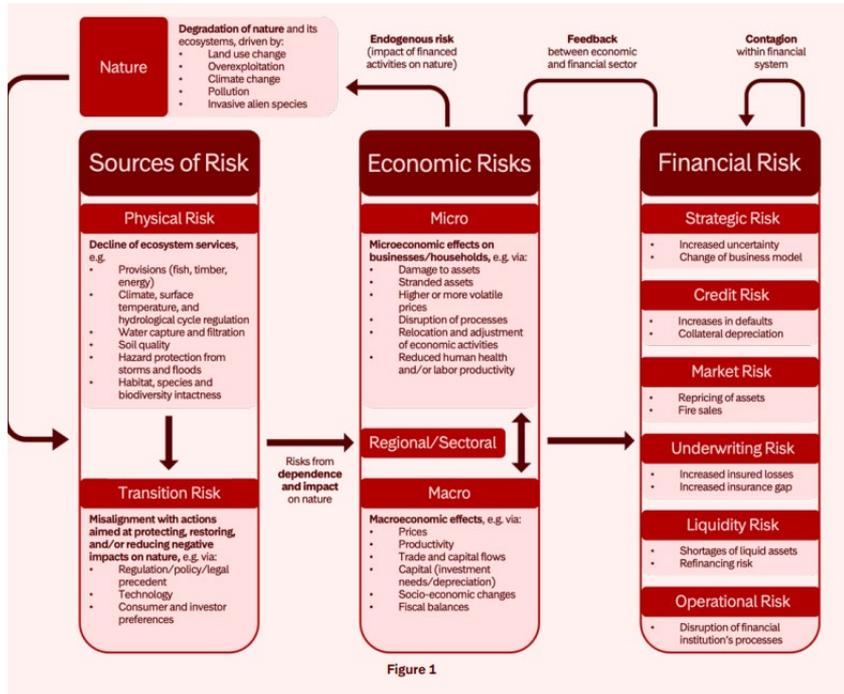


Nature declining at alarming rate



- Animal populations at decline by 70% since 1970
- 1 million species are at risk of extinction — more than ever before in human history.
- 75 percent of land-based environment and 66 percent of marine environment have been impacted.

Nature-related Financial Risks



The Review classified the financial risks associated with biodiversity loss into:

- **Physical risks**, such as changes in ecosystem services due to degradation of natural assets;
- **Litigation risks**, such as legislation and fines from damage to natural assets;
- **Transition risks**, such as policy changes and shifts in social norms as the economy adjusts to sustainable approaches; and
- **Systemic risk**, where nature loss triggers widespread and cascading failures across ecological and economic systems.

IPBES Business and Biodiversity Assessment (feb 2026)

All businesses impact and depend on nature, and what this means for risk, resilience, and long-term value.

Yet most private sector decisions fail to account for nature, this is reinforced by policy decisions that incentivize harmful practices. **Fewer than 1 % of publicly listed companies report on nature**.

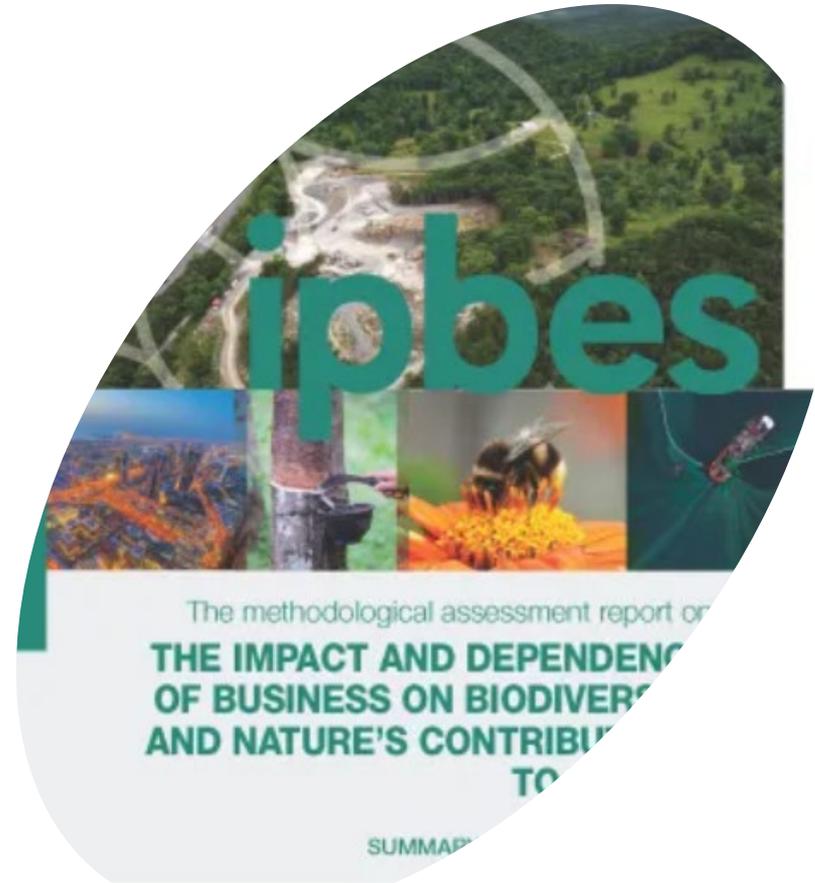
The Report finds that a wide range of methods, knowledge and data exist for measuring business impacts and dependencies.

Reporting is just the start. Disclosure matters, but real progress depends on action and outcomes.

Action over perfection. Businesses do not need perfect information to act. Data will never be perfect. This is not a data problem.

It outlines more than 100 actions that we can take today, a wide range of methods exist to measure impact and dependencies

Enabling Environment Necessary for Business Action.



One example – global semiconductor value chain

Berkshire Hathaway Inc [+ Add to myFT](#)

Warren Buffett's Berkshire Hathaway buys \$4bn stake in chipmaker TSMC

Investment adds another technology group to industrial conglomerate's sprawling portfolio



~ WARREN BUFFETT ~

Why the world should pay attention to Taiwan's drought

By Cindy Sol
BBC News

At the Baoshan No. 2 Reservoir in Hsinchu County, one of the primary water sources for Taiwan's \$100bn semiconductor industry, the water level is at the lowest it's ever been – only 7% full.



Tourists visit the depleted Baoshan No. 2 Reservoir in Hsinchu

Water scarcity is a growing risk for semiconductor businesses



The extreme heat across the world this summer has raised the temperature at semiconductor companies that need huge amounts of fresh water to fulfil increasing manufacturing demands for chips.

Last year, Taiwan Semiconductor Manufacturing Company said it would more than triple its investment in the US state of Arizona to \$40bn. With the fresh investment, TSMC is scheduled to open a fabrication plant, or “fab”, in the state in 2024. Arizona was the fourth-largest exporting state for semiconductors in 2022, according to the US government.

OPINION

Hundreds of homes near Scottsdale could have no running water. It's a warning to us all

Opinion: Let the fight in Rio Verde Foothills be a lesson: No one wins when we build homes without long-term water supplies.

JOANNA ALLHANDS | Arizona Republic



Nature Policy (2022)

- Stronger application of the **precautionary principle**
- Several **new divestment criterias** , most of them related to biodiversity sensitive/ ecologically important areas but also lobbying practices
- Prioritize and stronger focus on **nature in engagement and voting** with both investees and policy makers
- **Report on progress** in line with TNFD.



- Financial risks
- Reputational
- Environmental
- Legal
- The amount of these minerals required for the energy transition are extremely uncertain

Deep sea mining

- Following the **precautionary principle**, Storebrand will not invest in companies involved in deep-sea mining until we have more scientific knowledge on the impacts of these activities. Significant challenges must be overcome before the sector can be recognized as environmentally and economically sustainable.
- **Storebrand has also signed the moratorium (official pause) on deep-sea mining** to allow time to gather more scientific information on deep-sea ecosystems.

Negative Screening

- **Quarterly screening** of companies for negative screening since 2022 (pure players).
- **WWF data** to identify pure-players and non-mining companies/ potential users.
- **Engagement** with non-mining companies, other investors and policymakers is important part of our strategy.

RESPONSIBLE INVESTING

Storebrand AM calls for stop to deep-sea mining

Metals like cobalt and lithium are needed for the net-zero transition, but extracting them from the sea floor may cause significant environmental damage, the Norwegian asset manager says.



Engagement: Our expectations



Publicly disclose the Company's policies on the use of deep-sea mined minerals in its production and supply chains.



Adopt precautionary principle and reaffirm its commitment to responsible sourcing and monitor / track where they source minerals from.



Support the global moratorium (official pause) pledging to keep their supply chains deep sea mineral free until scientific findings are sufficient to assess the environmental risks of DS M

DS M on the AGM agenda in 2025

Deep-sea mining re-filings

Deep-sea mining also appeared on the AGM agenda in 2024, with proposals on the topic **put forward** by As You Sow at Tesla and General Motors.

The **proposal** at General Motors called on the US group to publicly disclose its policies on the use of deep-sea mined minerals in its production and supply chains and was backed by 12.6 percent of investors.

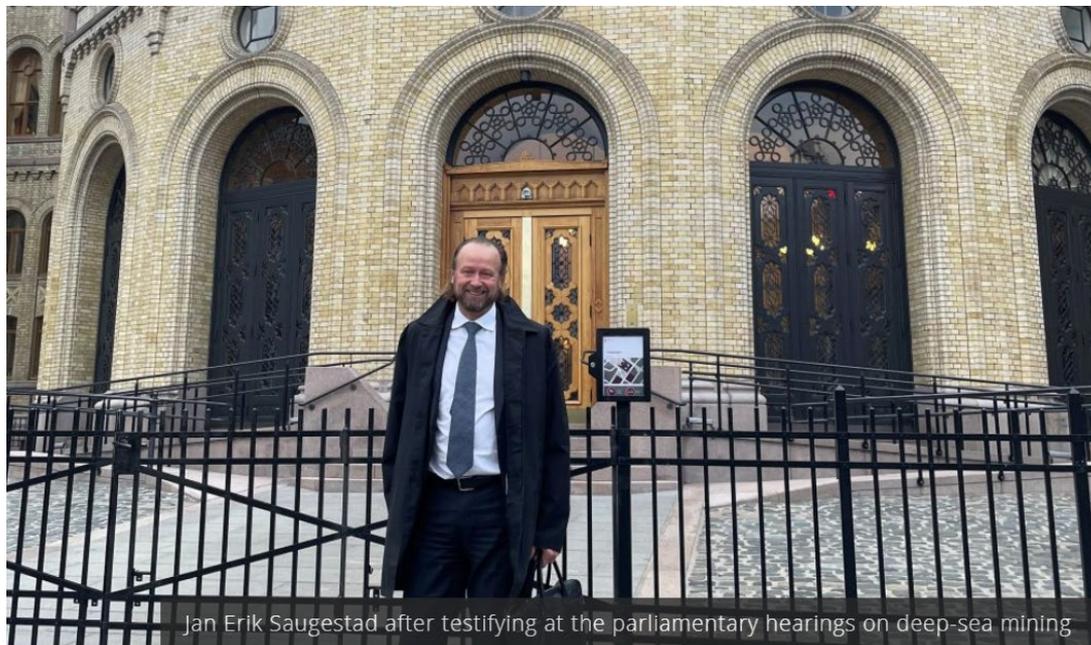
Tesla was urged to commit to a moratorium on sourcing minerals from deep-sea mining “consistent with the principles announced in the **Business statement supporting a moratorium on deep-sea mining**”. The resolution was **backed** by 11.4 percent of independent shareholders.

For 2025, As You Sow has re-filed at Tesla and General Motors. At General Motors, it is additionally asking that the firm implement a sourcing policy that excludes deep-sea mined minerals from its supply chains “until scientific findings are sufficient to assess the material environmental risks of deep-sea mining”.

As You Sow has also filed at First Solar, **calling** on the solar panel manufacturer to commit to a moratorium on sourcing minerals from



Engagement with policymakers



Jan Erik Saugestad after testifying at the parliamentary hearings on deep-sea mining

Norway sued over deep-sea mining plans

WWF says the government has breached the law 'without adequately assessing the consequences'



LEADING FINANCIAL INSTITUTIONS CALL ON GOVERNMENTS TO NOT PERMIT DEEP-SEA MINING

19 July 2023 – A group of 37 financial institutions, representing over EUR3.3 trillion of combined assets, have released a new joint statement urging governments to protect the ocean and not proceed with deep seabed mining until the environmental, social and economic risks are comprehensively understood, and alternatives to deep-sea minerals have been fully explored.

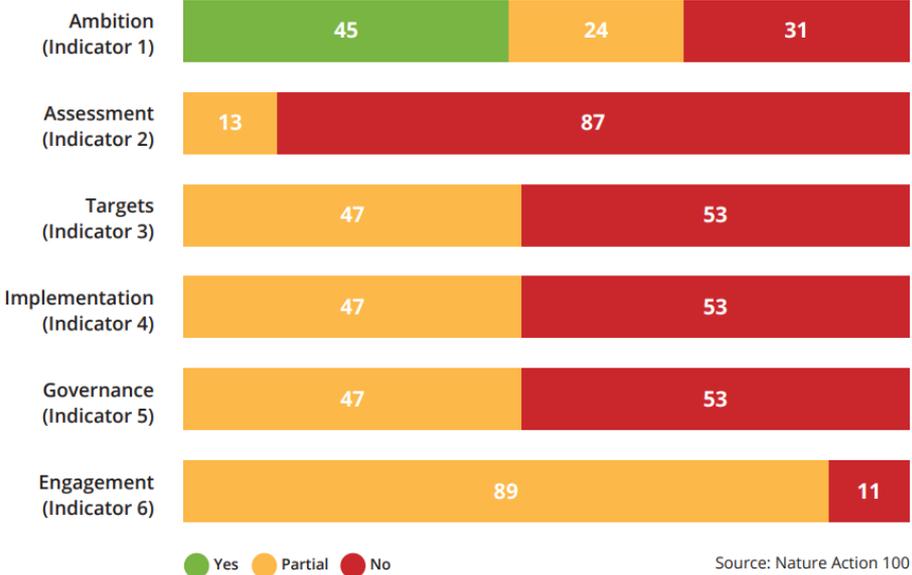
Nature Action 100- global investor initiative to drive greater corporate action to reduce nature loss



- More than **230 institutional investors** – representing over \$30 trillion in assets under management– from around the world participate in Nature Action 100.
- Engagement with **100 companies across eight key sectors** that are systemically important to halt biodiversity loss
- Investor expectations: **six high -level indicators** that covers ambition, assessment, targets, implementation, governance and engagement
- **Company benchmark** launched at COP 16 in Cali.

Benchmark results show most companies are still early in their nature journeys and more urgent and ambitious action is needed

Figure 1: Nature Action 100 Company Benchmark Results by Indicator

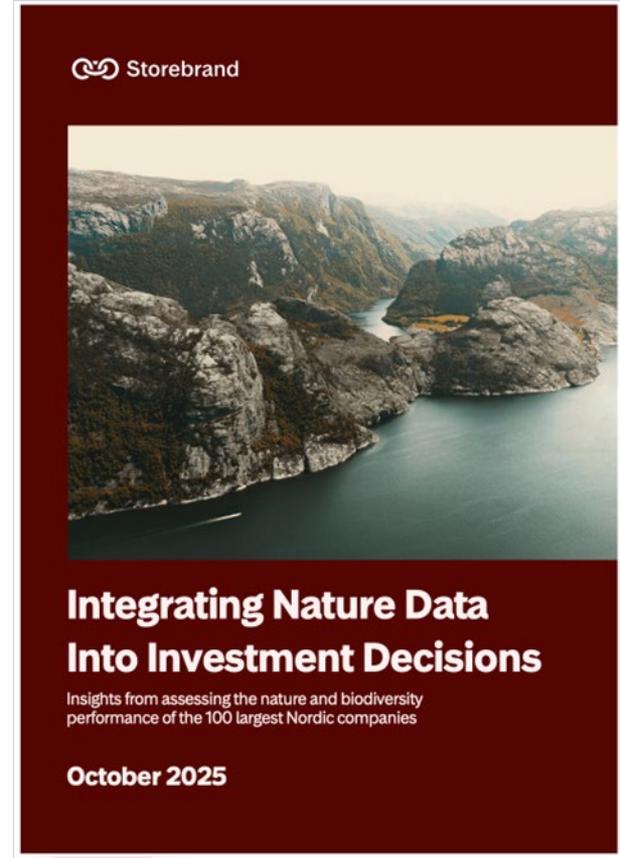


2/3rds of investors said they didn't have sufficient data to measure their nature impacts, dependencies and risks.

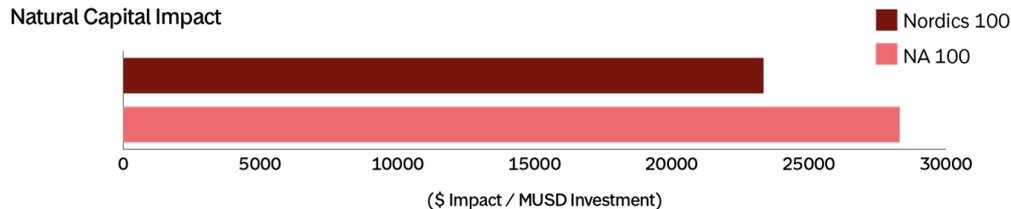
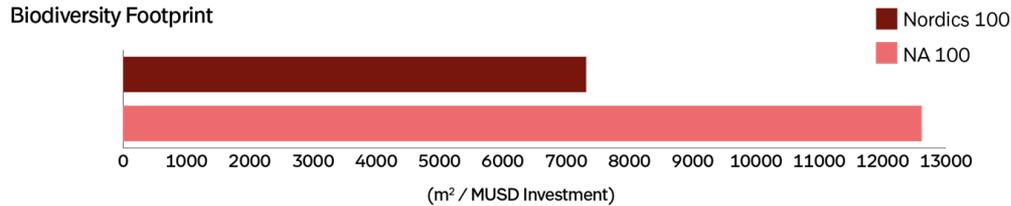
- Responsible Investor Nature Survey, June 2025

The real gap is nature intelligence, not nature-related data.

- David Craig, TNFD Co-Chair



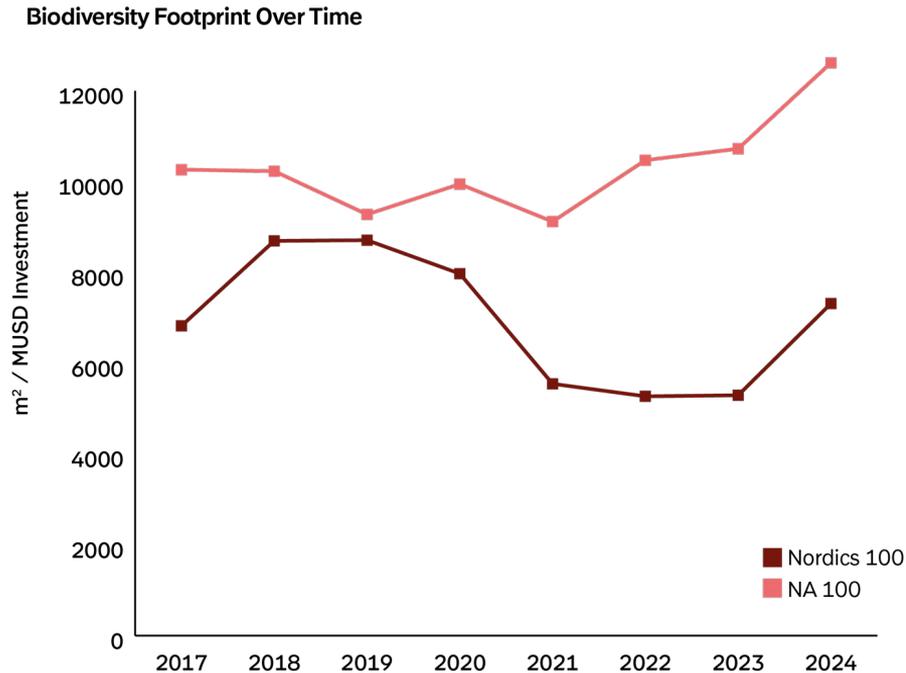
Sizing the impact



Nordic companies have 42% lower biodiversity footprint compared to the benchmark.

7,315 m² of land conversion equivalence vs 12,616 m² (per USD million invested).

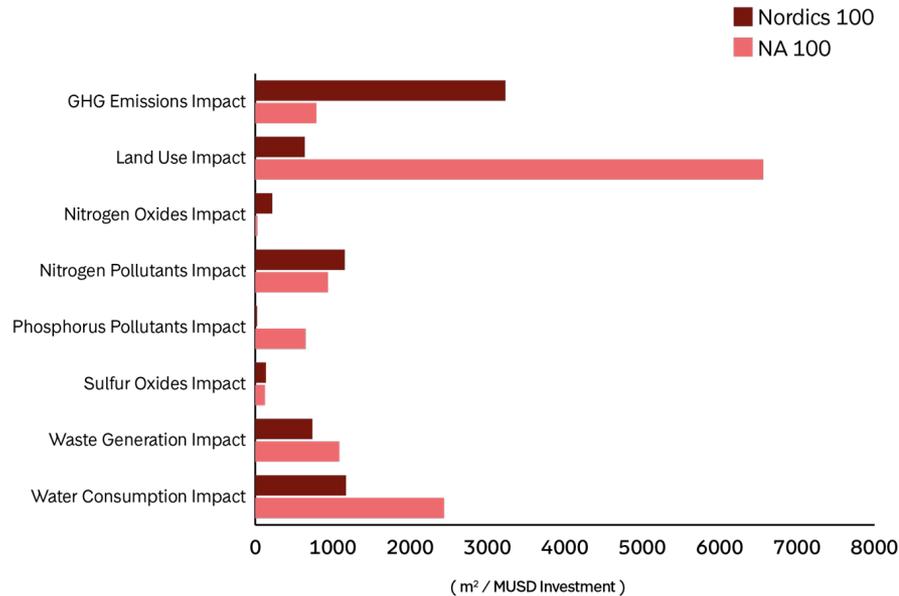
Sizing the impact



Moderate increase in biodiversity footprint over time with a **1% compound annual growth rate (CAGR) between 2017 and 2024.**

Sizing the impact

Biodiversity Footprint - Breakdown By Impact Driver



Nordic companies show a **higher biodiversity footprint through GHG emissions, water and land pollution, and water consumption** (vs. land use change for the benchmark).

Understanding dependencies

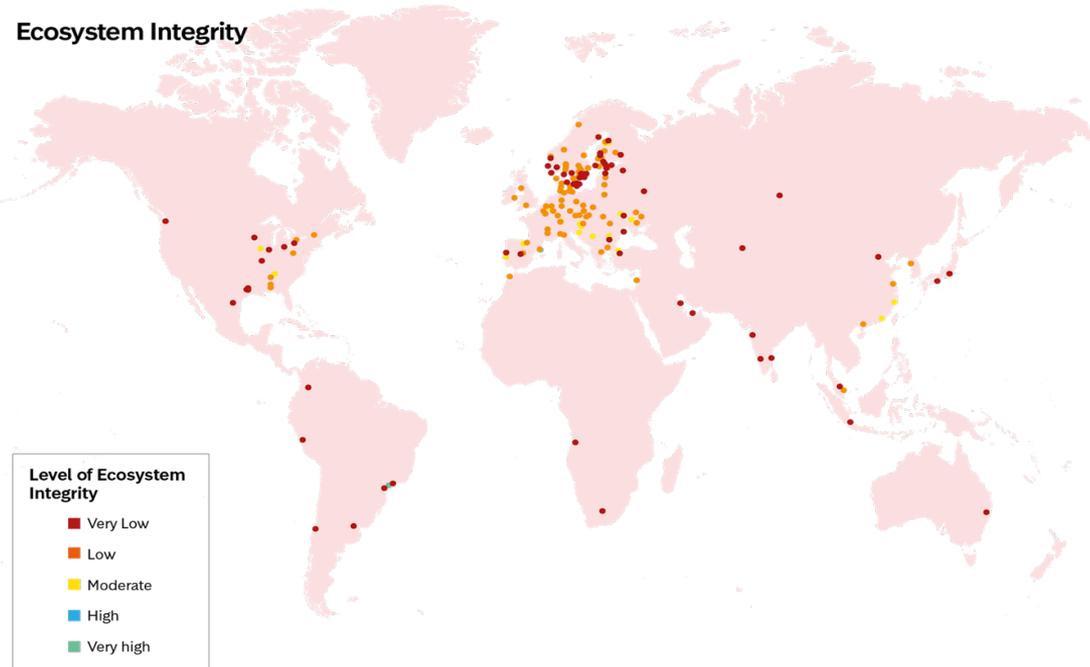
Dependencies on Ecosystem Services



Most sectors show low dependency on ecosystem services, suggesting **manageable baseline nature-related risks.**

Elevated dependencies concentrated in **Manufacturing and Transport & Storage sectors.**

Highlighting changes in ecosystem integrity



Ecosystem integrity =

composition, health, structure and function of ecosystems.

Annual levels, and rate of decline:
sites where we've seen the biggest change (since 2001).

Assessment via *Biodiversity Intactness Index* (6M+ observations across 50,000 sites) by the *Natural History Museum*.

Identifying risks in sensitive locations

Table 1: An analysis of the 10 sectors with the highest exposure, and the business activities they are engaged in that create exposure

NACE SECTOR	EXPOSED ASSETS (1a)	UNIQUE WDPAs	ASSETS W/ INDIGENOUS (1a)	COMPANY COUNT
Construction of Railways and Underground Railways	157	293	47	2
Manufacture of Refined Petroleum Products and Fossil Fuel Products	108	26	6	1
Computing Infrastructure, Data Processing, Hosting and Related Activities	100	10	0	1
Production of Electricity from Renewable Sources	98	28	1	2
Construction of Roads and Motorways	67	56	4	1
Trade of Gas Through Mains	52	32	2	1
Repair and Maintenance of Civilian Ships and Boats	42	5	0	1
Support Activities for Petroleum and Gas Extraction	40	16	3	2
Other Business Support Service Activities NEC	32	11	9	1
Engineering Activities and Related Technical Consultancy	30	30	28	3

Key business activities in proximity to **Protected Areas and Indigenous lands** expose hidden **transition risks**:

2 companies involved in construction of railways:

- 157 assets near highly protected areas
- 47 assets near Indigenous lands

Global Biodiversity Framework's 30 x 30 commitment means these sites are exposed to **transition risk**.

What we learned

 Storebrand



Integrating Nature Data Into Investment Decisions

Insights from assessing the nature and biodiversity performance of the 100 largest Nordic companies

October 2025

Yes: we can get started using nature data today

Nature is manifold

There is not one metric to rule them all

-

but using multiple metrics requires careful judgment and prioritization

Build bottom-up

To reveal location-specific and actionable insights

-

but taking a top-down (e.g. ENCORE) approach is a quick and easy first step

Know the limits

Our analysis was limited to direct operations

-

but value chain analysis will show a more complete picture