

Corporate Social Responsibility

Action Plan 2003-2004, Report on 2000-2002

 storebrand



Key figures

Number of employees	1,361
Life insurance customers' assets	NOK 102.4 bn
Other assets under management	NOK 37.3 bn
Total assets of the group's banking activities	NOK 28.5 bn
Percentage of management positions held by female employees	36 %
Older employees as percentage of total workforce	24 %
Percentage of employees with higher education qualifications	66 %
Average age of employees	41 years
Average length of service with Storebrand	10 years
Proportion of equity investments subject to socially responsible criteria	40 %

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>> Storebrand is a leading player in the markets for savings and life insurance. We have a strong position in life, pensions and health insurance as well as in banking services and asset management. Storebrand has an ownership interest in non-life insurance through its shareholding in If Skadeforsikring.

>> Storebrand seeks to create value through strong customer focus, highly motivated employees and profitable operations. The company's activities combine environmental, social and financial targets. Storebrand is a knowledge-based company, and is committed to the personal development of its employees through targeted training and other measures. Through satisfied customers and skilled employees, Storebrand will provide a satisfactory return on capital employed.

>> Storebrand's commitment to corporate social responsibility represents a long-term strategy that is firmly anchored in the company's corporate vision and values. Recognising our corporate social responsibility means that we wish to base our activities on a combination of financial, social and environmental objectives.

Why Storebrand focuses on corporate social responsibility

By making corporate social responsibility an integral part of its activities, Storebrand brings together its financial, social and environmental objectives and responsibilities. Storebrand plays an important role in Norwegian society through its position in the financial sector and the products and services it provides. This action plan demonstrates Storebrand's commitment to corporate social responsibility. We are a leading player in the financial sector in the area of corporate social responsibility, and believe that our focus on these issues is right for our customers, shareholders and employees.

Storebrand has a long tradition of commitment to corporate social responsibility. The development of the group's activities over the years has been characterised by a focus on employee development, environmental responsibility, collaboration with charitable organisations, socially responsible investments (SRI) and products that provide security for our customers' health and old age.

Storebrand seeks to create shareholder value through its good relationships with employees, customers and suppliers as well as Norwegian society in general and the global community. The areas of particular focus identified in the corporate social responsibility action plan address the group's most important stakeholders and how we can best create value for them in financial, social and environmental terms. We believe that this comprehensive approach helps to improve profitability and create competitive advantage.

Storebrand's main market is Norway, but the group operates in a global economy. Recent events in international markets have challenged peoples' confidence in the companies they deal with, and this has reinforced the need for openness and transparency. Moreover these events also serve as a reminder of the importance of a serious commitment to corporate social responsibility and openness in reporting the company's activities.



Our commitment: "Recognising our corporate social responsibility involves taking into account our stakeholders, which means everyone who is affected by Storebrand as a company. We believe that by giving various stakeholder groups better insight into our main areas of business and our results and procedures we can help to create greater awareness of corporate social responsibility in the financial sector. We are keen to encourage an active dialogue with stakeholder groups, in order to get both new ideas and feedback on what they expect of us and what we might do differently."

From the left: Leiv L. Nergaard, Chairman of the Board and Idar Kreutzer, Chief Executive Officer

Involving our stakeholders

In a knowledge-based company like Storebrand, our employees are entirely central to achieving our objectives. In December 2002 we asked our employees whether they thought it was valuable for Storebrand to strive to be a leading player in the area of corporate social responsibility. An impressive 96 % were fully or partly in agreement with this, and the support of our employees provides important reassurance that we will succeed in this ambition.

Recognising our corporate social responsibility involves taking into account everyone who is affected by Storebrand as a company. We believe that by giving various stakeholder groups better insight into our main areas of business and our results and procedures we can help to create greater awareness of corporate social responsibility in the financial sector. We are keen to encourage an active dialogue with stakeholder groups, and this gives us feedback and new ideas on what they expect of us and what we might do differently.

In Autumn 2002 we invited representatives of various stakeholder groups to a full-day conference for a discussion of issues in the areas of health, business ethics, social responsibility and the environment. The conference theme was 'Storebrand's corporate social responsibility - are we heading in the right direction?' and the discussions provided valuable feedback and input that we used when preparing our new action plan. We are very grateful for the contribution made by everyone who attended the conference, and we intend to make the conference an annual event. This will give us a unique opportunity for frank and open discussion of the dilemmas and challenges involved in our commitment to corporate social responsibility.

A force for change

Storebrand has for many years played an international role in creating awareness of the importance of corporate social responsibility. We play an active role as a member of organisations such as the United Nations Environment Program (UNEP) and the World Business Council for Sustainable Development (WBCSD). In Norway we are the main corporate partner for the Norwegian Cancer Society, the MOT Foundation and the Norwegian Red Cross. Our support for these charities has produced good results over recent years despite a more difficult economic climate. However, despite the role we already play both internationally and in Norway we recognise that there are many challenges ahead, and our new action plan for corporate social responsibility represents a renewal of our commitment and a further step in the right direction.



Leiv L. Nergaard



Idar Kreutzer

Storebrand's commitment to corporate social responsibility

What do we mean by corporate social responsibility?

As a leading player in the market for life insurance and long-term savings, the challenge we face is that of integrating corporate social responsibility into our insurance activities, the management of our investments and real estate and the financing of projects and business activities in general. The environmental and social implications of our business activities far exceed the direct environmental impact of the office space we occupy, but even in this area we are working to reduce waste, make efficient use of resources and minimise pollution.

The next step

What started as an Environmental Report in 1995, was expanded in 2000 into an Action Plan for Corporate Social Responsibility 2000-2002. The experience gained from this action plan and the results achieved have paved the way for a new plan for 2003-2004. The plan

reflects not only input from the entire Storebrand group, but also good ideas and feedback from external stakeholder groups and valuable assistance from the ECON Centre for Economic Analysis.

The new action plan differs from its predecessor in a number of areas. The most important difference is that the plan now establishes specific targets for the whole of Storebrand's activities. Performance will be measured according to the triple bottom line approach, which takes into account financial, environmental and social factors, and we will monitor performance using the internationally recognised Global Reporting Initiative (GRI) methodology. We have also chosen to structure the action plan around Storebrand's most important stakeholders, namely its employees, customers, shareholders and suppliers, as well as the Norwegian and international community.

The previous plan ran for three years, whilst the new plan is for two years. This will make it easier to co-ordinate the plan with the group's business activities and make any adjustments required.

Storebrand sees the action plan as a central tool in the process of establishing clear objectives for the group's commitment to corporate social responsibility. The action plan will provide valuable experience on how the group can contribute to more sustainable development in a range of areas. This must be seen as a long-term process of trial and error, and where experience and feedback will help to identify the measures that work best. The action plan for 2003 and 2004 represents the next step in the process of integrating corporate social responsibility throughout the group's activities.

Storebrand's core values: Storebrand is committed to being seen as dependable, forward-looking, enabling and easy to work with. These core values form the basis for Storebrand to enable its customers to make the most of their finances, life situation and health.

Status 2002

	Stakeholder group	We measure our performance by*:	Status 2002	Further details
Building financial worth	Shareholders	>> Return on capital employed	- 9.8 %	Page 9
		>> Overall return for shareholders	- 50 %	
		>> Inclusion in the Dow Jones Sustainability Index and FTSE4Good	Included in these indices	
	Customers	>> Internet banking availability	99.4 %	Page 9
		>> Customer satisfaction	59 (index from 1-100)	
	Employees	>> Percentage of employees satisfied with career development opportunities in Storebrand	79 %	Page 11
		>> Rating of the corporate trainee program	No. 2	
		>> Percentage of management positions held by female staff	36 %	
	Social responsibility	Employees and their families	>> Absence due to illness	3.9 %
>> Satisfaction with Storebrand as an employer			94 %	
>> Percentage of employees with a clear understanding of how Storebrand's ethical guidelines apply to their daily responsibilities			91 %	
Customers		>> Financial return on Socially Responsible Investments (SRI)	See chart on page 16	Page 16
		>> Customer funds under management (with and without SRI)	40 % of equity portfolio subject to SRI	
		>> Environmental gains and social good	Positive	
		>> Customer satisfaction with the co-ordinated consultation and advice service (CCA)	4.7 (scale from 1-5)	
Society as a whole		>> Financial support for charitable organisations and other measures	NOK 3.8 m	Page 19
		>> Employee satisfaction with choice of charity partners	New objective	
		>> Staff resources committed to Norwegian and international collaboration	1.5 full-time equivalent positions	
Environmental issues	Keeping our own house in order	>> Head office energy consumption per m2	266 kWh/m2	Page 23
		>> Living Forest certification for Værdalsbruket estate	Certified	
	Suppliers	>> Develop environmental standards to apply to suppliers	New objective	Page 24
		>> Attitude of suppliers to Storebrand and its environmental requirements	New objective	
	Real estate management	>> Customer satisfaction with environmental aspects of Storebrand Eiendom's premises management	4.6 (scale from 1-7)	Page 24
		>> Quantity of waste sorted by type - tenants of all properties managed	New objective	

* Main indicators



"an employer that recognises its responsibilities"

"When looking for my first job after graduation my first choice was a trainee position in the financial sector, and preferably relevant to my degree in environmental and resource economics. Storebrand has a well-founded and recognised trainee program, and in my view the company stands out for its focus on corporate social responsibility, not least its commitment to socially responsible investing", explains

Kathinka Nøding, a Storebrand corporate trainee



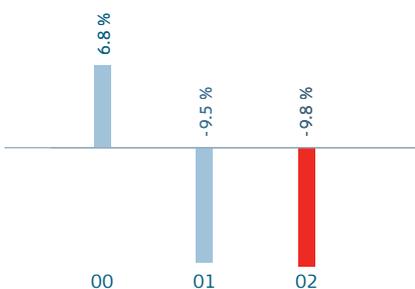
Building financial worth

» Storebrand's role as a creator of financial value is significant not only for the company's shareholders but also for its customers, employees and suppliers - as well as the Norwegian and wider international community. We have focused our attention on the three most important stakeholder groups of shareholders, customers and employees.

» Through its skilled employees and leading products, Storebrand will create financial security for its customers and value for its shareholders.

Performance criteria – current status 2002

- >> Return on capital employed: -9.8 %
 - >> Overall return for shareholders: -50 %
 - >> Inclusion in the Dow Jones Sustainability Index and FTSE4Good: Included in these indices
-

Return on capital employed


Performance criteria – current status 2002

- >> Availability:
 - Internet banking: 99.2 % availability (see chart)
 - Customer centre: 82.2 %
 - Central switchboard: 77.8 % within 10 seconds, 10.4 % within 10-20 seconds and 11.9 % over 20 seconds
 - >> Customer satisfaction index (CSI): 59 for regular customers and 65 for customers who have completed a financial advice interview (index from 1-100)
-

Shareholders

Policy and priorities

Storebrand seeks to ensure that its shareholders receive a competitive return on the capital they invest. Value creation will not be achieved by short-term financial results alone, but through a long-term approach that also takes into account sustainable development. The group seeks to combine short-term financial objectives with long-term profitability and sustainable development. Storebrand believes that this approach to value creation will serve, over time, to reduce the risk associated with investments, credit exposure and new business opportunities, as well as reducing operational and financial costs.

As a large stock exchange listed company that plays an important role in Norway's economy and society, Storebrand is committed to building good relationships between its shareholders, corporate bodies, management and other interested parties that are affected by the group's activities, including customers, lenders and the community. Storebrand's Annual Report for 2002 provides a description of the group's policy on corporate governance (see also www.storebrand.no/IR).

Storebrand aims to play a pioneering role in the Nordic financial services sector. This represents our commitment to encouraging the financial markets to recognise and value long-term value creation and the contribution companies can make to sustainable development. Moreover by setting an example for openness and transparency on the group's objectives, activities and business processes, we aim to be a driving force for open and clear communication in the financial services industry.

Future objectives

- >> Stable improvement in return on capital.
- >> Maintain a sound capital structure with capital adequacy that satisfies the minimum legal requirement of 8 %.
- >> Incorporate non-financial information/value drivers in reporting to the financial markets.
- >> Promote corporate social responsibility as an integral part of the group's fundamental values in dialogue with the financial markets (rating agencies, financial analysts, brokers, lenders etc).

Customers

Policy and priorities

Corporate customers of Storebrand Livsforsikring:

- More than 7 000 group pension schemes
- More than 3 700 group life policies

Retail customers:

- More than 318 000 individual annuity, savings and insurance policies (Storebrand Livsforsikring) as well as 39 700 pension and annuity policies in payment
- More than 70 000 banking customers (Storebrand Bank and Finansbanken) and almost 90 000 customers for mutual funds, excluding unit linked (Storebrand Investments)

Customer funds under management: NOK 140 billion

Storebrand enables its customers to make the most of their finances, life situation and health. This statement of the group's objectives addresses important elements in everyone's life such as financial security, independence and taking responsibility for the future. Our objective is to help create a better financial situation for both individual customers and companies. We use our technical skills and experience to find the right solution for each and every customer. Our core values of 'dependable', 'enabling', 'easy to work with' and 'forward-looking' all help to describe how we want customers to experience Storebrand. These core values provide the foundation for setting specific objectives in terms of service and accessibility, customer satisfaction and complaints procedures.

Internet banking: Service availability in percent**Future objectives****>> Greater accessibility****Internet banking:**

We have monitored the availability of 'Min Økonomi', Storebrand Bank's Internet banking services for retail customers, since 2001. Availability is monitored between the hours of 07.00 and 01.00, and our target is for 99.5 % availability.

Customer centres and central switchboard:

Our response target for the group's central switchboard is:

To answer 80 % of all calls within 10 seconds and to answer the next 10 % within 10-20 seconds.

The response target for the customer centres is:

To answer 80 % of all calls within 20 seconds. This is regarded as the normal standard for the financial services industry.

>> Improved customer satisfaction (CSI)

We have monitored customer satisfaction since 2001, and are committed to continuous improvement. The target for 2003-2004 is to achieve a CSI score of over 60 for regular customers and over 65 for customers who have completed a financial advice interview.

>> Fewer complaints and more effective complaints procedures**Storebrand Livsforsikring:**

Storebrand has established a central complaints register for individual life insurance and mutual funds customers. This facilitates more effective processing of individual complaints and allows better monitoring of complaints in general. The complaints register was launched in June 2002, and is continuously updated and improved. The overall objective is to reduce the number of complaints and improve complaints processing.

Storebrand has received 164 complaints over health decisions and 144 complaints on other issues since June 2002. Disputes with 7 customers reached the courts in 2002. In addition to the internal complaints register, the group's customers are entitled to refer their complaints to the Norwegian Bureau for Insurance Disputes (NBI).

In 2002 NBI processed 83 complaints in respect of life and pension insurance for the insurance industry as a whole. NBI found in favour of customers in 44 cases and in favour of the company involved in 36 cases, with three cases ruled not eligible for consideration. Storebrand was involved in 9 of the cases considered by NBI, and the bureau found in favour of the customer in 4 cases and in favour of Storebrand in 4 cases while the remaining case was ruled not eligible for consideration.

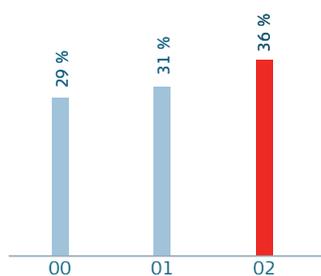
Storebrand Bank

The bank is currently implementing improvements to its procedures for customer complaints, and established a complaints register in December 2002 similar to that used by the group's life insurance company. The complaints register will ensure better procedures for processing complaints and will make it possible to collect statistical information over time to identify specific measures to reduce the number of complaints. Once this has been implemented more specific targets will be introduced to reduce the number of complaints and accelerate the response to customers' complaints by both the life insurance company and the bank.

Performance criteria – current status 2002

- >> Proportion of Storebrand employees satisfied with career development opportunities: 79 %
 - >> Proportion of participants satisfied with management and other training programs: 87 %
 - >> Proportion of female managers: 36 %
 - >> Proportion of older employees: 20 %
 - >> Rating of the Storebrand corporate trainee program: No. 2
 - >> Mix of women/men on staff training programs: 50/50
 - >> Proportion of employees aware of/who understand Storebrand's corporate social responsibility: 66 %
-

Women in management



Storebrand had 1,361 employees at 31.12.02, of which 49 % were women and 51 % men. The average age of Storebrand's employees is 41, 66 % have higher education qualifications and 36 % of all management positions are held by female staff. 24 % of employees are over 50 years of age and 10 % have more than 25 years' service with Storebrand.

Employees

Policy and priorities

"We shall ensure that the group attracts, retains and develops skilled and motivated employees with a readiness and ability to manage change in order to meet market demands. To achieve this the group will at all times create the right conditions for employees to be happy in their work and proud to be a Storebrand employee". (Human Resources Policy, Section 2: Overriding objective)

Storebrand's human resources policies fully reflect the group's commitment to corporate social responsibility. All employees are assured equal treatment. Over the next two-year period Storebrand will continue to focus on the development and appraisal of all staff. Moreover the group has identified specific targets in the areas of management development and employee satisfaction in order to promote greater value creation. The objectives set for the social work environment are defined on page 15.

Future objectives

"Storebrand recognises all its employees as being of equal value regardless of gender, age, disability, religious belief, cultural differences or sexual orientation. Individual personal qualities are respected and valued". (Human Resources Policy, Section 4: Diversity)

- >> 80 % of all employees to be satisfied with their career development opportunities.
- >> 90 % of all participants on management development programs to be satisfied with the program.
- >> 40 % of all management positions to be filled by female staff by 2004.

The proportion of female managers (managers with staff/project responsibility) has increased over recent years and this has had a positive effect on employee diversity.

- >> Older employees (employees over 50 years of age) to represent a stable 20 % of the total workforce.
- >> Storebrand aims to maintain diversity in its workforce in terms of age, with both older and younger employees working together on new, creative ideas and solutions based on long experience and a high level of expertise.
- >> Storebrand's corporate trainee program to be recognised annually as one of the top three programs in Norway.
- >> All staff training programs to have approximately a 50/50 mix of male and female staff. The gender mix of Storebrand's staff as a whole is 50/50, and it appropriate that staff training programs reflect this.
- >> 70 % of all employees to recognise and understand Storebrand's corporate social responsibility and be aware of the measures implemented.

Corporate social responsibility will be included as a topic in all management development and staff training courses and at all employee gatherings.

Storebrand's training programs

The **Experienced Professionals Program** is an internal management development program for experienced managers. This program is centred on personal development in the context of the markets in which Storebrand operates, the group's organisational structure, strategies, business vision and corporate culture.

The **Young Professionals Program** is an internal management development program for young managers with great management potential. The program covers topics such as strategic tools and processes, organisational psychology, team development and management.

The **Mentor Program** was started in 1994 and is now run by the Administrative Research Fund. This program aims to attract a broad range of candidates into corporate management, and strives to create a more diversified pool of candidates suitable for senior and middle management positions with particular focus on female candidates.

The **Storebrand Corporate Trainee Program** was voted the best trainee program in the Norwegian financial services industry in 2002, and the second best program in Norway overall. Storebrand launched its corporate trainee program in January 1996, and 55 graduates from a variety of academic disciplines have completed the program as at 31 December 2002. The corporate trainee program is a very important resource for Storebrand, and the program is firmly based and well integrated into the group's activities.



"the financial sector can become an important driving force"

"We are now facing global environmental challenges on a scale that society has never seen before. Insurance companies, banks and other financial institutions can play a key role in creating more sustainable global growth. They are in a position to take a firm stance, and can avoid investing in or financing companies and projects that do not further the objectives of sustainable development. It is very important that leading companies such as Storebrand seize this unique opportunity to take the lead in encouraging a forward-looking commitment to social and environmental responsibility".

Øystein Dahle, Managing Director of The Norwegian Mountain Touring Association,
Chairman of the Worldwatch Institute, Nordic Region.



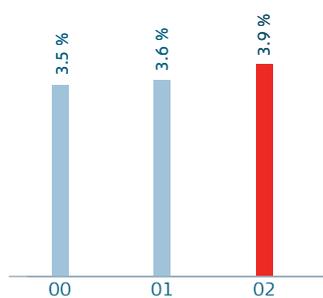
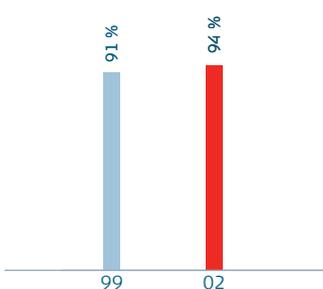
A broadly based approach to social responsibility

>> Our activities and the way we conduct business have a significant impact on the everyday life of our customers, employees and their families. By accepting our social responsibility we recognise that our responsibilities go beyond and supplement our financial commitment to these stakeholder groups.

>> Storebrand's future success is dependent on having skilled and satisfied staff. Through our relationships with employees and the opportunities we offer for training and development, we strive to ensure that they are proud of Storebrand as an employer. We aim to offer our customers products and solutions that meet their needs and which provides each customer with security and predictability. We work closely with voluntary and international organisations to develop and support our broadly based commitment to social responsibility.

Performance criteria – current status 2002

- >> Absence due to illness: 3.9 %
 - >> Proportion of employees satisfied with their employment (annual survey): 94 %
 - >> Proportion of employees with a clear picture of what the ethical guidelines mean for their daily duties: 91 %
-

Absence due to illness

Employee satisfaction


Employees and their families

Policies and priorities

"Storebrand strives to ensure that employees enjoy a sound and healthy balance between their working life and private life. Meetings will not generally extend beyond normal office hours. Incentive arrangements will be linked to individual performance, and not to additional time spent in the office". (Human Resources Policy, Section 10 - Social Responsibility).

Storebrand was the first financial institution to sign a collaboration agreement on 'More inclusive working life' with the Norwegian social insurance authorities in 2002. This new government initiative aims to work with employers to reduce absence due to illness, accelerate return to work following sick leave and extend the effective retirement age. Storebrand has expanded its human resources policy to include central issues such as diversity and ethics. Surveys of employee satisfaction show that 94 % of all Storebrand's employees are happy in their work (December 2002). In addition Storebrand employees are entitled to some 50 employee benefits including:

- Attractive pension arrangements (70 % of final salary, retirement at age 65 and linear accrual of pension rights)
- Comprehensive personal insurance both at work and outside working hours
- Leave of absence with full pay for personal situations in addition to those required by law
- 50 % discount on health insurance
- Five weeks holiday leave and flexitime working that allows up to ten days absence annually by accruing working hours at other times

Future objectives

Storebrand aims to maintain a close dialogue with its employees to identify specific areas where new or improved arrangements are wanted, so that measures can be implemented. Specific parameters are used as a performance indicator for Storebrand's human resources administration:

- >> No department to have absence due to illness in excess of 4 %.
- >> Annual survey of employee satisfaction to produce at least a 90 % positive response.
- >> Launch and develop www.storebrand.no/HR.

As part of its commitment to human resources, Storebrand plans to launch dedicated web pages at www.storebrand.no/HR in 2003. These pages will provide access to the group's personnel policy and ethical guidelines, details of job vacancies and information on the company's commitment to major personnel issues such as older employees, employee equality, more inclusive working life and staffing changes.

- >> At least 90 % of all employees to have a clear understanding of how the group's ethical guidelines apply to their daily responsibilities.

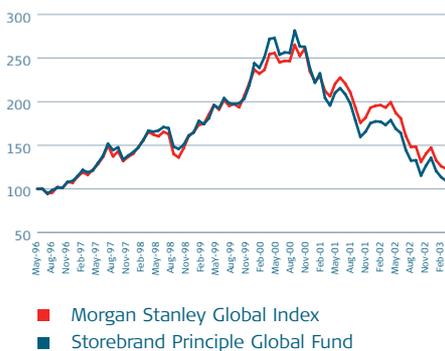
Every department is required to include business ethics as a topic for at least one departmental meeting annually. The group will supplement its ethical guidelines with further clarification based on practical examples from Storebrand and comparable companies. A separate e-mail address is to be opened that employees can use to raise ethical problems on an anonymous basis, with answers published on the group's Intranet.

Storebrand's art collection: Storebrand has a collection of almost 3 000 works of art. Displaying works of art in open office areas is a way of recognising the importance of employees by creating a pleasant work environment. Storebrand hopes that its employees will identify with the collection and feel proud to work for a company that shares such a fine collection of art with its employees. The collection therefore represents an integral part of the group's commitment to creating a positive corporate culture that encourages creativity, commitment, new ideas and diversity. Storebrand also considers it important that the collection can be enjoyed by a wider public than its employees and visitors to its offices, and has for many years regularly lent art works from its collection to museums and others. Storebrand seeks to encourage a high level of employee awareness of the art collection, and intends to continue to share its collection with the wider community.

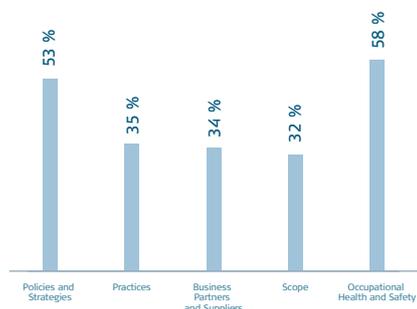
Performance criteria - current status 2002

- >> Investment return on Storebrand Principle Global Fund as compared to the Morgan Stanley World Index (see chart below)
- >> Storebrand Principle Global Fund: Environmental gains and social benefit (see chart below)
- >> Customers' assets under management, with and without SRI criteria (see figures below)
- >> SRI criteria used for the management of Storebrand Livsforsikring's investments: Tobacco, landmines and violations of human rights or ILO conventions

Effect of SRI screening: Investment return



Social benefit 2002 - Storebrand Principle Global Fund



Customers

Asset management - Socially Responsible Investments (SRI)

Policy and priorities

We believe that companies that recognise their corporate social responsibility and take a responsible approach to environmental issues also deliver good financial results. Our objective in applying SRI criteria to investment decisions is two-fold: firstly to deliver the same or better return to customers and secondly to have a positive effect on environmental and social issues. We also believe that our investment philosophy can help to promote improvements in other sectors of business and industry.

Storebrand Investments manages assets for a range of customers. Parts of the portfolio of assets are managed through mutual funds and discretionary mandates subject to SRI criteria.

Storebrand's SRI products can be divided into two main categories:

1. Proactive investment screening

Storebrand Principle mutual funds invest only in companies that are among the leading 30 % in their industrial sector on environmental and social criteria. Proactive investment screening indicators are used to analyse and rank companies relative to other companies in the same sector through an index, making it possible to calculate environmental gains and social benefit. The contribution to sustainable development represented by the decision to invest in a selected company can thus be quantified. The return for each specific indicator indicates how much better the selected companies perform as compared to the market average represented by the general market index.

Storebrand seeks to use proactive investment screening to exert a positive effect on companies by identifying examples of good practice and encouraging further improvement. To attract attention to companies that set a good example Storebrand launched its 'Sommerfugl' (Butterfly) seal of approval on 4 February 2003. This is awarded to companies that qualify for inclusion in Storebrand Principle mutual funds.

2. Restrictive investment screening

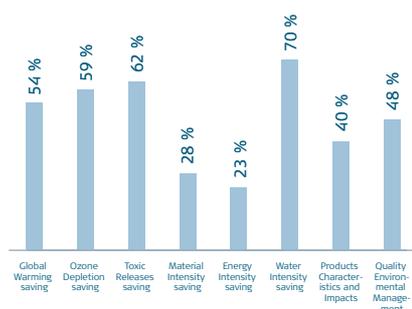
Restrictive investment screening is used to exclude companies on the basis of absolute criteria. Examples include companies in the tobacco industry and companies linked to the production of landmines and cluster bombs. A further restrictive criterion relates to corporate responsibility for involvement in breaches of human rights and the conventions of the International Labour Organisation (ILO). Storebrand's policy is to advise excluded companies of the reasons for its decision, and experience suggests that companies do take notice of these reasons.

Storebrand also seeks to influence companies in which it invests through constructive dialogue and by exercising its voting rights at general meetings on issues related to the environment and social responsibility. However the scope of formal decisions on such matters is as yet quite limited.

Information sources

Storebrand uses a range of different sources to collect information on companies. The Internet is an increasingly useful source of information to supplement questionnaires and internal reports. Whenever Storebrand believes that it has uncovered disturbing information it routinely contacts the company and other interested parties to ensure that it has access to all available information. After due investigation Storebrand will consider excluding a company from its investment list if it believes the adverse information is credible and the company in question is not sufficiently able or willing to provide a satisfactory explanation.

Environmental gains 2002 - Storebrand Principle Global Fund



Customer assets under management (by asset class - NOK bn)

	SRI	Total
Equities	8.9	22.1
Fixed income/Securities	0.6	117.7
Total	9.5	139.7

Storebrand Livsforsikring

Storebrand Livsforsikring is the largest single client of Storebrand Investments. Storebrand Livsforsikring administers pension funds for over 7,000 corporate customers, and introduced SRI criteria for all its equity investments in 2001.

Since 2001 Storebrand Livsforsikring has excluded companies that produce landmines, tobacco products or that have any connection to breaches of human rights or ILO conventions. Tobacco is a legal product, but it causes health problems and death for a significant number of its users. As a life insurance company we therefore do not wish to invest in the tobacco industry.

The experience we have gained confirms that we are taking the right approach in this area. What is more important is that this is also something our customers want us to do. Storebrand Livsforsikring will therefore add new requirements in 2003 to the three criteria on environmental and social issues adopted in 2001.

The humanitarian suffering caused by the use of cluster bombs has become apparent over recent years. Unexploded fragments from cluster bombs can remain in the soil and pose the same danger as landmines. The production of cluster bombs is not subject to the same international conventions as apply to landmines, but Storebrand Livsforsikring has decided to extend its negative screening criteria for landmines to exclude companies that produce cluster bombs.

Since 2001 Storebrand Livsforsikring has only considered investments in European chemical companies that are market leaders with respect to environmental and social issues. We now intend to expand this screening to a global basis and to extend it to include additional industrial sectors. New criteria will be introduced in 2003 to ensure that we do not invest in companies that are among the weakest performers on environmental and social issues in the chemical industry, oil and gas industry and the pharmaceutical sector. We also intend to investigate whether investments in other industrial sectors should be subject to the same restrictions.

Future objectives

- >> Exclude the 10 % of companies with the weakest environmental/SRI performance (proactive investment screening) in the sectors of:
 - Chemicals
 - Pharmaceutical industry
 - Oil and gas
- >> Exclude all companies that produce or sell cluster bombs (restrictive investment screening).
- >> Over the course of the action plan period Storebrand Livsforsikring will investigate how the company can play a more active ownership role on environmental and SRI issues in companies in which it invests.

Financing

Policy and priorities

Through its banking activities Storebrand seeks to build customer relationships with companies that take environmental and social aspects seriously. We aim to emphasise the relationship between sustainability, social responsibility and financial health in contacts with our customers. One of the aims of the project known as Credit Process ('Kredittprosess') that was initiated in Autumn 2002 is to re-evaluate the credit approval principles currently used. The project involves a technical review of the criteria used to approve financing proposals. The credit approval process takes into account the customer's attitudes to business ethics and its overall approach to corporate social responsibility. We attach considerable importance to ensuring that our customers do not breach principles and regulations in respect of environmental and pollution control as well as human rights.

Some of the group's lending involves monitoring to ensure that the borrower's owners and management comply with the terms and conditions we have applied. Borrowers involved in project financing are monitored particularly closely with the help of valuers and other objective professional advisers.

In order to ensure that lending to real estate projects is based on a comprehensive review, we insist on reviewing all aspects of the project before credit approval is granted. All lending proposals are reviewed by a credit committee, and the committee looks carefully at the borrower's financial strength, its products, the standards it applies to its own operations and its approach to business ethics.

Future objective

>> During the action plan period, Storebrand bank will review its credit criteria and approval process and consider whether any changes are needed to reflect the group's commitment to corporate social responsibility in its lending activities.

Performance criteria – current status 2002

>> Customer satisfaction with the co-ordinated consultation and advice service, CCA (see below)

Customer satisfaction with CCA

Questionnaire with five questions, responses scored from 1 - 5 where 5 is very satisfied and 1 very dissatisfied.

Results for 2001: Average score: 4.6

Results for 2002 (first three quarters):

Average score: 4.7

Insurance

Policy and priorities

Through its insurance activities Storebrand takes on some of its customers' risks in respect of their life and health. This in turn means that we share with them a wish to reduce the risks to which they are exposed. The risk of disability is a significant problem in today's society, and represents a particular challenge for both the national social security system and insurance companies. By reducing risk we can help customers to enjoy better health and a longer life.

Future objectives

Storebrand is committed to activities and measures that extend beyond simply providing insurance cover. During the course of the action plan period we intend to improve our products by incorporating incentives to minimise the risk of disability, especially in the case of employees of our corporate customers. We will produce information and material aimed at companies and individuals on the steps to take in the event of illness with a view to accelerating recovery and reducing the incidence of sick leave and disability leave. We will also develop our strategy for reducing disability risk and promoting preventative health measures to the corporate market to help improve quality of life. This will include:

Insurance with high social value and measures to reduce disability

- >> The Co-ordinated Consultation and Advice service (CCA) was launched in 1997 in collaboration with the Omnia hospital (formerly the Red Cross Clinic). This service is used by Storebrand's corporate customers to refer employees who are on long-term sick leave or suffering from debilitating conditions. The scheme is intended to reduce the waiting time for treatment, and the objective is to ensure the right steps are taken to ensure an early return to work. The scheme does not extend to providing treatment or convalescence. The CCA scheme will be available throughout the new action plan period, and we intend to encourage more companies to make use of CCA and to increase the number of cases referred. Our objective is to ensure that everyone referred to CCA are either very satisfied or satisfied with the referral.
- >> Insurance policies for disabled individuals developed in collaboration with the Norwegian Federation of Organisations of Disabled People.

- >> HSE has traditionally focused on accidents and injuries, but less than 1 % of disability cases are caused by accidents at work. More than 70 % of sick leave in 2001 was due to strain injuries affecting muscles and the skeletal system or minor mental illness. Storebrand has launched a programme known as 'GodBedring' (GetWell) that addresses such complaints and helps companies to take steps to reduce sick leave and improve the working environment.
- >> Storebrand seeks to recognise and reward companies with a good working environment and little sick leave. This is currently reflected in differential premium rates for certain group insurance products, and this will be extended to other products.
- >> Smoking is one of society's major health problems. As many as 30 % of the adult population are habitual smokers. Storebrand currently offers differential premium rates on some insurance products for non-smokers or people who agree to stop smoking. This principle will be extended in due course to additional insurance products.

Measures to prevent financial crime and policy on handling sensitive information

>> Financial crime

Storebrand works closely with the relevant authorities on measures to prevent and uncover financial crime. The company plays an active role in both domestic and international bodies to help ensure that the financial services industry uses its influence to reduce criminal activities. Storebrand maintains a clear, consistent and strict approach to any inappropriate relationships with customers or other parties. There are clear rules in the group's ethical guidelines on situations in which members of staff must refrain from being involved in decision making. Steps are taken routinely to remind staff of the ethical guidelines, and any breach of these rules is followed up with appropriate sanctions.

>> Handling sensitive information

All confidential information provided to the company is handled in an appropriate manner. Confidentiality and integrity are recognised as important principles, and Storebrand has implemented comprehensive measures in this respect. Sensitive information is handled in accordance with strict rules. Storebrand's policy and standards for information security and training material in this area can be accessed by all employees through the Intranet.

Performance criteria – current status 2002

- >> Financial support to charities and other social measures: NOK 3,800,000.
 - >> Percentage of respondents satisfied with Storebrand's choice of charity partners (new objective).
 - >> Percentage satisfaction with Storebrand among our main charity partners (new objective)
 - >> Staff resources committed to Norwegian and international collaboration: 1.5 FTE.
 - >> Financial support for professorial post/research/studies: NOK 250,000
-

The Community

International involvement

In international terms Storebrand is a small company, and both its customers and employees are predominantly Norwegian. However the environmental challenges we face are global in nature, and this makes it important to develop and maintain an international perspective. Through our involvement in the United Nations' Environment Program UNEP and the World Business Council for Sustainable Development (WBCSD) we seek to both learn from other companies and to contribute in areas where we have developed particular experience.

Policy and priorities

Storebrand seeks to maintain a leading position in the field of corporate social responsibility in order to build a sound foundation from which to influence the development in the financial services industry. At the same time we are continuously learning more about corporate social responsibility and recognise the need to share experience and knowledge with others. Individual companies in the financial services industry can achieve good results from the measures they implement, but results for society as a whole will only be achieved when a majority of companies start to use common corporate social responsibility standards for risk evaluation, reporting, measurement and follow up. Storebrand therefore seeks to collaborate with other companies that share an active commitment to corporate social responsibility.



World Business Council for Sustainable Development (WBCSD)

WBCSD is a coalition of 160 international companies that work together to promote sustainable development. Storebrand's CEO is a member of the Council of WBCSD, and we are represented in a number of working groups.



United Nations' Environment Program (UNEP)

Storebrand plays an important role in UNEP and was one of the founding members in 1995 of UNEP's insurance initiative, which now involves over 100 companies. Storebrand has held the chair of the insurance initiative since January 2002, and has worked to encourage a merger of the insurance and finance initiatives in the belief that a joint initiative will represent a stronger force and have greater influence. Storebrand will continue to work to strengthen UNEP in 2003.

In addition Storebrand is a signatory to:

- The London Principles for Sustainable Finance (issued by the Corporation of London and UK Defra Environmental Protection)
- The United Nations Global Compact

Future objectives

- >> In the run-up to the Johannesburg conference in September 2002, Storebrand and 12 other international WBCSD members from the financial sector committed themselves to integrate sustainable development into their business activities as a condition for continued operations and creation of long-term shareholder value. We also undertook to promote sustainable development through our membership of other bodies and organisations. On this basis WBCSD has defined three areas of activity to be pursued and realised over a two-year period:
 1. Develop the financial services industry's interest in sustainable development.
 2. Quantify and evaluate the results of commitment to sustainable development.
 3. Define the limits of the financial services industry's responsibility in respect of sustainable development.
- >> Work towards the integration of UNEP's insurance and finance initiatives, both as a member of the board of the insurance initiative and as a member of the integration group.
- >> Participate in UNEP's Environmental Reporting Working Group and Asset Management Working Group.

Our domestic collaborators

Policy and practice

Storebrand seeks to collaborate with organisations that share our values and that work in areas related to our activities.

Storebrand has collaborated with the charitable sector for many years, and decided in 2000 to make this the foundation for the group's sponsorship strategy. We have chosen to concentrate on three main partners, namely the Norwegian Red Cross, the MOT Foundation and the Norwegian Cancer Society. We share the same underlying values as these organisations, and they carry out important work in areas that we prioritise. Storebrand believes that the safety of all members of society is particularly important, and works towards creating a secure future for people of all ages.



Our partners

The Norwegian Red Cross is a humanitarian relief agency committed to combating human suffering and providing caring support. It does this through promoting measures to prevent suffering and providing relief, as well as by influencing public opinion and decision makers. The Norwegian Red Cross society has 180,000 members and 28,000 volunteers throughout Norway. See <http://www.redcross.no>



The MOT Foundation is a charitable organisation set up by leading sports personalities ('Mot' = courage, opposition). MOT's objective is to create a more caring and secure environment for children and young people by combating bullying, violence and substance abuse. This is achieved through school visits, talks, presentations and other forms of training for young people and adults as well as through collaboration and joint ventures, education, information services and marketing of MOT. See <http://www.MOT.no>



The Norwegian Cancer Society (NCS) is a national voluntary organisation committed to reducing the incidence of cancer, improving treatment and ensuring that people affected by cancer achieve the best quality of life possible. NCS fights cancer through four main areas of activity: research, information, cancer prevention and care. The society has some 150,000 members. See <http://www.kreft.no>

Future objectives

- >> Further develop our collaboration with the three major partners in order to increase the visibility of this work both externally and among our employees. Arrange more external campaigns and in-house activities. We are planning a new project with the Norwegian Red Cross in 2003 to protest against landmines in Somalia.
- >> Explore the opportunities for Storebrand's employees to support these partners as active members or volunteers, for example by deducting charitable contributions directly from salary.
- >> Evaluate the current collaboration arrangements by encouraging employee feedback on the partners selected and encouraging our partners to evaluate Storebrand. Our objective is for 80 % of all respondents to agree, fully or in part, that the current collaboration is worthwhile.

Support for research and development

Policy and priorities

Storebrand seeks to support research and related activities in areas relevant to the group's activities.

Constructive collaboration between companies in the financial services industry and the Norwegian higher education sector is a source of strength. We therefore decided in 2002 to sponsor a five year professorship in financial economics at the Norwegian School of Economics and Business Administration in the area of insurance-related asset management. This agreement strengthens our connections with the university sector and supports research into asset management and insurance.

In addition to the professorship, Storebrand plans the following activities to support research and development in Norway:

- Main partner for the "International Banking Summer School 2003" (IBSS)
- Establish a dialogue with higher education institutions, principally the Norwegian School of Economics and Business Administration and the Norwegian School of Management BI
- Main partner for the Business Symposium 2003, administered by the Norwegian School of Economics and Business Administration

The 'You can do it' competition

This competition was launched in 2000 as an important element of Storebrand's sponsorship strategy, and supports activities that contribute to new initiatives in Norwegian society. We award grants twice a year to projects and activities that show a particular willingness to think in new and different ways. The three areas on which we have concentrated are environment and society, training and personal development, life and health. See <http://www.storebrand.no/dukan>

Positive impact on environmental issues

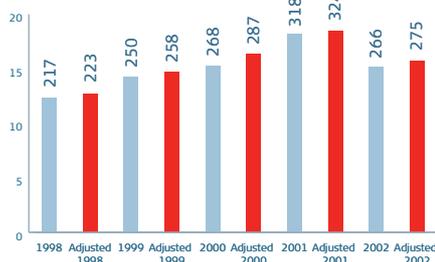
>> Storebrand's greatest impact on the environment comes from the way it invests and manages its assets. The Action Plan addresses this by applying social responsibility criteria to the group's asset management activities and project financing activities on the credit side. We also apply environmental standards to our suppliers and we play a proactive role as a member of the United Nations Environmental Program.

>> Storebrand's office-based activities have little direct impact on the external environment, particularly when compared to industrial companies. However there is still scope for us to make more efficient use of resources (principally through managing the energy used and waste produced by our office properties) and to be a driving force for greater environmental awareness in the financial services industry.

Performance criteria – current status 2002

- >> Energy consumption in total and per m² (see chart)
- >> Total business travel (km) analysed by transport type (company car or rental car, aeroplane, train, bus) (new objective)
- >> Total fraction of waste (kg/tonne) sorted for re-use, recycling, waste disposal (see table)
- >> Paper consumption per employee (new objective)
- >> Paper used for communications with customers: 54 tonnes
- >> Electronic equipment recycled or re-used: Implemented

Filipstad Brygge 1, Oslo Total annual energy consumption 1998–2002 (million kWh)



'Adjusted' refers to adjusting the figures for total energy consumption in relation to the outside temperature.

The bars show total consumption and the figure above each bar shows average energy consumption per m².

All material waste is sorted by type

The summary below shows the amount and type of waste (in kg) delivered to Norsk Gjenvinning in 2002 (source: Norsk Gjenvinning)

Type of waste	Amount (in kg)
General waste	115,280
Clean general waste	150
Corrugated paper – loose	5,990
Corrugated paper - compressed bales	12,760
Glass mixed/coloured	2,940
Office paper waste	110,690
Printed paper waste	362
Security shredded paper	23,130
Wet organic waste in 140 litre containers	641 (containers)

Keeping our own house in order

Storebrand issued its first environmental report in 1995. The objectives identified at the time included establishing the UNEP Insurance Initiative (see page 20), establishing an environmental forum with participants from throughout the group and reducing consumption of energy and paper. Not all the initial objectives have yet been achieved, and these will receive further attention during the course of the new action plan period.

One of the initiatives described in the 1995 report was a project to monitor energy consumption at the properties managed by Storebrand Eiendom. As part of this project Storebrand has been involved in developing what is now known as the Økoprofil (Eco profile) methodology for the environmental assessment of commercial buildings.

Policy and priorities

Storebrand's impact on the external environment arises principally from its consumption of energy and paper, waste production and transport. Our objective is to reduce both environmental impact and costs by improving efficiency.

Energy consumption

Storebrand's head office at Filipstad Brygge in Oslo is heated solely by remote heating and recycled heat, and this energy consumption therefore does not generate any direct CO₂ emissions. The cooling systems use seawater to reduce energy consumption.

Waste

We intend to reduce the volume of paper sent to our customers as well as our internal use of paper. All used electronic equipment is either sent for recycling or is re-used through a contract with the company Alternativ Data. This contract makes Storebrand the most important supplier of second-hand PC equipment to schools. Electronic equipment that is not suitable for re-use is sent to environmentally friendly recycling through the Elretur association.

Transport

Storebrand runs a fleet of 79 company vehicles of which 10 % use diesel fuel. The use of electric cars as delivery vehicles has been considered, but the limited range and load capacity make this problematic. However this will be reconsidered when hybrid vehicles and improved electric vehicles become available.

Storebrand has found that using the train for business trips represents little environmental advantage and involves longer journey times. Over the course of the action plan period we will look into reducing business travel by making greater use of video and telephone conferences and other communication methods.

Future objectives

- >> Reduce energy consumption at the Filipstad Brygge offices. The energy report to be published in Spring 2003 will provide the basis for quantified targets for reduced energy consumption, together with specific measures to achieve this.
- >> Review internal consumption of paper and identify targets for reduction, principally through measures to change employee attitudes and technical solutions.
- >> Identify the scope for using electronic means of communication to reduce the volume of paper sent to customers.
- >> Identify opportunities for reducing business travel by making more use of video and telephone conferences and other communication methods.
- >> Continue to monitor the scope for using more environmentally friendly vehicle types such as electric cars and hybrid cars.

Performance criteria – current status 2002

- >> Maintain Living Forest certification for Værdalsbruket: Certification in place
-

Performance criteria – current status 2002

- >> Develop environmental standards to be met by suppliers (new objective)
 - >> Environmental standards applied when selecting products (proportion of goods purchased subject to environmental standards) (new objective)
 - >> Suppliers' views on Storebrand, how they rate Storebrand relative to other customers (business ethics and environmental standards), and environmental standards Storebrand imposes (new objective)
-

Performance criteria – current status 2002

- >> Energy consumption analysed by remote heating and other energy consumption (electricity), total, per m² (new objective)
 - >> Volume of waste sorted by type from tenants in all properties (new objective)
 - >> Volume of waste sorted by type from rebuilding and renovation projects (new objective)
 - >> Instruction courses held for tenants: Two courses held
 - >> Number of fire safety and HSE courses held for tenants/suppliers at Starum/Hobøl: Three courses held
 - >> Customer satisfaction (CSI) with environmental aspects of Storebrand Eiendom's premises management: 4.6 (scale from 1-7)
-

Værdalsbruket

Værdalsbruket is one of the largest forest and mountain estates in Norway, with 17,000 hectares given over to timber production. Storebrand has owned this estate since 1930, and seeks to manage the forest resources in a socially responsible and long-term manner. This means taking into account issues relating to nature and environment and catering for recreation and outdoor activities as well as optimising timber production. The forest areas are certified in accordance with the Living Forest standards for sustainable forestry.

Future objectives

- >> Forestry management has to recognise many different interests such as animal life, rare plants, heritage sites, footpaths and ski tracks, etc. Storebrand intends to produce a landscape ecoplan for the entire Værdalsbruket estate to improve the management of these different interests.
- >> It was suggested at Storebrand's stakeholder conference in December 2002 that Værdalsbruket should be certified in accordance with the Forest Stewardship Council international standard for forestry management. We intend to evaluate the current certification and the consequences of moving to FSC certification in 2004.

Suppliers

Storebrand uses external suppliers for a wide range of services including IT, office services, accounting, personnel administration and company health services. The group has established purchasing agreements in a number of areas, including travel, hotels and office supplies.

Policy and priorities

Storebrand can encourage more environmentally friendly production of goods and services by selecting suppliers whose production has the least possible impact on the external environment. We can also insist that our suppliers have appropriate policies on corporate social responsibility. Over the course of the action plan period we intend to review our agreements with suppliers to establish what we currently stipulate in respect of corporate social responsibility, what additional requirements can realistically be imposed in a transitional period and what we can demand from our suppliers over the longer term.

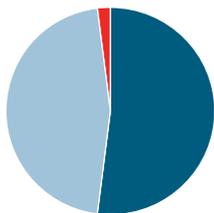
Future objectives

- >> Develop criteria for the environmental standards we expect for products and services when negotiating new purchasing agreements.
- >> Ensure that suppliers have appropriate corporate social responsibility policies when signing new purchasing agreements.
- >> Review all existing purchasing agreements, both directly with producers and indirectly through wholesalers, to establish to what extent the suppliers operate appropriate policies and meet new environmental standards for their production of goods and services.
- >> Use questionnaires to establish our suppliers' response to our requirements and the results achieved.

Real estate management

Around 10 % of assets Storebrand Livsforsikring's assets under management are invested in real estate, principally high-quality office buildings in the Oslo area and larger shopping centres throughout Norway. More recently the life insurance company has also invested in international real estate funds. Storebrand's real estate expertise is concentrated in Storebrand Eiendom AS, a wholly owned subsidiary of Storebrand Livsforsikring AS.

Analysis of real estate investments at 31.12.02



Analysis of real estate investments at 31.12.02

■ Offices – Oslo area	52 %
■ Shopping centres	46 %
■ International real estate funds	2 %

Policy and priorities

Storebrand Eiendom AS strives to generate the best possible return on its real estate investments at an acceptable risk, and it must therefore operate as a professional player and be recognised as such by the market. We strive to create additional value for our tenants through the quality of the premises and the standard of property management we provide. This means that we set high standards for the impact our premises have on the external environment, the indoor climate and resource utilisation.

Real estate management

Storebrand ensures that its tenants are fully aware of the opportunities available to sort waste. Proper management of waste reduces both the cost of waste removal and its environmental impact. Improvements are achieved in this area through training for the cleaning personnel employed by the owner and tenants, and by providing information to the occupants of all offices.

A high quality indoor climate requires a stable temperature throughout the year and ventilation systems that ensure a satisfactory rate of air replacement. Unfortunately this typically also implies high energy consumption. The environmental challenge is to optimise energy consumption whilst maintaining a good indoor climate. Virtually all Storebrand's office premises are linked to remote heating systems that supply environmentally friendly energy. The larger properties also have centralised control systems to manage and monitor energy consumption, making it possible to optimise energy consumption whatever standards tenants dictate for indoor climate.

Tenants' behaviour impact energy consumption. This relates to the technical systems they choose to install (heating and cooling), the temperature set for each season of the year, the use of blinds etc for shade in sunny weather, switching off lights and reducing air conditioning outside working hours, variation in temperature from office to office etc. Operating manuals are produced for each user to increase awareness of these issues. We also arrange meetings and presentations for tenants, and ensure that we employ janitors with strong technical expertise. Whenever properties are renovated we seek within the limitations of what is commercially and competitively justifiable to install technical systems that make it possible to optimise energy consumption. Wherever possible we find solutions that create a win-win situation for landlord and tenant by reducing costs whilst at the same time making the premises a more attractive workplace.

Real estate funds

When evaluating international real estate funds we investigate the attitude of the fund manager to environmental issues. This forms part of the risk evaluation of the investment, and is one of a number of factors taken into account in the overall evaluation of a fund for investment purposes.

Future objectives

- >> Continued focus on encouraging all tenants to sort their waste by type. Ongoing training of tenants and janitors supported by measures to ensure appropriate physical facilities for waste sorting. Two courses annually.
- >> Ensure continuous training for tenants in the areas of fire, environment and safety. Two courses annually.
- >> Develop and implement procedures to enforce new requirements in respect of the maintenance, cleaning and inspection of cooling towers. This will apply to both office properties and shopping centres (legal requirement).
- >> Ensure that the removal of any construction materials containing asbestos or PCBs is properly dealt with by approved specialist firms (legal requirement).
- >> Ensure that waste and demolition material produced by rebuilding and renovation projects is properly sorted by type (legal requirement).
- >> Work to improve customer satisfaction through Storebrand Eiendom's commitment to environmentally responsible management of its real estate portfolio.



"strict ethical and social requirements"

"Bamble municipality has released capital by selling its power generation shares, and the Municipal Council has decided to invest a part of these resources in equity funds. We are investing on behalf of the municipality's residents, and we set strict ethical and social standards for where our money is invested and the conduct of the investment manager. Storebrand's commitment to ethical investment screening was an important factor in our choice of the Storebrand Global SRI fund".

Jan Erik Gyllensten, Mayor of Bamble Municipality



Report on the Action Plan 2000-2002

Storebrand's Corporate Social Responsibility Action Plan 2000-2002 represented a move from a primarily environmental focus to a more comprehensive approach to the group's business activities. The action plan has provided us with three years of valuable experience that we have used to improve the new Action Plan 2003-2004 in many ways, including reporting.

Over the past three years the various areas of the group involved have reported on a six-monthly basis. Some of the objectives set out in the plan were sufficiently practical to make it easy to report progress. Other objectives were qualitative with somewhat vague objectives, and this made it difficult to report and quantify progress. Reporting on these areas is therefore based on a subjective evaluation rather than verifiable quantitative results.

The previous action plan ran for three years. We have come further than expected in some areas, while in other areas progress fell short of expectations. The following pages provide a report on each of the 10 objectives identified for the action plan 2000-2002.

Objective 1: Environmental and social criteria for investment management

- To be a driving force in Norway and internationally in developing social and environmental criteria for equity, fixed income and real estate portfolios.

Storebrand is a member of the Social Investor Forum in the United Kingdom and is recognised in Norway and internationally as a 'best practice' asset manager for SRI investment products.

- To systematically gain experience by developing a new investment philosophy for the life insurance company's equity and policyholders' funds.

Storebrand has developed specific restrictive investment screening criteria for Storebrand Livsforsikring. These criteria are used for the SRI screening of all the company's equity investments.

- To market and develop Storebrand Principle Fund products for both retail and institutional investors in Norwegian and international mutual funds and capital markets.

Storebrand's SRI products are now sold in Norway, Sweden, the United Kingdom, France, Australia and New Zealand. A number of Norwegian municipalities have chosen SRI products, and the company has launched the Storebrand Global WWF Fund in Sweden. Storebrand is now working to establish discretionary

asset management assignments using SRI criteria for Norwegian and international customers. The company has established administrative routines and procedures to exercise its shareholder rights through proxy voting in line with its SRI commitment.

Objective 2: Mutual funds savings with contributions to humanitarian causes

- Work to increase the income generated for the organisations which establish mutual funds in co-operation with Storebrand. *Storebrand Fondene launched the Norges Røde Kors Global fund in 1999, and donates around half its income from this fund to the Norwegian Red Cross. However there is as yet only limited public interest in investing in 'membership' funds that contribute to humanitarian causes, and this market is at an early stage in Norway. Storebrand will continue to offer the Red Cross fund, but does not intend to set up similar funds for other organisations.*
- Offer new fund structures that best meet the requirements of both savers and charitable organisations and become the leading player in product development for this area. *Storebrand Luxembourg S.A. has launched a similar product for the Swedish branch of the World Wildlife Foundation (WWF). The fund is marketed as the WWF Global fund to WWF members in Sweden and WWF receives part of the income generated. The Swedish market for this kind of initiative is somewhat more mature than in Norway, and the fund has attracted a larger investment volume.*

Objective 3: Management of the company's premises and real estate investments

- To be a driving force for environmental issues in the real estate sector. *The head of Storebrand's real estate management activities was a member of the board of Ecoprofile until its responsibilities were transferred to the Building Certification Council (Stiftelsen Byggsertifisering).*
- To develop new initiatives and measures in co-operation with our business partners. *New initiatives are linked to the results of Ecoprofile and carried out in co-operation with professional advisers used by the group in various technical areas. Examples of the initiatives launched include training in a number of areas (waste sorting, HSE issues, energy management) for cleaning personnel, janitors, suppliers*

and tenants. In addition studies of energy use have been carried out and followed up with investments to reduce energy consumption.

- Offer our tenants premises with environmental standards that exceed current requirements.
An Ecoprofile environmental assessment has been carried out for all managed properties. The assessments have focused on the indoor climate (i.e. ventilation/air-conditioning/heating), energy consumption and impact on the external environment. Facilities for sorting waste have been installed at all the group's premises in collaboration with Norsk Gjenvinning AS, and cleaning personnel have been given additional training to increase the proportion of waste sorted.
- Work to minimise the environmental and financial risks associated with our real estate portfolio.
Environmental and financial risks have been effectively controlled by taking a proactive approach to the environmental standard of the group's premises.

Værdalsbruket

- Carry out a revised valuation of the forest resource and establish a new business plan.
These tasks have been completed. Timber produced is now environmentally certified by DNV.
- Quality assurance of existing key biotopic areas and the possible establishment of new sites.
Actively pursued and completed.
- Further training of employees in environmental issues related to forest operations.
All employees have now completed the Living Forest course.

Objective 4: Health, quality of life and financial security

- Increase the use of the co-ordinated consultation and advice service from 75 to 150 cases per annum.
*The CCA service is offered to Storebrand's corporate customers. CCA referrals totalled 41 in 2001 and 33 in 2002. Since the start of the service in 1997 it has seen 230 individuals on long-term sick leave. "Of the 100 patients we have referred to CCA, 65 are now back at work. We are also optimistic that the remaining 35 will be able to resume full employment in due course" commented Kjell Aage Sørensen, company doctor at Veidekke, quoted in the journal *Bedrift & Pensjon*, 4/2001*

- Achieve further reductions in claims arising from long-term disability.
The general trend in society for increasing levels of disability has also had an effect on Storebrand. It has not proved possible to reduce the frequency of disability claims. It is hoped that measures such as encouraging companies to focus on risk evaluation and the CCA service will have an effect on the incidence of disability in the future.
- Increase the number of members in the group life scheme for the physically disabled.
The group life scheme for the Norwegian Federation of Organisations of Disabled People has been discontinued, due in part to regulatory changes, but it has been replaced by a new scheme offering individual policies particularly suitable for disabled people. Number of people insured: 2000: 100, 2001: 113, 2002: 134

Objective 5: Focused environmental measures

- Quantify and document the results achieved by our environmental activities.
Carried out to limited extent.
- Play a leading environmental role in our business area through the specific activities envisaged by the previous plan, as well as by developing creative solutions and new initiatives.
Storebrand has been a driving force for change through its purchasing policies.
- Initiate and implement specific environmental measures related to day-to-day business activities carried out by the operational units.
Unsatisfactory outcome.
- Play a role in ensuring that environmental issues are on the agenda in our industry and for businesses in general.
Unsatisfactory outcome.

Objective 6: Health, safety and the working environment

- Maintain a satisfactory level of safety and work satisfaction and ensure that the working environment is satisfactory in physical, psychosocial and organisational terms in order to help achieve good commercial returns.
No particular problems to report. A new HSE Handbook has been produced and is available to employees on Storebrand's Intranet. The new operating procedures involved have been

implemented. Storebrand has entered into an Inclusive Working Life agreement.

- Ensure that numbers for accidents at work and absence due to illness continue to be at low levels.
Absence due to illness: 2002: 3.9 %, 2001: 3.6 %, 2000: 3.5 %. This is lower than for comparable businesses where the average for 2001 was 5.1 % (source: Norwegian Financial Services Employers Federation). No accidents causing personal injuries were recorded.
- Ensure that the information held by Storebrand continues to be subject to satisfactory security measures in order that customers, business partners and the internal organisation can be confident that sensitive information will not fall into unauthorised hands.

No particular problems to report. Policies and operating guidelines for confidential information have been established and are available on Storebrand's Intranet. Security issues are featured on the Intranet from time to time to maintain employee awareness of security issues.

Objective 7: Staff development and training

- Encourage staff members to take greater responsibility for developing their own expertise by making training and development programs available for everyone through the Intranet. *The Intranet is the most important information source for Storebrand employees. We have launched a new version of the group's Intranet that makes it easier to find important information including information on staff development and training. The staff appraisal and bonus scheme 'Mitt Kompass' (My Compass) is accessible on the Intranet.*
- Ensure that Storebrand is an attractive employer for both existing and new staff with the expertise the group needs. *All new employees attend a one-day orientation course, and feedback from this is good. An introductory management training course is also held annually. The Young Professionals Program has now produced two sets of graduates, and the third course starts in 2003. Storebrand completed preparations for its Experienced Professionals Program in 2002, and this will in future alternate from year to year with the Young Professionals Program. Storebrand participates in the Confederation of Norwegian Business and Industry and Administrative Research Fund mentor schemes, which principally target management development for female staff, and nominates both participants*

and mentors. In addition technical training courses are arranged to meet specific requirements of the various business areas. Storebrand arranges highly professional training for its financial advisers through a certification program provided in collaboration with the Norwegian School of Management BI. Storebrand's graduate training programme was ranked no. 2 in Norway in 2002, and a survey of Norwegian business students rated Storebrand as the 6th most attractive employer, up 19 places from 25th in the previous survey. The group has also committed itself to focus on measures for its older staff, and has signed an Inclusive Working Life collaboration agreement with the Norwegian authorities that addresses this and other areas.

Objective 8: Business ethics at Storebrand

- To work together to develop the revised ethics handbook. *The ethics handbook was revised by a broadly based committee and the new version was approved by the Board of Directors in February 2001. The new handbook has been distributed to all employees and is also available on the group's Intranet and publicly available Internet web site in both Norwegian and English.*
- To provide an example to others and further develop Storebrand as an organisation characterised by its sound approach to business ethics in all respects. *Business ethics are discussed in virtually all of the group's departments at least annually, and all managers have been trained in issues of ethical dilemmas and corporate culture. Business ethics is also a standing item for annual staff conferences.*

Objective 9: Sponsorship

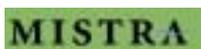
- Help the Norwegian Red Cross and MOT (and from 2001 the Norwegian Cancer Society) to achieve their objectives and assist these organisations in communicating their message to society at large. *Storebrand's collaboration with the Norwegian Red Cross has included joint ownership of the Red Cross Clinic as well as major campaigns aimed at addressing social issues. Storebrand supports the work of MOT and the Norwegian Cancer Society through financial contributions aimed at helping these organisations to achieve their objectives.*

- Pro-actively involve MOT, the Norwegian Red Cross and the Norwegian Cancer Society within Storebrand and help disseminate information on MOT to Storebrand's customers. *Storebrand has worked with the Red Cross to arrange volunteer days, first aid courses, talks, presentations and various other events. Collaboration with the Norwegian Cancer Society has included joint activities such as a 'Green day', fund-raising including collections and an art auction, internal recognition of Cancer Awareness Day and the global No Smoking day, courses on stopping smoking etc. Storebrand's collaboration with MOT has taken the form of various joint activities targeting bullying, violence and substance abuse. We have also arranged courses in communication and awareness for various departments of Storebrand, as well as courses for parents and various other in-house activities. Storebrand keeps its customers informed of its sponsorship collaboration activities through articles in its customer magazine, and it has also welcomed speakers from the Norwegian Cancer Society to various customer events.*
- Develop commercial initiatives that will generate income for the work of the Norwegian Red Cross. *A mutual fund has been launched which contributes to the humanitarian work of the Red Cross, see Objective 3.*
- Contribute to the establishment of new businesses and value creation in the Norwegian market. *This was achieved through Storebrand's support for the Venture Cup, which came to an end in 2001.*
- Establish the 'You can do it' competition and help to ensure that projects which meet the objectives of this initiative come to fruition.

'You can do it' produced 20 winning proposals in 2001 and 2002, and NOK 950,000 was distributed. Details of the winning proposals were published on Storebrand's web site as well as in national and local Norwegian newspapers.

Objective 10: International co-operation

- Achieve practical results through our participation in the World Business Council for Sustainable Development (WBCSD) working group on Corporate Social Responsibility. *Storebrand has played an active role in the working groups Young Managers Team and Sustainability in the Financial Sector at the WBCSD, and Storebrand's CEO was a member of the WBCSD Council throughout the period of the action plan.*
- Firmly establish and communicate the content of the United Nation's Environmental Program (UNEP) Financial Initiative throughout the Storebrand group. *Storebrand was a founding member of the UNEP insurance sector initiative, and has chaired this group throughout the period. However internal awareness at Storebrand of this initiative is still not sufficiently well developed.*
- Establish Storebrand as a reference point in the international development of corporate social responsibility for companies and the authorities. *The Storebrand share is included in both the Dow Jones Sustainability Index and FTSE4Good, and Storebrand has been singled out as a 'best-in-class' example by various international reports on corporate social responsibility.*



"Storebrand Investments ranks among the top three world's best practice SRI fund managers" Mistra, 2001
www.mistra-research.se



Terms and expressions

CCA: Co-ordinated consultation and advice service. CCA was established in 1997 in collaboration with the Omnia hospital (formerly the Red Cross Clinic). Companies that are customers of Storebrand can offer this service to their employees for consultation and advice on debilitating illness or other conditions causing long-term sick leave.

CSI: Storebrand carries out regular surveys of customer satisfaction in order to calculate a Customer Satisfaction Index on a scale of 1 to 100.

CSR: Corporate Social Responsibility. Storebrand defines corporate social responsibility as a commitment to basing its activities on a combination of commercial, social and environmental objectives. Corporate social responsibility can also be seen as 'sustainable development'.

ESI: Storebrand carries out regular (anonymous) surveys of employee satisfaction in order to calculate a Customer Satisfaction Index on a scale of 1 to 100.

FFO: The Norwegian Federation of Organisations of Disabled People (Funksjonshemmedes Fellesorganisasjon - FFO). See <http://www.ffe.no> for further information.

Global Compact: An international initiative launched by the United Nations General Secretary Kofi Annan at a meeting of the World Economic Forum on 31 January 1999. The initiative aims to involve business and industry in a partnership with United Nations organisations and society as a whole to support nine principles in the areas of human rights, environment and employment rights.

GRI: The Global Reporting Initiative is an independent institution established in 1997 with a mission to develop and disseminate globally applicable CSR reporting guidelines. GRI has developed a reporting methodology aimed at ensuring that companies and other organisations use the same reporting structure so that their performance can be compared. See <http://www.globalreporting.org/> for further information.

HSE: Health, safety and environment. HSE issues and compliance form an integral part of the group's activities and management processes. Storebrand is committed to developing appropriate and effective operating guidelines for its employees in the areas of personal health and safety (occupational health, the working environment and personal safety), operational safety (prevention of material damage, e.g. fire prevention) and the environment (external environment, waste and pollution).

HR: The human resources function, also known as personnel administration.

IWL: Inclusive working life. A voluntary collaboration between companies and the Norwegian National Insurance Administration (Trygdeetaten). Companies are invited to enter into a collaboration agreement aimed at reducing absence due to illness, increasing the company's employment of individuals with limited capability and extending the age at which employees typically retire. Further information (in Norwegian only) can be found at <http://ffu.trygdeetaten.no/>

ILO conventions: The International Labour Organisation is a United Nations organisation with a particular focus on human rights, child labour and employment rights in the global economy.

Restrictive investment screening: A technique used in the management of Socially Responsible Investments (SRI). Restrictive investment screening involves establishing criteria that exclude companies from consideration as possible investments. Excluding any companies involved with tobacco products represents a typical example of restrictive investment screening.

Proactive investment screening: A technique used in the management of Socially Responsible Investments (SRI). Proactive investment screening involves identifying companies that are leaders in the areas of environmental responsibility and corporate social responsibility, and restricting investment choice solely to such companies. Each company's performance in these areas is evaluated by using a set of indicators, and companies are ranked in terms of their performance relative to other companies in the same industrial sector.

SRI: Socially Responsible Investments. SRI criteria are applied to investment choice for two reasons: firstly to deliver the same or better return to customers and secondly to have a positive effect on environmental issues and promote corporate social responsibility. Storebrand focuses on SRI products in the two main areas of restrictive investment screening and proactive investment screening.

Triple Bottom Line: This concept is used to describe a company's corporate social responsibility, and is recommended by GRI. A company can use the triple bottom line concept to report its efforts and results in the three areas of financial results, environmental issues and corporate social responsibility.

Highlights 2000-2002



Aug 00

Publication of the Action Plan for Corporate Social Responsibility 2000-2002

Storebrand publishes its first action plan for corporate social responsibility. This marks the beginning of a broadly based commitment to social responsibility by the Storebrand group.



Apr 01

SRI criteria applied for the first time to Storebrand Livsforsikring's investment portfolio

Storebrand develops and launches a set of absolute restrictive criteria to identify companies that will not be considered for investment by the group's life insurance company. These SRI screening criteria ensure that the life company does not invest in companies that produce landmines and tobacco products, and also excludes companies that violate human rights.



Nov 02

All employees take part in a 'Because it matters' week

A week at the end of the November is given over to corporate social responsibility issues. All the group's employees are involved through activities such as a 'Green day' with a focus on a healthy food in the Storebrand canteens and a 'Sports day' with presentations by all the Storebrand group's sports teams.

Dec 02

Storebrand holds its first conference for stakeholders

Storebrand invites stakeholders to a conference aimed at generating ideas for the group's new corporate social responsibility action plan. A wide range of representatives from interest groups and organisations discuss the group's progress to date and provide valuable input on what they expect of Storebrand in terms of business ethics, environmental issues, culture, social responsibility and involvement in the wider society.



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