

Responsible investments in SR-Forvaltning

December 2018

1. Introduction

This document describes SR-Forvaltning's approach to responsible investments.

2. Objective

SR-Forvaltning's objective is to optimise the customers' expected risk-adjusted returns. We believe that an important part of the process is to assess aspects within the environment, social and corporate governance (Environment, Social, Governance, ESG). We believe that companies that are well-equipped within these factors are better equipped for the challenges of tomorrow, and will therefore generate better returns in future.

We view responsible investments from a valuation perspective that complies with SR-Forvaltning's value-based investment philosophy.

3. Anchoring

These guidelines are rooted in the company's board and further up the parent company. The guidelines are in line with the SpareBank 1 SR-Bank's strategy for sustainability and responsible investments.

4. Tools

Asset managers use various instruments to integrate principles for responsible investments in the investment processes.

- Exclusions

- SR-Forvaltning will not invest in companies that
 1. Produce weapons that by normal application violate basic humanitarian principles
 2. Have a significant proportion of activity within
 - Production of tobacco
 - Pornography
 - Gambling
- SR-Forvaltning also always follows the exclusion list of the Norwegian State Pension Fund Global.
- We will also exercise special cautionary principles against companies that
 - Have consumer lending as their main occupation

- Integration of ESG factors

- Asset managers will always assess ESG factors as part of the investment process
- An analysis tool is used to ensure that we are always updated on available ESG data relating to portfolio companies.

- Active ownership

- When we can and deem it appropriate,
 - we will exercise our right and privilege to participate in and vote at the companies' general meeting

- We will have dialogue with the portfolio companies, both on ESG topics and other relevant topics
- We will keep an observation list of portfolio companies that are in a position of increased risk.

3. Responsibility

The investment director has operational responsibility for compliance with these guidelines in business management. The chief executive officer has overall responsibility.

4. Reporting

The company will report on responsible investments through quarterly and annual reports, as well as the publication of information on the company's web site.

A system must also exist for internal reporting for information and control purposes.

SR-Forvaltning aims to be operationally able to sign the UN Principles for Responsible Investment, PRI, within the first half of 2019.

5. Updates

This strategy will be evaluated and updated regularly and at least once per year.