

Communication on Progress



To : UN Global Compact
From : KLP
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Official in charge: Eli Bleie Munkelien, Vice President CR, KLP.

Communication on Progress:

KLP is pleased to present information on our efforts, goals and achievement regarding Sustainability and implementation of Global Compacts ten principles. This year you will find all the information on klp.no, in our Annual Report and on the web pages concerning Corporate Responsibility. On our web pages you will also find a short movie from our CEO presenting our thoughts on sustainability as well as acknowledging and reconfirming our commitment to Global Compact and the ten principles. A combined GC and GRI index is also to be found on our web. By clicking on the links you will find the various sections of relevance to the specific GC principle. The web pages also contain information on our efforts in support of other UN goals, such as promoting gender equality and ensuring environmental sustainability.

Principles of transparency and disclosure is core to KLPs work on sustainability and KLP uses the Global Reporting Initiative as well as best practice to disclose the information.

About KLP:

KLP – Kommunal Landspensjonskasse – is one of Norway's largest life insurance companies. The company provides pension, financing and insurance services to the local government sector and the state health enterprises as well as to businesses both in the public and the private sectors. The KLP Group's total assets are NOK 288 billion.

KLP is the leading provider of occupational pensions to the public sector and associated organisations. The mutual ownership model of the parent company in which a customer is also an owner means that KLP must always supply products and solutions in consultation with its customers.

KLP's subsidiaries:

- [KLP Skadeforsikring AS](#) is the largest supplier of non-life insurance to Norwegian municipalities.
- [KLP Eiendom AS](#) is one of Norway's largest property management companies.
- [KLP Fondsforvaltning AS](#) is a large funds manager.
- [KLP Kapitalforvaltning AS](#) is one of Norway's largest asset managers.
- [KLP Forsikringservice AS](#) is a leading supplier of pension fund services to the local government sector.
- [KLP Bedriftspensjon AS](#) offers defined benefit pensions and defined contribution pensions to companies in both the private and the public sector.

- [KLP Banken AS](#) is a “day-to-day” bank providing good and simple saving and borrowing services.
- [KLP Kommunekreditt AS](#) has considerable experience in lending to Norwegian municipalities and their enterprises.

Main points from 2010:

A new strategy and basis for sustainability reporting has been developed. Both processes have been thoroughly founded on Global Compacts ten principles as well as a structured stakeholder dialogue, materiality analysis and involvement from own employees representing different areas of our organization. Information on the process and results from the stakeholder dialogue with our external stakeholders can be found on our web pages.

We have also extended our stakeholder dialogue to an ongoing and continuous dialogue through our Blog on sustainability issues. We blog about excluded companies from our portfolio based on violations linked to the 10 principles, we write about efforts and supports to initiatives such as country-by-country reporting to support fight against corruption, we write about our policies toward suppliers, and we write about our achievements and opinions –all related to sustainability.

Extensive involvement of the Board of Directors. Both strategy and the reporting process as well as the results has been presented and discussed by the Board of Directors.

KLPs Annual Report this year contains a separate non-financial accounts as well as sustainability related information integrated under the different section in the Board of Directors report where relevant. Meaning the Board has signed off on the information relating to sustainability issues. A separate section on sustainability is also included under extended corporate information. In this context the information is externally verified as part of the auditing of the Annual Report/Board of Directors report.

Continuous Social Responsible Investments. Since 2001 KLP has taken a stand for SRI and have gradually implemented a well tested strategy which contains active ownership and management, exclusions and sustainable investments. KLP has also signed the UN Principle for Responsible Investment, and report accordingly to PRI.

Our engagement and exclusions address a sustainable business conduct in line with Global Compact and PRI in the following areas:

- Human rights
- Labour rights
- Environmental degradation
- Corruption
- Business ethics
- The rights of individuals in situations of war or conflict
- Other fundamental ethical norms

KLP engages in dialogue with companies in breach of these conduct based criteria. KLP also have product based exclusion criteria. KLP do not invest in companies producing:

- Weapons violating humanitarian principles (e.g., nuclear weapons, landmines and cluster bombs)
- Tobacco

We use three tools for influencing companies and society towards sustainable development. These are active ownership and engagement, exclusion, and sustainable investments. You can read the full SRI report online.

Value Chain Implementation. KLP has initiated a project to review and reorganize how we deal with our supply chain and greater value chain. As part of this project a standard text to be included in all agreements with KLP has been developed. It is also posted on our website. The text contains direct reference to Global Compact and the 10 principles.

The above represent a selection of points relevant to the COP, but you will find a more extensive reporting on www.klp.no

If you have questions regarding the COP or other parts of our sustainability work please contact

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Kommunal Landspensjonskasse gjensidige forsikringsselskap

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