

LUNDIN PETROLEUM'S 2013 COMMUNICATION ON PROGRESS TO THE UNITED NATIONS GLOBAL COMPACT



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25 April 2014

H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

Lundin Petroleum's Commitment to the United Nations Global Compact & Communication on Progress 2013

Dear Mr Secretary-General,

I am pleased to confirm that Lundin Petroleum continues to firmly support the Global Compact and the UN Millennium Development Goals. Sharing the vision of working for a sustainable global economy, we actively strive to embed the ten principles in our strategy, culture, policies and day-to-day activities.

We support public accountability and transparency and are therefore committed to report annually on progress in implementing the Global Compact principles.

This 2013 Communication on Progress details our on-going efforts and progress in promoting human rights, labour standards, environment and anti-corruption in our business conduct.

Sincerely yours,



C. Ashley Heppenstall
Lundin Petroleum AB
President and Chief Executive Officer

Highlights

Lundin Petroleum's Communication on Progress demonstrates the on-going efforts and progress made in implementing the ten principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

Participation in the Global Compact Leaders' Summit

For the first time since Lundin Petroleum adhered to the Global Compact (2010) the Company participated in the Global Compact Leaders' Summit in New York. This occasion provided an opportunity to listen to experts in the field, meet with likeminded organisations and to exchange ideas and best practice.

Corporate Responsibility Framework & Policies

Lundin Petroleum's Corporate Responsibility framework, constituted of its Code of Conduct, policies and guidelines, demonstrates how the Company integrates the commitment made under the United Nations Global Compact. During 2013, the Company took additional steps to implement this commitment; it developed Human Rights Guidelines to operationalise the Human Rights Policy throughout the operations and reinforced its commitment to anti-corruption by becoming a supporting member to the Extractive Industries Transparency Initiative (EITI) and by engaging in the global fight against corruption. It also rolled out a new Corporate Responsibility Management System Audit to ensure that the key principles of its Code of Conduct and the Global Compact are respected throughout the Company. In 2013, a third party audit conducted on Lundin Petroleum's corporate responsibility management system found that it compared favourably with its peers.

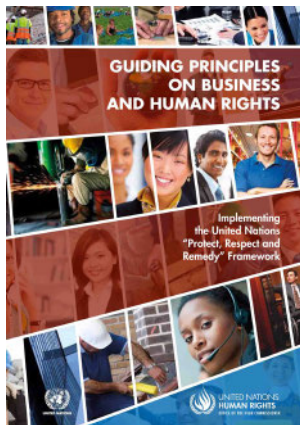
Health, Safety and Environment

As an international oil exploration and production company, Health, Safety and Environment (HSE) are a priority for Lundin Petroleum. In 2013 additional emphasis was placed on HSE management during development operations as well as on contractor evaluations to protect employees and the environment.

Sustainable Investments

Through its Sustainable Investment Program Lundin Petroleum seeks to further the Millennium Development Goals and to contribute to the preservation of the environment by funding a variety of projects, mainly in its areas of operations. In 2013, Lundin Petroleum entered into a partnership agreement with Lundin Foundation which considerably increased the scale and impact of the Company's social and environmental contributions.

Progress on the Principles of the Global Compact



Human Rights

In 2013 Lundin Petroleum strengthened its commitment towards human rights by embedding the Company's Human Rights Policy through the adoption of Human Rights Guidelines. The Guidelines were developed in accordance to stakeholder recommendations, including the "European Commission's Oil and Gas Sector Guide on Implementing the UN Guiding Principles on Business and Human Rights", and formalize the Company's human rights due diligence process. The Guidelines include requirements that risk assessments be conducted in countries of operations on a regular basis and, where relevant, to be followed up with further studies or measures. During 2013, training on the Human Rights Policy and the Human Rights Guidelines was conducted with employees in France, Indonesia, Malaysia, Norway and at corporate.

In 2013 Lundin Petroleum participated in the second annual Forum on Business and Human Rights at the United Nations in Geneva in order to learn about the challenges of implementing the Guiding Principles on Business and Human Rights, to exchange views and opinions on current best practices and to engage with human rights experts and stakeholders.

Anti-Corruption



In 2013 Lundin Petroleum focused on further embedding its Anti-Corruption Policy and Guidelines that were adopted in 2011 by becoming a supporting member of the Extractive Industries Transparency Initiative (EITI), a voluntary initiative aimed at promoting anti-corruption and transparency through revenue disclosure.

Lundin Petroleum actively promotes anti-corruption within the Group and in the public domain, at conferences, with business partners, as well as engages with peers on the issue of the global fight against corruption. Furthermore the Company is involved in an ongoing dialogue with the EITI Secretariat in Oslo; participated in the EITI Global Forum and attended the EITI Board meeting as an observer.

During 2013 no cases of corruption were reported throughout the Group under the Anti-Corruption Guidelines or the Whistleblowing Procedure.



Environment

Climate Change continues to be an important issue for Lundin Petroleum; for the fifth consecutive year the Company disclosed its climate change strategy and greenhouse gas emissions to the Carbon Disclosure Project (CDP) and was ranked third among Nordic energy companies. Furthermore, the Company became a CDP supporting member and adopted a new Climate Change Statement emphasizing its commitment to seek energy efficiency measures to reduce its carbon footprint.

Lundin Petroleum promotes environmental protection and awareness throughout all of its operations by continuously assessing potential effects of projects through baseline and environmental impact studies and contingency plans, and also through supporting or taking part in initiatives promoting environmental stewardship.

Labour Standards

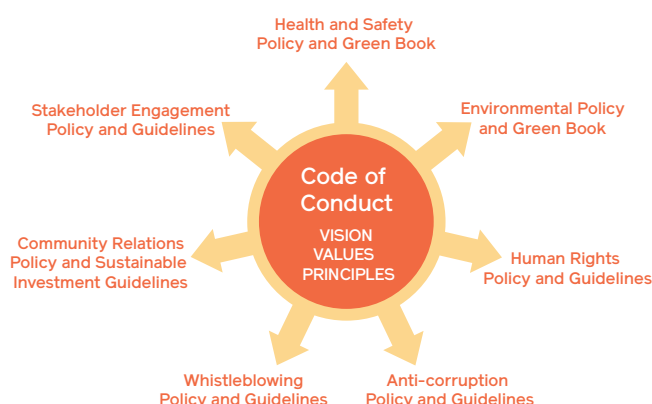
Lundin Petroleum has committed in its Code of Conduct to respect and protect employees' rights, including freedom of association and the right to collective bargaining. It ensures equal opportunity without discrimination on the basis of age, culture, disability, gender, race, religion, etc. by selecting candidates based on their competence and qualifications to perform the job. Every country of operations has a formal induction process in order to familiarize new employees with their rights and responsibilities and with Lundin Petroleum's Code of Conduct and Corporate Responsibility Policies.



In 2013 the Vice President Corporate Responsibility held individual discussions on International Labour Organisation Standards with the Human Resource Managers throughout the Group, in order to ensure that these procedures are fully integrated in practice. Robust processes for contractor selection and evaluation ensure that there is no use of child or forced labour in relation to Lundin Petroleum's worldwide operations. During 2013 a handbook containing all Corporate Responsibility policies and guidelines was developed and distributed to employees worldwide.

Corporate Responsibility Framework

Lundin Petroleum takes into consideration the potential impact on people and the environment in all its strategic decisions and field activities.



Corporate Responsibility (CR) Framework

Lundin Petroleum is committed to carry out its worldwide operations in a responsible manner. This means that both strategic decisions and field activities take into consideration potential impacts on people and the environment. Lundin Petroleum has developed a CR framework that establishes systems and procedures to protect the health, safety and security of its stakeholders as well as the environment. The commitments to responsible corporate citizenship by which the Company is guided are set out in Lundin Petroleum's Code of Conduct. The Company's Policies, Guidelines and Management System further detail how each operating unit must implement the CR principles in their activities. CR is an evolving field which requires continuous improvement. This means seeking to achieve social, environmental and economic benefits simultaneously.

Third Party Assessment

At the beginning of 2013 Lundin Petroleum underwent a third party assessment of its CR framework and practice to confirm its alignment with industry best practice. Lundin Petroleum's CR Management System was audited by Ernst & Young Sweden. The main findings were that "Lundin Petroleum has leading management systems relating to their material areas – Health, Safety and Environment (HSE)" and that the maturity levels of other CR areas were Established to Advanced. The third party audit findings and recommendations guided Lundin Petroleum in the process of reinforcing its CR management throughout the year.

Human Rights Policy and Guidelines

In 2013 Lundin Petroleum developed Human Rights Guidelines to operationalise the Policy it adopted further to the Board of Directors' endorsement of the United Nations Guiding Principle on Business and Human Rights. The Guidelines were developed in accordance with stakeholder recommendations, including the European Commission's Oil and Gas Sector Guide on Implementing the UN Guiding Principles. The Guidelines formalise the human rights due diligence process and requires that human rights risk assessments be conducted in countries of operations on a regular basis and, where relevant, to be followed up with further studies or measures.

Stakeholder Engagement Policy and Guidelines

In 2013, Lundin Petroleum formalised a long standing practice of open and constructive dialogue with stakeholders; the people and organisations which may be affected by or influence the Company's activities. Lundin Petroleum has a wide range of stakeholders such as shareholders, employees, governments, local communities, business partners, industry groups, NGOs, international organisations, academics and media. The Guidelines set up a process to ensure that the Company is aware of and manages effectively stakeholder issues.

Corporate Responsibility Management System Audit

In 2013, Lundin Petroleum rolled out a Corporate Responsibility Management System Audit, a process to ensure its Code of Conduct commitments, namely human rights, anti-corruption, labour standards, environment, sustainable investments and stakeholders are respected throughout the Group. The audit covers all elements of its CR Framework except Health and Safety which are subject to a separate audit, environmental

New in 2013

Developments in Lundin Petroleum's Corporate Responsibility Management:

- Third Party CR Management System Audit
- New Policy & Guidelines
- New CR Management System Audit Process
- EITI Supporting Company
- CDP Supporting Company
- Partnership with Lundin Foundation

The Way Forward

Objectives for 2014:

- Embed further the CR Framework throughout the Group
 - Conduct CR Management System Audits in all operated areas
 - Continuously improve HSE performance
 - Contribute to socio-economic development and environmental protection through Lundin Foundation
-

issues being included in both processes. A first round of management system reviews was conducted in all operating areas in 2013.

Anti-Corruption Commitment

While Lundin Petroleum's main focus remains on implementing Corporate Responsibility within the Group, it engages with international initiatives relevant to the Company's commitments. Thus, in 2013, Lundin Petroleum became a supporting member of the Extractive Industries Transparency Initiative (EITI).

Partnership with Lundin Foundation

In 2013 Lundin Petroleum entered into a partnership with the Lundin Foundation in order to increase the scale and impact of Lundin Petroleum's sustainable investments. For more information see pages 16–17.

We are Lundin Petroleum



My job is to ensure that wherever we operate we abide by the same high CR standards

Christine Batruch

Vice President
Corporate Responsibility

Health, Safety and Environment

The purpose of a Health, Safety and Environmental (HSE) management system (the Green Book) is to prevent accidents or incidents with an impact on people, environment and/or assets. The Company undertakes risk assessments and uses Key Performance Indicators (KPIs) as an HSE management tool, focusing not only on areas where incidents have already occurred, but where they could potentially occur in the future. Sharing experiences, lessons learned and best practice is also important and takes place informally within the Group on an ongoing basis and formally through bi-monthly HSE teleconferences and management visits to operations.

Since the Company was created, there have been no work-related fatalities in its operations. In 2013, Lundin Petroleum's overall KPIs improved over previous years. The Lost-Time incidents were of a minor nature without a permanent impact on the people concerned. There were no reportable oil spills throughout the Group and as for the chemicals spills, they involved small amounts of non-hazardous chemicals (a fraction of the volumes reported in the HSE Indicator Data table below).



HSE Indicator Data		2013	2012	2011	2010	2009 ⁵
Exposure Hours	Employees	960,508	909,196	1,036,831	731,793	905,166
	Contractors	2,074,824	1,561,482	2,354,452	2,336,409	3,454,980
Fatalities	Employees	0	0	0	0	0
	Contractors	0	0	0	0	0
Lost Time Incidents ¹	Employees	2	2	3	2	2
	Contractors	4	5	3	2	1
Restricted Work Incidents ²	Employees	0	0	0	0	1
	Contractors	0	0	3	7	0
Medical Treatment Incidents ³	Employees	0	1	1	0	2
	Contractors	2	0	4	17	7
Lost Time Incident Rate ⁴	Employees	0.42	0.44	0.58	0.55	0.44
	Contractors	0.39	0.64	0.25	0.17	0.06
Total Recordable Incident Rate ⁴	Employees	0.42	0.66	0.77	0.55	1.10
	Contractors	0.58	0.64	0.85	2.23	0.46
Oil Spills	No.	0	2	7	1	1
	Vol. (m ³)	0	4	33	10	40
Chemical Spills	No.	7	1	2	1	2
	Vol. (m ³)	59.37	1.75	3.50	7.70	129.78
Hydrocarbon Leaks	No.	0	0	0	0	1
	Mass (kg)	0	0	0	0	4
Near Misses with High Potential	No.	2	5	3	3	24

1 Lost Time Incident (LTI) is an incident which results in a person having at least one day away from work.

2 Restricted Work Incident (RWI) is an incident which results in keeping a person from performing one or more routine functions.

3 Medical Treatment Incident (MTI) is a work related injury or illness that does not result in a job restriction or days away from work.

4 Lost Time Incident Rate and Total Recordable Incident Rate are calculated on the basis of 200,000 hours.

5 Includes United Kingdom.



The safety of our employees and contractors is our highest priority and we focus on means to minimise our environmental footprint while exploring options to increase energy efficiency

C. Ashley Heppenstall
President and CEO

Health, Safety and Environment

Health, Safety and Environment is a priority in our business. In 2013 additional emphasis was placed on HSE management during development operations as well as contractor evaluations. HSE management system reviews were carried out on the Bertam Project in Malaysia and the Brynhild Project in Norway. In addition to assessing management of contractor performance, on-site visits were conducted at two shipyards in Singapore to evaluate the HSE practice of contractors.

While HSE is integrated in many different ways in daily operations, the following concrete examples illustrate how HSE managers and their teams promote HSE stewardship throughout the Group.

HSE Regional Meeting in South East Asia

A three-day meeting took place in October in Kuala Lumpur and Singapore with Lundin Petroleum HSE managers. The purpose of the meeting was to discuss implementation of the Group HSE strategy, as well as challenges and opportunities related thereto. Given that HSE is a fundamental part of risk management, a special session was held on risk, where HSE managers shared methods of identifying, preventing and managing risks within their respective operations.

On its third day the team visited the Keppel and Jurong shipyards in Singapore where the FPSO is being modified for the Bertam field offshore Malaysia and the Flotel destined for the Edvard Grieg field is being built. The purpose of these site visits was to ensure contractors and suppliers adherence to Lundin Petroleum's CR and HSE expectations.

The team also visited Oil Spill Response to familiarise themselves with the equipment that would be called upon in the event of an incident and to meet face to face the people who would assist the Company in such a case.



"The HSE meeting in South East Asia was the first of its kind within the Group. It offered the opportunity to share best practice regarding HSE and Risk Management and provide feedback on everyone's activities and documentation. Further positive outcomes are strengthened relationships between HSE managers of different regions."

Bernt Rudjord,
HSE Manager, Lundin Norway

HSE Contractor Management

Lundin Petroleum is committed to ensure safety not only of its employees but of any one working for the Company. Contractor performance from an HSE perspective is evaluated during the contractor selection process as well as through inspections once contractors have been awarded a task.

Employees and contractors who work in the Company's operational premises undergo an HSE induction course.

In the fall, Lundin France convened 55 key contractor companies for an HSE awareness day. A total of 64 persons participated in the event during which the Company restated its HSE expectations and participants shared best practice.

Stakeholder Engagement

It is important for Lundin Petroleum to communicate with its stakeholders, people and organisations which are impacted by or impact the Company. In its Code of Conduct, Lundin Petroleum identifies its main stakeholders to be its shareholders, employees, host countries, local communities and society at large and those continue to be the focus of the Company's attention. In 2013, Lundin Petroleum developed a formalised process of stakeholder engagement which will be rolled out throughout the Group in 2014. The type and frequency of engagement differs among stakeholders according to the need and opportunity for engagement.

Shareholders

Shareholders are informed of Lundin Petroleum's strategy and ongoing activities through public disclosure in the form of financial reports, press releases and through the website. The Company also engages with shareholders in individual or joint meetings and at the Annual General Meeting. In November 2013, Lundin Petroleum organised a site visit to French operations for a number of institutional shareholders to offer them a better understanding of means put in place to run operations in a sustainable and safe manner.

Employees

Engagement with staff takes place on a daily basis throughout the Group. In addition, senior management visits country offices. Training sessions, audits and individual meetings to discuss corporate responsibility issues in practice are held in the countries of operations.

Host Governments

Contact with host governments take place prior to the acquisition of a licence and the engagement with host governments at national and local level continues throughout the lifetime of an oil and gas asset.

Local Communities

Engagement with local communities takes place on the occasion of socialisation programmes, town hall meetings or local events held in the countries of operations.

International Initiatives

Lundin Petroleum also engages with a variety of organisations such as NGOs, International Initiatives and Industry Groups in different forums. In 2013 Lundin Petroleum participated in events dedicated at promoting responsible business practice such as the EITI Global Conference, the Global Compact Leaders' Summit, the UN Forum on Business & Human Rights, the French Industrial Petroleum Union and the Norwegian Oil and Gas Association.

Lundin Petroleum also seeks to contribute to the better understanding of the importance and impact of Corporate Responsibility in its operations and to the sector by participating as speaker or panelist in conferences or workshops which also offer the opportunity to meet experts in relevant corporate responsibility fields. One such conference was organised by the International Council on Swedish Industry and the Geneva Peacebuilding Platform on the subject of Leadership in Complex Markets.



What they say about us

Shareholders

"I appreciate Lundin Petroleum's invitation to visit the operations in France. The field visit gave me a better understanding of how the operations are run and how sustainability issues are integrated into the daily work. During the visit I got the opportunity to discuss environment, health and safety with the local team. My impression is that the employees take sustainability issues seriously and that the operations in France are well-managed as concerns environmental issues as well as health and safety."

Employees

"I was delighted to begin my professional life as an intern at Lundin France, a company that conducts its activities with a high level of professionalism and in a family atmosphere. I decided to join Lundin Norway to expand my professional horizons. Although the organisation is much larger than in France, I was happy to find the same family spirit. I truly believe this is the case wherever Lundin Petroleum operates in the world."

Ophélie Durand
Geologist at Lundin Norway

Host Governments

"I highly appreciate Lundin Norway's positive contribution to our local community. As the host municipality for Lundin Norway, we value its contribution and positive efforts towards our younger students, teachers and others who always like to learn more about the oil and gas industry. They share knowledge and competence in a way we all can learn from. As an employer, they are highly professional."

Mayor Lisbeth Hammer Krog

Equity Research

"A sustainability leader among mid-sized peers – Lundin Petroleum is a leader among its mid-sized peers in terms of reporting on and reducing its environmental impact, with its focus on synergies between economic and environmental sustainability. Lundin Petroleum is in the top tier of oil companies indexed by the Carbon Disclosure Project (CDP) for transparency and performance in reducing greenhouse gas emissions. Corporate sustainability is well integrated within the organisation."

Anne Gjøn
Head of Equity Research and Energy, Handelsbanken

International Initiatives

"CDP Nordic office is pleased that Lundin Petroleum continues to commit to improving their disclosure on climate change in response to the growing call from investors for greater corporate climate accountability".

Amanda Haworth
CDP Nordic

Environmental, Social and Governance Rating Agencies

MSCI ranked Lundin Petroleum AA in its 2013 Intangible Value Assessment for its Environmental, Social & Governance (ESG) performance.

Sustainable Indices

STOXX included Lundin Petroleum for the third consecutive year in its STOXX® Global ESG Leaders Indices.

Corporate Governance Assessments

ISS attributed to Lundin Petroleum a Governance Risk score of 2 on a scale of 1 to 10, 1 indicating a low governance risk.

Sustainable Investments

Lundin Petroleum funds a number of sustainable projects, primarily in its core areas of operations

In 2006, Lundin Petroleum established a Sustainable Investment Programme to promote social, economic, and environmental projects and organisations as well as citizenship among its employees. Since then, the Company has funded a significant number of projects, primarily in its core areas of operations.

In 2013, Lundin Petroleum continued to fund some of its long standing projects, such as SOS Children's Villages. A selection of projects supported by Lundin Petroleum in 2013 can be seen on the maps on page 17.

Lundin Petroleum intends to pursue sustainable investments and community development projects associated with its operations. However, as the Company's operations grow, so does the need to engage on a larger scale and in more sustainable and long term projects whose impact can be measured over time. This will better fulfil the Company's commitment under the United Nations Global Compact to further the Millennium Development Goals. At the beginning of 2013, Lundin Petroleum entered into a partnership with the Lundin Foundation, an organisation with a strong track record in philanthropy and social investments and an excellent reputation among its peers, having been selected as one of ten organisations to act as advisors on the OECD Guidelines on Social Impact Investments.



Rare Project, Indonesia

CAPACITY BUILDING – Scholarships in Indonesia

Sponsorship of students at the Bandung Institute of Technology



- Lundin Petroleum is committed through its Code of Conduct and its Sustainable Investment Program to enhance living standards and well-being of the people in the areas it operates. To promote higher education among young men and women is one way to enable them to secure their future.
- In Indonesia Lundin Petroleum has been supporting students from the Bandung Institute of Technology (ITB) since 2012. ITB is situated 150km south east from Jakarta and is considered one of the best universities in Indonesia.

- In 2013, five students from the Geology and Petroleum Engineering programmes received scholarships from Lundin Petroleum which assisted them in completing their final year at ITB Bandung. The students had been selected by the faculty based on their academic performance and need for financial assistance and graduated successfully in October 2013 (one student still to graduate in 2014). For 2014 Lundin Petroleum will grant three new scholarships.



Campus of Bandung Institute of Technology

- In addition, a student competition was organised to encourage excellence in the oil and gas sector and to increase environmental awareness. A case study on an “environment-friendly oil and gas industry” was prepared by Lundin Petroleum’s Indonesian operations and provided to competing teams, each comprised of students from the three different faculties.

- In May 2013 Lundin Petroleum’s Vice President Corporate Responsibility, Christine Batruch, gave a lecture to students and professors of ITB Bandung sharing her experience of Corporate Social Responsibility in the oil industry.



Jan Rijs, General Manager in Indonesia in 2012, the Dean and the two scholarship recipients

The Lundin Foundation

Lundin Petroleum has entered into an agreement with the Lundin Foundation through which 0.1 percent of the prior year's revenues are contributed to the Foundation. Over the course of 2013, Lundin Petroleum contributed USD 1.3 million.

A minimum of 70 percent of contributed funds are dedicated to supporting projects in designated areas where Lundin Petroleum has exploration, development, or production assets. During the initial year of partnership, there has been a geographic focus on South East Asia and a sector focus on biodiversity conservation, sustainable fisheries and renewable energy.

Looking ahead to 2014, the Lundin Foundation is exploring additional partnerships in off-grid renewable energy and biodiversity conservation in Indonesia.

2013 Initiatives

Biodiversity Conservation – TRACC-Borneo (Sabah, Malaysia)

The Coral Triangle region, named for its staggering number of corals (nearly 600 different species of reef-building corals alone), nurtures six of the world's seven marine turtle species and more than 2,000 species of reef fish. Over 120 million people live in the Coral Triangle and rely on its coral reefs for food, income and protection from storms. Current levels and methods of harvesting fish are not sustainable and place this important marine area and its people in jeopardy. A changing climate threatens coastal communities and imperils fragile reefs. The challenge ahead is to develop sustainable solutions for the Coral Triangle's inhabitants and protect one of the most diverse marine habitats on Earth at the same time.

In 2013, the Lundin Foundation entered into a partnership with TRACC-Borneo to expand coral planting and regenerate damaged reefs on which both fisheries and tourism depend in the Semporna District of Malaysia. Revenues from a seaweed and sea cucumber farm to be owned and operated by TRACC will ensure a revenue stream to support ongoing restoration activities.

Sustainable Fisheries – Rare (Indonesia)

The world's coastal fisheries are under enormous pressure. One billion people around the world rely on fish for protein, yet more than 80 percent of fish stocks are overexploited and declining. Developing tropical nations, including those in the Coral Triangle, suffer the most severe human and environmental costs. Half of the world's catch is from coastal fisheries, where poorly-managed fishing and competition for scarce marine resources accelerate this deterioration. For island countries in the developing world, where fish is often the primary source of protein, poorly managed fisheries translate into lost fish catch equivalent to that which would provide 130 to 300 million people with their minimum required daily protein.

Indonesia lies at the heart of the Coral Triangle, which is a center of tropical marine biodiversity, containing more than half

of the world's coral reefs, 75 percent of known coral species, more than 3,000 species of fish and the largest area of mangrove forests. The estimated annual economic value of this rich ecological diversity is USD 2.3 billion. The persistent decline in fisheries due to overfishing and the related deteriorating health of natural infrastructures such as coral reefs and mangroves pose a material threat to Indonesia's economy, food security and livelihoods.

In 2013, the Lundin Foundation entered into a multi-year partnership with Rare, to support three innovative pilot projects in conservation and fisheries-management reform in near-shore marine ecosystems. These pilots are designed to ensure profitable and sustainable fisheries while boosting livelihoods, protecting habitats, and enhancing coastal resilience to climate change.

Access to Energy – Penampang Renewable Energy (Sabah, Malaysia)

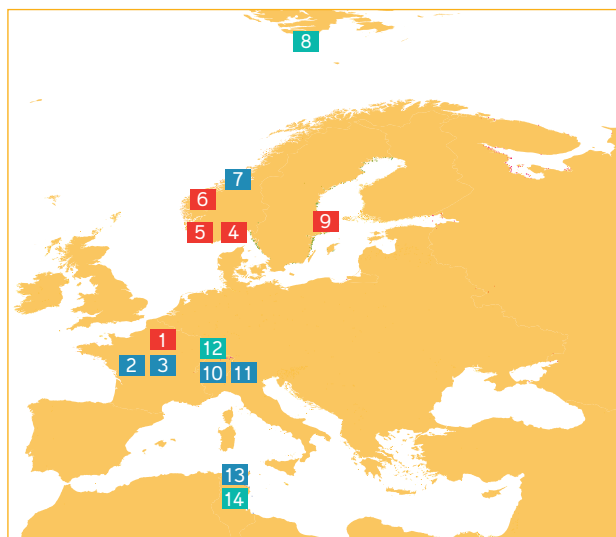
The ancestral forests of Malaysia's indigenous people (the Orang Asal), though heavily degraded, are still among the richest in biological and cultural diversity. Malaysia's indigenous people maintain custodianship over critical forested watersheds, banks of carbon, clean water, and biodiversity. Yet these forest ecosystems, and the subsistence communities who dwell there, are among Malaysia's most vulnerable. Over 20 percent of Sabah's population still lacks access to electricity.

Penampang Renewable Energy (PRE) leads a group of organisations and local businesses in Sabah, Borneo that have demonstrated decentralised, self-sustaining models for rural electrification that empower communities rather than foster dependency.

In 2013, the Lundin Foundation entered into a partnership with PRE to design and install three micro-hydro systems in rural, off-grid communities and to recruit and train technicians from these communities in system maintenance.

Impact Reporting Investment Standards

In 2011, the Lundin Foundation adopted Impact Reporting Investment Standards (IRIS). IRIS is the catalog of generally accepted performance metrics used by leading foundations to measure and report the social, environmental, and financial impacts of supported initiatives. Through ongoing field monitoring and evaluation, the Foundation will report annually on key performance indicators across its full portfolio of initiatives in South East Asia.



- Capacity Building
- Social Welfare
- Environmental Protection

France

- Lundin France provides internships to students of the French Petroleum Institute (IFP) and supports its yearly study trip.
- Donation of medical equipment to a hospital in Sénégal through the Association CASE Sézanne-Podor.
- Participation in the charity Téléthon day in Montmirail organised by the Association Montmirail.

Norway

- Sponsor of the Astrup Fearnley Museum of Modern Art, a leader in contemporary art.
- Lundin Norway sponsors the Norwegian Museum of Science and Technology in Oslo.
- Sponsor of the Norwegian College of Elite Sport which fosters competitive sports athletes on the international level, whilst at the same time caring for their formal education.
- Continued sponsorship of Save the Children Norway.
- Partner of the Carbon Capture and Storage project of University Centre in Svalbard.

Sweden

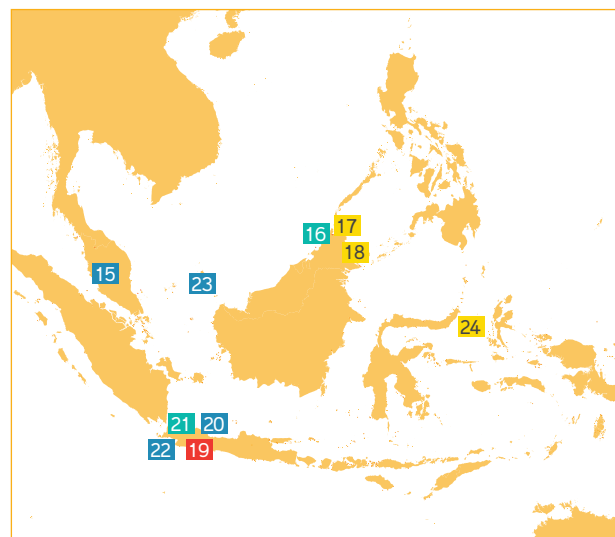
- Lundin Petroleum sponsors the Good to Great Tennis Academy in Sweden which coaches young tennis players to become world class players.

Switzerland

- Employees' personal contributions to the Swiss Cross for the victims of Typhoon Haiyan were matched by the Company.
- The Company made a financial contribution to two charities in recognition of staff's participation in two charity races Courir pour Aider and Courir Ensemble.
- Staff committed to commute by bicycle during a month to promote environmental friendly commuting, Bike to Work.

Tunisia

- Contribution to running costs of one house in Gammarth Village, SOS Children's Villages. Donation of computer equipment to Siliana Village, SOS Children's Villages.
- Lundin Petroleum supported the restoration of the Belvédère Park and contributed to awareness raising events for children, Association des Amis du Belvédère.



- Capacity Building
- Social Welfare
- Environmental Protection
- Lundin Foundation Project

Malaysia

- Lundin Malaysia employees raised funds for Disabled Children's Care Association as part of a trek up Mount Kinabulu.
- Lundin Malaysia is supporting a project by the Malaysian Nature Society to stop the decline of bird life caused by feral cats on the Mantanani Islands, Sabah, a breeding and nesting site of native sea birds by trapping feral cats and relocating them to the mainland.
- TRACC-Borneo, Sabah – biodiversity conservation, see page 44
- Penampang Renewable Energy, Sabah – access to energy, see page 44

Indonesia

- Lundin Petroleum granted scholarships for the academic year 2013 to two students of the Bandung Institute of Technology from the geology programme and one student from the petroleum engineering programme.
- The Company continued its support of the Cibubur Village, Jakarta by sponsoring the construction of a house for retired mothers, SOS Children's Villages.
- Lundin Indonesia's employees and their families volunteered for the Jakarta Clean Up Day to pick up waste in Jakarta's main street as a commitment to a clean environment.
- Funding of the Banana Flour Project in Subang, West Java, to increase cooperative revenue and create sustainable activities, IBEKA.
- Donation of medical equipment to the public health care centres in Natuna and Anambas Islands regencies to match needs of the community.
- Rare – sustainable fisheries, see page 44



This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.

