

Investinor

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



12 August 2015

Dear Secretary-General,

I am pleased to confirm that Investinor AS reaffirms its support for the Ten Principles of the United Nations' Global Compact in the areas of Human Rights, Labour, the Environment and Anti-Corruption. In this document, which is the company's first annual Communication on Progress, Investinor describes the measures it has taken to integrate the Global Compact and its principles into its business strategy, culture and daily operations.

Investinor is also committed to sharing this information with its stakeholders.

Yours sincerely,
Geir Ove Kjesbu
Chief Executive Officer

UN Global compact – Communication on Progress 2014-2015

The statements in this document are applicable to all ten United Nations Global Compact principles, regarding human rights, labour, the environment and anti-corruption issues.

Investinor AS has incorporated ESG issues (Environmental, Social and Governance) into all its investment analyses and decision-making processes. The company also aims to be an active owner and ensure that ESG issues are on the agenda in all portfolio companies.

Investinor is committed to continuing to work to secure acceptance and implementation of the United Nations Global Compact principles and to collaborate with other stakeholders to carry the principles into effect within the global business community.

In the spring of 2014 the audit and consultancy firm EY evaluated Investinor's responsible investment practice (corporate social responsibility) and concluded that in some areas Investinor performs better than comparable investment companies; while other areas can and should be improved.

EY found Investinor's work concerning responsible investment practice to be well embedded among the company's executive management, and that the organisation as a whole has a widespread awareness of such challenges.

Investinor attaches a high priority to developing efficient internal routines to identify and address challenges in the investment process, i.e. in the analysis and negotiation phase before Investinor becomes a co-owner in a company. Thanks to this structured approach, EY believes Investinor to be ahead of comparable investment companies.

Investinor is currently working to further enhance its analyses of industry-specific ESG risk, and to make these analyses less dependent on individuals' knowledge and attitudes. In 2015 Investinor started regular training activities with its investment teams to boost awareness of relevant challenges, stakeholders' expectations, and the relationship between responsible investment practice and long-term returns. By the end of 2015 Investinor will also publish a revised ESG policy, which will be more detailed than the one that is currently displayed on Investinor's website. All ten United Nations Global Compact principles, regarding human rights, labour, the environment and anti-corruption issues will be addressed in this policy.

Investinor does not yet have a satisfactory ESG reporting scheme in place, but will continue to work towards implementing a relevant and functional reporting routine. Investinor believes that the existing reporting schemes are not sufficiently suitable for venture capital investors like Investinor and its portfolio companies, hence Investinor's aim is to develop its own.

The portfolio companies' corporate social responsibility

Investinor adopts a three-pronged approach to social corporate responsibility for its portfolio companies.

1. Each company is responsible for ensuring that it is economically sustainable over the long term. Over time the companies must create greater values than they consume.
2. It is taken for granted that companies have to comply with the laws and regulations in the countries and markets in which they operate.
3. In addition to adhering to existing legislation and regulations, companies should help to create a better world by integrating social and environmental considerations into their daily operations and with regard to their stakeholders.

Investinor expects its portfolio of companies to comply with the UN's Global Compact initiative, the ILO's eight core conventions, the OECD's guidelines for multinational companies and other recognised standards and principles regarding human rights, working conditions, consideration of the environment and anti-corruption measures.

The portfolio companies should identify, manage and report on the key challenges they face with regard to corporate social responsibility.



Investinor acknowledges that there is a high risk of coming into conflict with corporate social responsibility principles in certain markets. In such cases it could be more beneficial for the affected parties if the companies continue in business and endeavour to improve conditions, rather than simply abandoning the venture. Investinor expects its portfolio companies to be transparent and explain how they address such issues.

Investinor will use its influence as owner to encourage its portfolio companies to ensure that their approach to corporate social responsibility complies as closely as possible with the standard expected by Investinor.



Geir Ove Kjesbu
Chief Executive Officer

