

May 2016

Nordic Engagement Cooperation (NEC), a collaborative engagement network formed by Folksam, Ilmarinen Mutual Pension Insurance Company and KLP, in cooperation with engagement service provider GES, has published its 2015 Annual Report.

During 2015, which was the seventh year of collaboration within the Nordic Engagement Cooperation (NEC), the companies Deutsche Post, Vinci and Volkswagen were added to the NEC focus list. The focus list comprises a list of companies that the NEC members have agreed to engage with, in collaboration with our service provider GES, to achieve progress. NEC is an integrated part of the members' regular engagement work. Over the years, NEC has developed a joint understanding and a common platform for active ownership - a structured process to identify companies to engage with, and a set of tools used to reach long-term engagement objectives. Through NEC, the members pool their resources to engage with companies based outside of the Nordic region, for which joint action is often more effective than individual engagement.

Highlights of NEC's engagement efforts for 2015 include:

- NEC concluded two long-term engagement efforts with the companies BP and Transocean, in relation to the Gulf of Mexico explosion and oil spill in 2010, following overall improvements in the companies' performance.
- NEC's three-year thematic engagement program on Western Sahara, focusing on companies involved in exploring or extracting natural resources from the non-self-governing territory occupied by Morocco, came to an end in 2015. To conclude the project, NEC participated in a seminar in which the NGO Emmaus and Polisario Front each outlined their views on the conflict and objectives for the future. Separately, Kosmos Energy and the Norwegian fishing company, Sjøvik, provided their thoughts on how companies can manage the special risks and operate responsibly in a context like Western Sahara.
- NEC has continued to engage with Total, in relation to their activities in Western Sahara. At the end of 2015, Total announced that it would not renew its contract in the region. On a subsequent conference call with NEC, the company further underlined that it will not return to Western Sahara in the foreseeable future. Given these developments NEC has since decided to end its engagement with Total.

The Nordic Engagement Cooperation Annual Report includes details of companies for which the collaboration has been influential in achieving major positive change.

Commenting on the results of NEC engagement in 2015, the network members said:

"We are happy to see continuous results of our collaboration within NEC. These dialogues have proven to be a good complement to our own engagements", stated Richard Torgerson, Folksam.

"KLP engages through NEC both in order to influence companies more effectively and to share experiences and learn from our Nordic colleagues", stated Annie Bersagel, KLP.

“Engaging with companies through NEC is an integral part of our active ownership. Pooling engagement efforts and developing common objectives have helped us achieve better results when engaging with non-Nordic companies. Also, sharing best practices through the cooperation has proven useful when developing our own responsible investment processes further”, stated Tiina landau, Ilmarinen Mutual Pension Insurance Company.

For further information, please contact:

Annie Bersagel, Advisor, Responsible Investment at KLP

+47 98 60 36 64 annie.bersagel@klp.no

Tiina Landau, Senior Advisor, Responsible Investment at Ilmarinen Mutual Pension Insurance Company,

+358 10 284 2565 tiina.landau@ilmariinen.fi

Richard Torgerson, Analyst, Responsible Investment at Folksam,

+46 708 31 52 13 richard.torgerson@folksam.se

Magdalena Håkansson, Head of Client Relations, Nordic Region at GES

+46 8 787 99 18 magdalena.hakansson@ges-invest.com

Nordic Engagement Cooperation (NEC) consists of three Nordic institutional investors: Folksam from Sweden (www.folksam.se), Ilmarinen Mutual Pension Insurance Company from Finland (www.ilmarinen.fi) and KLP from Norway (www.klp.no). To complement our own engagement, we have made the strategic decision to coordinate some of our engagement activities with companies on environmental, social and governance issues. Together the investors manage assets to a value of approximately EUR 132 billion.

GES[®] is Europe's leading provider of engagement services focusing on supporting asset owners and asset managers develop and implement integrated investment strategies with environmental, social and governance (ESG) considerations. We act as an owner advocate and add proven value to € 1 trillion of investments worldwide by assessing and engaging with clients' portfolio companies. GES is a privately held, bank and investor independent, company founded in 1992 with over 60 employees globally, of which 40 are dedicated entirely towards corporate engagement. We have offices in Sweden, Denmark, United Kingdom, Poland and Switzerland, as well a strategic business partnership with oekom research in Germany and France. www.ges-invest.com