



Type of engagement	Reason for interaction
Individualist/one-off engagements	<input type="checkbox"/> To support investment decision-making in a company <input type="checkbox"/> To influence corporate practice for one of the key issues <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify
Collaborative engagements	<input type="checkbox"/> To support investment decision-making in a company <input type="checkbox"/> To influence corporate practice for one of the key issues <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify
Service provider engagements	<input type="checkbox"/> To support investment decision-making in a company <input type="checkbox"/> To influence corporate practice for one of the key issues <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify

LEAG	Reason for interaction
	<input type="checkbox"/> To support investment decision-making in a company <input type="checkbox"/> To influence corporate practice for one of the key issues <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify

CLIMATE TRANSPARENCY REPORT

2019

KLP

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-03DAD1C6-2249-465C-ACAF-301BE5083407/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	KLP
Signatory Category	Non-corporate pension or superannuation or retirement or provident fund or plan
Signatory Type	Asset Owner
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2007
Region	Europe
Country	Norway
Disclosure of Voluntary Indicators	98% from 38 Voluntary indicators

KLP

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Principle objective for asset management in KLP:

In its long-term investment strategy, KLP seeks to construct a portfolio that, with KLP's fiduciary duty in mind, can maximize returns, while adhering to risk limitations.

Key principles for asset management in KLP:

- Long-term investment horizon and diversified portfolios
- Large proportion of stable asset classes
- High degree of market exposure (index management) and internal management
- Continuous risk monitoring and management
- Responsible and sustainable asset management

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Guidelines for KLP as a responsible investor, apply to all asset classes and all of KLP's investments, without exceptions.

No

SG 01.6

Additional information [Optional].

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC

Voluntary

Public

Descriptive

General

SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Risks and opportunities related to the energy sector (as a consequence, KLP has divested from coal and oil sand companies, while at the same time increased our investments in renewables).

KLP is working on developing our own understanding, models for analysis and data quality related to climate related risks and opportunities for a global and diversified investment portfolio.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

Describe

1. Member of UNPFI TCFD working group to understand the climate change risks in the portfolios
2. Collaborative engagement with institutional investors in Norway, engaging with Norwegian companies reporting in line with TCFD
3. KLP worked with an environmental group on how to assess climate risk in industries: Report: <https://www.klp.no/om-klp/samfunnsansvar/milj-og-klima/klimarisiko>

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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Public PRI Climate Transparency Report

Annual financial filings

Regular client reporting

Member communications

Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink: http://english.klp.no/polopoly_fs/1.39178.1513197530!/menu/standard/file/Guidelines%20for%20KLP%20as%20a%20responsible%20investor.pdf}

- Attachment (will be made public)

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink: https://www.klp.no/polopoly_fs/1.39548.1517833837!/menu/standard/file/Severe%20Environmental%20Damage.pdf}

- Attachment (will be made public)

- Formalised guidelines on social factors

URL/Attachment

- URL

URL

{hyperlink: <https://www.klp.no/om-klp/samfunnsansvar/rapporter-og-resultater>}

- Attachment (will be made public)

- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{hyperlink: http://english.klp.no/polopoly_fs/1.39178.1513197530!/menu/standard/file/Guidelines%20for%20KLP%20as%20a%20responsible%20investor.pdf}

- Attachment (will be made public)

- Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:http://english.klp.no/about-klp/corporate-responsibility-and-responsible-investments/exclusion-and-dialogue}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:http://english.klp.no/polopoly_fs/1.39178.1513197530!/menu/standard/file/Guidelines%20for%20KLP%20as%20a%20responsible%20investor.pdf}

Attachment

Time horizon of your investment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:http://english.klp.no/polopoly_fs/1.39178.1513197530!/menu/standard/file/Guidelines%20for%20KLP%20as%20a%20responsible%20investor.pdf}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.klp.no/om-klp/samfunnsansvar/rapporter-og-resultater}

Attachment

We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other role, specify (2)
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	Other description (2)
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Other role, specify (2)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Climate change related issues have been discussed in relation to key processes and strategies, such as group level strategy, investment strategy, and strategy for corporate responsibility. The board has been introduced to TCFD and KLP's plan for implementation.

Climate change related issues have also been discussed at board level of some of the subsidiaries of KLP, for instance related to product development and ownership strategies.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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Climate change related issues have been discussed in relation to key processes and strategies, such as group level strategy, investment strategy, and strategy for corporate responsibility. Top management has been introduced to TCFD and KLP's plan for implementation.

Climate change related issues have also been discussed at management level of some of the subsidiaries of KLP, for instance related to product development and ownership strategies.

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

Describe

KLP is a member of the UNEPFI pilot project on implementing the TCFD recommendations for investors.

Through this project, KLP conducts a climate risk assessment of its investment in listed bonds and equities, which involve the application of future scenarios describing future conditions related to transition risk and physical risk .

- No, not to assess future ESG/climate-related issues

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

Each time an asset class is evaluated, ESG issues are taken into consideration.

Furthermore, KLP considers ESG issues in strategic asset allocation in relation to specific impact investments: 1) co-investments with Norfund in renewable energy in developing countries through KNI, and 2) investments in the Norwegian Microfinance Initiative (NMI). See <https://www.klp.no/om-klp/samfunnsansvar/ansvarlige-investeringer/investeringer-for-b-rekraftig-utvikling> (Norwegian) and <http://english.klp.no/about-klp/corporate-responsibility#http://english.klp.no/about-klp/corporate-responsibility/society-and-environment> (brief English summary).

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

KLP employ scenario analysis in the screening and subsequent analysis of climate risks, in accordance with the guidance set forth in TCFD. KLP is currently in the process of developing climate risk scenarios for all its business areas, including those used in the UNEP FI TCFD pilot project. KLP develop a mixture for quantitative scenarios (used for the climate risk assessment of our listed equities and bonds) and qualitative or semi-quantitative scenarios for our remaining business areas subject for climate risk screening.

A key approach to KLPs climate risk analysis work is to work systematically to enhance internal competence on climate change related questions and understanding on potential financial risks that may arise therein. Scenario analysis is key in this respect, and more of our emphasis relate to using scenario analysis and climate risk screening to develop our internal knowledge, rather than believing that we are able to make valid climate risk assessment at this point in time where the general knowledge is immature, and data, methods and tools are generally insufficient.

Hence, KLPs plan moving forward is to continue its work on developing its competence on climate risk, including effort on developing better, more valid and more applicable climate risk scenarios, in order to progress towards climate risk analysis with less uncertainty in the future. KLP is committed to this work, and it has a high priority in the organization.

- Incorporation into investment analysis

Describe

Based on the initial results from the climate risk assessment, and following the continuous work on improving the climate risk assessment, KLP will have an on-going consideration on the validity and uncertainty in output from the climate risk assessment, with a view to consider how the results can be implemented in the company wide risk management process, investment strategies and investment processes.

- Inform active ownership

Describe

KLP has, in collaboration with other key institutional investors, already initiated a dialogue on climate risks and TCFD reporting, with the key companies on Oslo stock exchange that are relevant in the consideration of their climate risk exposure. These meetings was initiated in 2018 and will continue in 2019 and onwards. KLP also take an active role in the contribution of competence development considering practical approaches to climate risks towards the finance industry, companies, politicians and other companies, i.a. by arranging seminars and publishing reports.

- Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6
CC**

Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

Yes

Describe

KLP view, which is aligned with other companies that are mature on climate risk assessment (e.g. see report issued by oil and gas companies through WBCSD - see report from this link: <https://bit.ly/2LyDUkD>), is that it is necessary to be careful in conducting a too detailed interpretation of the results from climate risk assessment at this point. This relates to general low knowledge about the issue (e.g. how will climate risks scenarios play out?), and lack of data, methods and tool to conduct the assessment. KLP is participating in what is possible a world leading TCFD pilot through the UNEP FI, and the underlying methodology fails to i.a.: cover the scope of risk factors set forth by the TCFD and capture any inter-sector and intra-sector dynamics. However, KLP will continuously consider how climate risk assessment and results thereof, can be integrated into consideration of investment strategy and investment process, even if fully valid results are available.

Having this said, KLP do several changes in its investments that are likely beneficial to the company's climate risk assessment, such as excluding companies with the highest carbon intensity, committed to increase its green investment with 1 bn. USD annually, and by engaging with companies and industry level stakeholders, to improve the climate change performance in its portfolios.

No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input checked="" type="checkbox"/> RPC 4.5	
IPCC	<input checked="" type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> Several SSP scenarios also used
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		43	033	000	000
Currency	NOK				
Assets in USD		5	089	079	176

Specify the framework or taxonomy used.

This figure is KLP's investments in renewable energy, green buildings, green bonds. In addition, KLP has invested in an eco-labelled equity fund (the Nordic Svanen label).

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

KLP is active in enhancing climate change related knowledge and competence in the market place.

- None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

KLP also conduct climate change related alignment tests of parts of its portfolio, as provided by the 2-degree investment initiative.

- None of the above

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Information	tonnes CO2e/mNok revenue	A company's emission relative to revenue is allocated on the basis of portfolio weights (current value of investment relative to current portfolio value) for the entire portfolio. Methodology aligned with the TCFD annex D "supplemental guidance for the finance sector"
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Information	tonnes CO2e/mNok invested	Absolute carbon emission (scope 1 and 2) for the portfolio is calculated using an equity ownership approach for each company. The sum of emission in tCO2e. is divided by the market value of the portfolio. Methodology aligned with the TCFD annex D "supplemental guidance for the finance sector"
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Information	tonnes CO2e	Calculation of all emissions from operations, such as energy use and waste. All buildings where KLP itself is responsible for operations, as well as buildings where data on tenants' electricity use is available, are included in the calculations
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Information	tonnes CO2e/mNok revenue	Calculation of all emissions from operations, such as energy use and waste. All buildings where KLP itself is responsible for operations, as well as buildings where data on tenants' electricity use is available, are included in the calculations. Absolute emission (Scope 1 and 2) is calculated using an equity ownership approach for each company and divided on the company's revenue, where the revenue is also calculated using an equity ownership approach, for all companies in the portfolio. Methodology aligned with the TCFD annex D "supplemental guidance for the finance sector"
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Information	market value of carbon-related assets as a percentage of AUM	The percentage of of carbon-related assets (defined as fossil energy companies) in the portfolio relative to current portfolio value

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

Ⓞ Process for climate-related risks is integrated into overall risk management

Please describe

KLP has initiated a broad organization wide process to develop and enhance its competence concerning climate risks, considering all key business areas as well as asset classes. The process identifies climate risk factors, and along the way, develop competence, and set direction for continuous improvement in this space. The aim that climate risk shall be fully integrated in the company risk management process. The

next step in 2019 is to develop scenarios and integrate climate risk on our ORSA report. A full integration in KLP's risk management processes is challenging, considering the vast uncertainty and complexity in conducting valid climate risk assessment for a global and diversified investment portfolio.

Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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Yes

SG 14.9 CC	Please describe
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KLP has, in collaboration with other key institutional investors, already initiated a dialogue on climate risks and TCFD reporting, with the key companies on Oslo stock exchange that are relevant in the consideration of their climate risk exposure. These meetings was initiated in 2018 and will continue in 2019 and onwards. KLP also take an active role in the contribution of competence development considering practical approaches to climate risks towards the finance industry, companies, politicians and other companies, i.a. by arranging seminars and publishing reports.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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SG 15.2	%
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0.04

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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SG 15.3	Area
----------------	------

Energy efficiency / Clean technology

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

% of AUM

0.22

- Hedge funds
- Inclusive finance
- Cash
- Other (1)

Brief description and measures of investment

Measures: investment value + production capacity

Description: These investments are in renewable energy projects, ie. new projects increasing the production capacity. Investments are made through fund structures and partnerships.

- Renewable energy
- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

% of AUM

10

- Infrastructure
- Hedge funds
- Inclusive finance
- Cash
- Other (1)

Brief description and measures of investment

Measures: Market value of investments

Description: KLP is both investing and operating its own property portfolio. We report on the share of green buildings in our portfolio, see sustainability reporting at http://english.klp.no/polopoly_fs/1.39998.1521710121!/menu/standard/file/KLP_Annualreport_2017.pdf

- Sustainable forestry
- Sustainable agriculture
- Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Hedge funds
- Inclusive finance

% of AUM

0.08

- Cash
- Other (1)

Brief description and measures of investment

Measures: market value of investments

Description: Investments in the Nordic Microfinance Initiative (NMI).

- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Financial sector in developing countries

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Hedge funds
- Inclusive finance

% of AUM

0.08

- Cash
- Other (1)

Brief description and measures of investment

Measures: market value of investments

Description: Investments in banks in Africa, through the investment company Arise, in collaboration with Norfund.

No