KLP - Climate Change 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Kommunal Landspensjonskasse (KLP) is Norway's largest pension and life insurance provider, responsible for the pensions of over 900,000 public servants, including nurses, kindergarten teachers, ambulance drivers, firemen, librarians, and many more. KLP is owned by customers with public sector occupational pensions, employs 980 people and manages approximately 698 billion NOK in assets. Our business areas include pension, banking, fund and asset management, insurance, and property. Since 1949, KLP has strived to safeguard peoples' current and future wellbeing by providing safe, responsible, sustainable, and competitive financial and insurance services to the public sector, enterprises associated with the public sector, and their employees. We firmly believe that it is not insignificant *how* returns on investments are created, and we want to contribute to responsible and long-term financial investment decisions. KLP was created to offer public sector employees a quality pension plan they otherwise were ineligible for – a system that would secure their future wellbeing. These origins have continued to inspire KLP's mission of responsibility and sustainability in our financial operations. KLP seeks to deliver safe and competitive pensions in a responsible and sustainable way. Our work is based on international norms, like the UNFCCC, and we strive for transparency in every arena. KLP believes that responsible business practice is the key to sustainable development and that the goal is to make a difference. Our vision is to be the best partner for the days to come.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2018	December 31 2018	No	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Denmark
Norway
Sweden

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

NOK

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Director on board	The highest body to discuss and review climate-related issues at KLP is the board of directors. The Board of Directors approves KLPs sustainability strategy, which addresses climate change. In addition, the board approves the annual report and interim reports, in which KLP's sustainability reporting is integrated. KLP sees the board of directors as an entity with a common responsibility for governing the company, and supervising its day-to-day management and operations. With this responsibility, climate-related issues are an important aspect of the work of the board of directors. In addition to sustainability being one of five areas of main strategic importance in KLPs business strategy from 2018-2022, climate related issues could significantly impact KLPS day-today management and operations. Therefore, it is vital that the board has insight and responsibility for these issues.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding risk management policies Reviewing and guiding business plans Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Every year, a strategy process is conducted by the Board, which sets out the overall objectives and strategies. The Board also defines Group-wide strategies such as capital management and social responsibility strategies where climate is a concern. This ensures that climate-related issues are addressed each year at Board level within the established strategic processes. For example, the Board has discussed KLP's initial climate risk mapping and how we intend to work on climate risk in the coming years, as well as the TCFD report. The Board and the boards risk committee will be continually involved, and monitor progress. The KLP Group uses scorecards as a tool to follow up on the corporate strategy. Scorecard reporting is used to update the Board each quarter on progress, including on selected climate-related objectives.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Risks Officer (CRO)	Both assessing and managing climate-related risks and opportunities	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

- CEO. The CEO has decisive authority in regards to strategy, goals, risk mitigation which makes climate-related issues a natural extension of the CEO's responsibilities as they concern longer term strategic decisions and risk management processes. At KLP, Group senior management conducts an annual process on how to implement the strategy defined by the board. The strategy for corporate social responsibility, where climate-related issues are addressed, is part of this process. The CEO is responsible for KLPs annual strategy process, and for reporting on progress to the board. The executive directors for each business area are responsible for setting targets, and for implementing objectives and actions in their respective business areas. The development is monitored through each business area's scorecard, and both the Board and senior management are updated each quarter. This ensures that management addresses climate-related issues every year.

- CFO. The CFO at KLP oversees the company's corporate responsibility strategy. The CFO is responsible for executing KLPs investment strategy, and to do so in accordance with the guidelines for KLP as a responsible investor, making climate-related investment issues a key responsibility of the CFO. The guidelines include factors regarding climate-related issues. Moreover, the CFO is responsible for KLPs fiscal reporting, hereunder KLPs sustainability reporting, which is integrated in the annual and quarterly reports. The CFO reports to the CEO.

-CRO. The chief risk officer at KLP is responsible for identifying, assessing, monitoring and reporting on company wide risks. The CRO reports directly to the board of directors of KLP, and is an independent risk function. Identified risks are to be seen in relation to strategy, risk profile and capital requirements. KLP sees climate related issues as relevant risk factors, and hence it is natural for the CRO to also identify, assess and monitor climate related risks. Moreover, the CROs direct reporting to the board, and independence from the CEO and CFO means that if the CEO/CFO do not adequately consider climate risks, the CRO can report this directly to the board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

No

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	4	Consistent with KLPs short-term business strategy, which is renewed for four years. 2018-2022.
Medium-term	4	12	Consistent with KLPs medium-term environmental targets, lasting until 2030
Long-term	12	32	Consistent with KLPs long-term environmental targets, lasting until 2050

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	>6 years	

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

KLP's risk management policy specifies that all significant risk factors must be assessed. We recognise that climate risk is a major uncertainty factor for KLP, thus we are working on the best way to integrate climate risk into the established risk management processes. At this point, climate risk analysis is a separate process, which is intended to form the basis for how we work on climate risk in the future.

In 2018, KLP started a climate risk analysis within all of the Group's business areas. The goal is to gain a deeper understanding of the effects climate-related developments could have on our business and strategy, as well as qualitatively identify risk factors. In an effort to build the most complete risk profile, we have also assessed indirect risk factors that could affect our owners. The analysis is mainly aimed at increasing our knowledge and expertise on climate as a financial risk, to give us a better understanding of the climate risks KLP face and how we might be able to manage it. Our approach to analysing climate risk is as follows:

1. Formulate a problem statement for the business area that is being analyzed. Example for the KLP Gorup; Can climate-related developments affect KLPs ability to deliver safe and competitive pensions, financial ans insurance services?

2. Identify climate-related risk factors that might influence the business areas ability to reach its targets as outlined in the problem statement. Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk.

3. Scenario stress testing to consider the development of climate risk in different climate scenarios.

3. Risk assessment and targets. Here, we consider the risk faktors and their development in different climate scenarios in order to understand uncertainties and potential consequences and ultimately indentify and/or propose hard and soft measures to manage those risks.

KLP has identified risk factors for the Group's business areas: life insurance and the investment portfolio with banking, real estate and securities management, as well as non-life insurance. The risk factors have been assessed against KLP's established risk targets, and assessed against various climate scenarios. The outcome of this exercise is both to raise the level of knowledge in the company and to generate an initial list of risk factors that KLP will continue to analyse. Important work in the near future will be assessing the risk profile in different climate scenarios. This will form the basis for recommendations on risk management, monitoring and further learning in the company. As part of our efforts to raise the level of knowledge of climate risk, we have participated in a collaborative project under the auspices of the UN Environment Programme Finance Initiative (UNEP FI) todevelop models and tools for climate risk analysis for major international investment portfolios. KLP is taking part in this because we believe in the value of cooperation, and we want to contribute to learning and standardisation in relation to climate risk analysis in the finance industry in Norway and around the world. This is a challenge shared by all investors with broad market portfolios.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing policy and legal risks, current regulation is allways of importance, and hence this risk factor is relevant and allways included. The potential regulatory risks for KLP mainly relates to our financial investments. These risks can be regulatory risks that companies, industries, countries, regions or markets we invest in are exposed to. An example from Norway are the current subsidies in the form of a guaranteed premium for wind power generation, that expire in 2020.
Emerging regulation	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing policy and legal risks, emerging regulation is allways of importance, and hence this risk factor is relevant and allways included. The potential regulatory risks for KLP mainly relates to our financial investments. These risks can be regulatory risks that companies, industries, countries, regions or markets we invest in are exposed to. Carbon tax is one such emerging risk that might influence a broad range of our invested capital. Regulation for institutional investors/life insurance companies regarding transparency or requirements to integrate sustainability into its operations is also relevant.
Technology	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing transition risk, technology risk is allways of importance, and hence this risk factor is relevant and allways included. Risks associated with technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system are highly relevant to KLP as an asset owner. As an example, the shift from a fossil fuel dominant energy system to a clean-energy economic system could impose a risk to our assets. Therefore, KLP is heavily invested in renewable energy, with 5% of our total assets under management in renewable energy. Only 2% of KLPs assets under managenemt is in fossil energy.
Legal	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing transition risk, policy and legal risks, are allways of importance, and hence this risk factor is relevant and allways included. For example, KLPs ESG team in the asset management subsidiary continuously screen companies in our portofolios to identify legislation, sanctions or fines in regards to climate-related issues.
Market	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing transition risk, market risk is allways of importance, and hence this risk factor is relevant and allways included. An example can be KLPs banking subsidiary, providing loans to municipalities and public sector companies, that are increasingly requesting green loans at a discounted price. If KLP Banken does not provide the desired products, we will lose market share given that green loans are growing faster than the public lending market. Moreover, our credit portofolio will become increasingly "brown".
Reputation	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing transition risk, reputation risk is allways of importance, and hence this risk factor is relevant and allways included. Climate change is high on the agenda in Norway, and the awareness has increased among clients and stakeholders. We have a continuously ongoing dialogue with our customers/owners and stakeholder regarding climate change related matters. Open and clear are two of KLPs core values, and we are guided by these values in our communications on climate change issues, wether positive or negative.
Acute physical	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing physical risks, acute physical risks are allways of importance, and hence this risk factor is relevant and allways included. Extreme precipation in the form of floods resulting in landslides and the like could potentially impact KLP's insurance subsidiary or property investments. The same goes for other sorts of extreme weather conditions. In 2014, an extreme flood in an area named Flom in the western part of Norway resulted in almost 400 MNOK worth of damages. In Norway, a common pool natural disaster fund consisting of the government and large insurance companies takes care of most of the costs. It is believed that both direct payouts, and payments to the natural disaster fund are likely to increase in the near future due to physical climate changes.
Chronic physical	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. When analyzing physical risks, chronic physical risks are allways of importance, and hence this risk factor is relevant and allways included. The potential of extreme weather and natural disasters to impact on our locations, in particular HQ located very close to sea. KLPs new headquarters is located approximately 2 meters above sea level. Parts of the basement is thus below sea level. Rising sea levels might severely impact our HQ, as well as other properties in our property portfolio.
Upstream	Relevant, sometimes included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. The same is applicable when analyzing upstream risks. KLPs principles for responsible business conduct for suppliers, which is part of all contracts with suppliers, outlines KLPs stance and expectations on a range of responsible business conduct parameters, including climate-related issues.
Downstream	Relevant, always included	At KLP, Risk factors are identified across all the risk factors outlined by the TCFD recommendations within the main categories; physical and transition risk as well as liability risk. The same is applicable when analyzing downstream risks. In the principles for KLP as a responsible responsible investor, ESG risks including climate risks and our measures to cope with such risks in our investments are outlined. As an example, KLP recently updated the prinsiples for KLP as a respnsible investor to exclude coal completely to reduce downstream climate risk.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

KLP has been working to reduce our environmental impact for several years – both in our own operations and indirectly through our investments. This has resulted in a solid understanding of the topic at all levels in the organisation, and a common awareness that climate change could potentially have a major impact on long-term returns for KLP. Climate-related risks are integrated in the general risk and strategy processes in the group, run on an annual basis.

KLP's management method for climate-related transitional risk is two-fold; divestment from overly risky and carbon-intensive sectors, such as coal and oil-sand companies and actively investing in promising clean technology and businesses**.** Therefore, KLP has a specific target to increase climate-friendly investments by 6 billion NOK each year (approx 1% of AUM annually). In managing climate-related transitional opportunities, KLP has taken extensive steps to make low-carbon and environmentally friendly financial options available to our customers. For example, in 2018 we launched the worlds first SWAN-labeled global index-fund. In addition, we launched green loans both for private customers and to the public market, mainly Norwegian municipalities and companies associated with these. Moreover, we are continuously making strides to make our property developments as green as possible through building BREEAM-certified buildings, energy efficiency, and installing renewable energy on our properties. In terms of physical risks, our property subsidiary is tracking weather-related damages on an ongoing basis, and executing measures as needed. At present, weather-related damages are mainly related to strong winds and equipment mounted on roofs falling over. These issues are tracked, and measures are integrated into existing budgets.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?
Investment chain

Risk type
Transition risk

Primary climate-related risk driver
Policy and legal: Increased pricing of GHG emissions

Type of financial impact
Increased credit risk (e.g., increased probability of default and/or loss given default)

Company- specific description
KLP has participated in an international collaborative project run by UNEP FI. In the project, we have analyzed wether there is an increased probability of default on our bonds due to the introduction of carbon pricing. This analyzis is based on an advanced modelling approach utilizing a combination of integrated assessment models, carbon price trajectory with regional granularity, and the application of science based consistent climate scenarios.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1075000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The number is derived from the UNEP FI pilot project on assessing climate risk on a portofolio level, in which KLP asset management participated. The estimated financial loss, reflect the present value calculation from taking into consideration the cost impact of carbon pricing in the free cash flow of a given company, in the period 2018-2033, using the Merton model to perform the calculation. The analysis is conducted on company level, and aggregated, to reflect the risk on KLP fund, and for KLP's cumulative bond holdings. The results presented here are based on results from the REMIND 2°C scenario, as described in C3.1D. There is great uncertainty in the estimated figures. Figure is calculated to NOK using the USD exchange rate as of 23.07.2019.

Management method

Cost of management
0

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Investment chain

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact
Other, please specify (Asset damage and interruptions to operations)

Company- specific description
We have analyzed wether there is an increased probability of default on our bonds due to extreme weather events . This analyzis is based on statistical modelling of the probability of various extreme weather events, and its consequences.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
21000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The number is derived from the UNEP FI pilot project on assessing climate risk on a portofolio level, in which KLP asset management participated. The estimated financial loss, reflect the present value calculation from taking into consideration the cost impact of carbon pricing in the free cash flow of a given company, in the period 2018-2033, using the Merton model to perform the calculation. The analysis is conducted on company level, and aggregated, to reflect the risk on KLP fund, and for KLP's cumulative bond holdings. The results presented here are based on results from the REMIND 2°C scenario, as described in C3.1D. There is great uncertainty in the estimated figures. Figure is calculated to NOK using the USD exchange rate as of 23.07.2019.

Management method

Cost of management
0

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Transition risk

Primary climate-related risk driver
Technology: Substitution of existing products and services with lower emissions options

Type of financial impact
Write-offs and early retirement of existing assets due to technology changes

Company- specific description
Risks associated with technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system are highly relevant to KLP as an asset owner. In particular, the shift from a fossil fuel dominant energy system to a clean-energy economic system could impose great risk to fossil fuel assets. KLP is heavily invested in renewable energy, with 4% of our total assets under management in renewable energy. Only 2% of KLPs assets under managenemt is in fossil energy.

Time horizon
Current

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
1000000000

Potential financial impact figure – maximum (currency)
2000000000

Explanation of financial impact figure
The number is derived from the UNEP FI pilot project on assessing climate risk on a portofolio level, in which KLP asset management participated. The estimated financial loss, reflect the present value calculation from taking into consideration the cost impact of carbon pricing in the free cash flow of a given company, in the period 2018-2033, using the Merton model to perform the calculation. The analysis is conducted on company level, and aggregated, to reflect the risk on KLP fund, and for KLP's cumulative bond holdings. The results presented here are based on results from the REMIND 2°C scenario, as described in C3.1D. There is great uncertainty in the estimated figures.

Management method
KLP has divested from the most environmentally damaging fossil fuel sectors. In 2014, KLP divested from companies deriving more than 30% of their revenues from coal-related activities. In 2017, KLP divested from companies deriving more than 30% of their revenues from oil sand-related activities. KLP also divested from companies deriving more than 30% of their revenues from coal and oil sand-related activities combined. Through this we seek to minimise this transition risk and reduce the environmental impact of our investments. Cost integrated into existing budgets. Moreover, KLP is actively seeking investments that contribute to the transition to a low-carbon energy system. For instance, KLP has 4% of total assets under management in renewable energy.

Cost of management
0

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Investment chain

Opportunity type
Markets

Primary climate-related opportunity driver
Other

Type of financial impact
Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)

Company-specific description
New revenues stemming from green technology opportunities, as a function of registered green technology pattents. This analyzis is based on an advanced modelling approach utilizing a combination of integrated assessment models, carbon price trajectory with regional granularity and the application of science based consistent climate scenarios.

Time horizon
Medium-term

Likelihood
Very unlikely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1173000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The present value of future green technology revenue, calculated on the basis of an quality score of company patents, and an estimated total future market value of new green technology revenue, determined as a total value of all carbon cost calculated in the model. This estimate concerns KLPs cumulative listed bonds. Figure is calculated to NOK using the USD exchange rate as of 23.07.2019.

Strategy to realize opportunity
We have no reason to belive that this analysis is accurate, and are therefore hesitant to put measures in place in order to capitalize on such an uncertain opportunity. Cost integrated into existing budgets.

Cost to realize opportunity
0

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Investment chain

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Type of financial impact
Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)

Company-specific description
New revenues stemming from green technology opportunities, as a function of registered green technology pattents. This analyzis is based on an advanced modelling approach utilizing a combination of integrated assessment models, carbon price trajectory with regional granularity and the application of science based consistent climate scenarios.

Time horizon
Medium-term

Likelihood
Very unlikely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
46000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The present value of future green technology revenue, calculated on the basis of an quality score of company patents, and an estimated total future market value of new green technology revenue, determined as a total value of all carbon cost calculated in the model. This estimate concerns KLPs cumulative listed equities. Figure is calculated to NOK using the USD exchange rate as of 23.07.2019.

Strategy to realize opportunity
We have no reason to belive that this analysis is accurate, and are therefore hesitant to put measures in place in order to capitalize on such an uncertain opportunity.

Cost to realize opportunity
0

Comment
Cost is integrated into existing budgets.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Customer

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new markets

Type of financial impact
Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)

Company-specific description
KLPs Banking subsidiary (KLP Banken) is a provider of credit to the public sector and organizations associated with the public sector. KLP Banken launched a green loan product to the public sector in 2018. In a 2-degree scenario, we estimate the market for green loans in the public sector to grow from 21 bNOK in 2018, to approximately 250bNOK in 2050. As one of few players in the public sector credit market, we could be capable of attaining a significant maret share in this growing market.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
10000000000

Potential financial impact figure – maximum (currency)
100000000000

Explanation of financial impact figure
The financial impact figure is based on our predictions for the growth in the public sector market for green loans, based on historical data from 2010 to 2018. The large span signifies that there is a great uncertainty as to what kind of market share KLP Banken might be able to attain. The estimated financial impact figure is based on the market size in 2050.

Strategy to realize opportunity
As mentioned, we launced a new product for the public sector in 2018, and are currently promoting green loans in all our credit processes. Moreover, KLP Banken has a strong position in the public sector credit market, and are currently working closely with Norwegian municipalities on their mitigation and adaptation efforts to climate change through their credit processes. Cost to realize opportunity is approximately one full time employee, approx 1.000.000 NOK

Cost to realize opportunity
1000000

Comment

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted	Increased demand for climate-friendly products and services, as well as corporate responsibility being one of the main focus areas of KLPs corporate strategy has resulted in opportunities related to offering green products. For example, in 2018 we launched the worlds first SWAN-labeled global index-fund. In addition, we launched green loans both for private customers and to the public market. Additionally, KLPs real estate subsidiary is increasingly building green, energy efficient buildings that are in high demand. The magnitude of impact is considered to be relatively low at present, but we estimate a medium magnitude of impact in a more long-term perspective.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	In terms of our supply chain, the increased focus on ESG matters in the public and the media leads to an increased level of scrutiny on KLP as a large procurer of goods and services. As such, this mainly impacts our business in terms of greater efforts to decrease our liability risk. In 2018, KLPs new code of responsible business conduct for suppliers was approved, which leads to increased efforts for managing ESG related matters in our supply chain. As such, in addition to the increased liability risk from public scrutiny, there is a risk of increased cost of supply chain management. The magnitude of impact is considered low at present.
Adaptation and mitigation activities	Impacted	KLP's banking subsidiary, which to a large extent offers credit to Norwegian municipalities experiences opportunities in terms of climate change adaptation and mitigation. The Norwegian governments working group on climate risk concluded that Norwegian municipalities play a key role, especially when it comes to adatpation, which will open up to increased investments in adaptation activities and infrastructure. This is likely to open up a new market for public sector lending. The magnitude of impact is considered medium over the medium to long term.
Investment in R&D	Impacted	In order to fully understand how KLP is exposed to climate related risks and opportunities, investments i research, increasing knowledge and development of tools to analyse climate risk constitutes a risk in terms of both increased costs, but also a risk of developing tools, models and methods that are incorrect. This is one of the reasons KLP joined the UNEP FI initiative to develop a methodology for analyzing climate risk in investment portofolios and helped published a report on how the finance industry can use scenario analyses to report on climate risk according to the TCFD recommendations. Additionally, we published a report in collaboration with the Norwegian foundation for climate, called "how to deal with climate risk" in order to give our investee companies and other stakeholders a blueprint on how to start analyzing climate risk. We believe the risk of increased costs related to R&D costs for analyzing climate risk are low, and will continue to be so in the long term.
Operations	Impacted	Extreme weather is to some degree impacting KLPs property subsidiary. We own buildings ranging from brand new buildings finished in 2018 to buildings more than 150 years old. The daily operations of these buildings are getting more complex with changing and more extreme weather. For example, going from hot to cold or dry to wet weather conditions rapidly makes it difficult to maintain a stable indoor environment for the tenants. Going from dry to wet conditions has been causing leaks from the ventilation systems in some of our buildings. This increases the comlexity of operations, and could damage the building, as well as our tenants office equipment. The magnitude of impact is considered medium in the long term. More frequent extreme weather could potentially have significant financial implications for KLPs insurance subsidiary. Extreme weather could lead to extraordinary property, equipment and casualty claims that are difficult for foresee and estimate. Hence, new methods and skills are likely to be needed for acurate handling of weather related insurance claims. More complicated insurance claims and need for new competence is likely to increase operational costs.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Not yet impacted	We do not yet see a financial impact of climate risks and opportunities when it comes to KLP's revenues.
Operating costs	Not yet impacted	The weather related adjustments to KLP's property management is currently integrated into existing budgets, and have not been factored in to our financial planning process. As explained above, this might change in the coming years.
Capital expenditures / capital allocation	Impacted	Captal expenditures have not been impacted by climate risks or opportunities. Capital allocation has been impacted by the risk factors outlined above. For example, the risk of KLPs banking subsidiary not capitalizing on the increased demand for green loans, has resulted in 3 billion NOK being allocated to enter the public market for green loans. The magnitude of impact is considered to be low. Also, the trasnsition risk for high-carbon equity assets held by KLP as an asset owner has resulted in our strategic target to increase our climate friendly investments. Hence, 6 billion NOK have been allocated towards climate friendly investments per annum. The magnitude of impact is considered medium.
Acquisitions and divestments	Impacted	KLP has divested from sectors with particularly great climate impact, and hence underlying risks related to climate change adaptation and/or legislation and policy change. In 2014, KLP divested from coal, and in 2017 KLP divested from companies deriving 30% or more of their revenues from oil sands.
Access to capital	Not impacted	KLP's access to capital has not been impacted by any of the risks outlined above, given that we are an asset owner.
Assets	Not yet impacted	KLPs assets have not been impacted by any of the risks outlined above at this time. This might change going forward.
Liabilities	Not impacted	KLP has not experienced any liability issues as a result of climate-related issues.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

A company-specific explanation of how business objectives and strategy have been influenced by climate-related issues;

KLPs business idea is to deliver safe and competitive financial and insurance services to the public sector, enterprises associated with the public sector and their employees. This product and service is not affected by climate change, but climate change is relevant to our underlying operations and how we deliver this product and service as an asset owner. KLP aims at delivering a safe and competitive pension to our beneficiaries based on responsible and long-term investment practices. Climate change, and in particularly climate risk has obviously become an important factor that could have a major impact on KLPs ability ti deliver safe and competitive financial and insurance services to the public sector, enterprises associated with the public sector and their employees. As KLPs is a pension company, our investments are inherently long-term, and hence understanding how climate risk might impact the value of these investments, both at present and in the long term is of the outmost importance to us.

KLPs new corporate strategy for 2018 to 2022 was established in 2017, and launched in January 2018. Corporate responsibility is one of the strategy's five strategic focus areas. As a result, climate issues are integrated in the business strategy on several levels. Business objectives and strategy are to a large degree influenced by the recent emergence of knowledge around climate risk as a financial risk, and this will continue to influence our business objectives and strategy in the future. The corporate responsibility strategy has
has four overarching objectives. In the points below we have outlined these four objectives that support our overall corporate strategy and what we did in 2018 to move closer to fulfill these objectives:

1. Integrate social responsibility in everything we do: In 2018 we began mapping our climate risks in order to examine how climate change will affect KLP as a company and what consequences we should be preparing for. Therefore, we have started reporting according to the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD).

2. Increase our investments that support sustainable development: In 2018, we have made many investments in renewable initiatives, including Stena Renewable and a loan for electric ferries to Fjord1. We have committed to increase our investments in renewables and climate-friendly initiatives by 6 billion NOK every year in order to speed up the transition to a low carbon society. We are also eliminating our investments in fossil fuels.

3. Influence companies to become more sustainable: We seek to work with the companies we invest in and climate change is one of our top priority areas for ownership influence. We talked to companies like Hydro about their challenges in Alunorte in Brazil and Nordic American Tankers about beaching, with varied degrees of success.

4. Develop products and services that contribute to positive societal developments: We launched Norway’s first Swan-labelled fund, which only includes companies who perform well on corporate responsibility and sustainability, and we launched our Green Mortgage Solution, which will contribute to more energy efficient and climate-positive residences.

What have been the most substantial business decisions made during the reporting year that have been influenced by the climate change driven aspects of the strategy (e.g. investment, location, procurement, mergers and acquisitions (M&A), research and development (R&D). Both the business decision and the aspect of climate change that has influenced the business decision must be made clear in the answer. If there are none to report, this should be stated;

KLP has taken an active stance in reducing the carbon intensity in its investment portfolio. The most substantial business decision related to climate in 2017 was a commitment to increase climate friendly investments by 6 billion NOK per year in the period for 2018 to 2022. The majority KLPs climate friendly investments are in renewable energy. This will lead to increased generation of clean, renewable energy, and make a positive contribution towards the two-degree target. Moreover, it is an important step towards decreasing our investment portfolios climate risk exposure. The commitment to invest 6 billion NOK per year in climate friendly investments is based on the fact that we see it as an opportunity for green business development, and as an important contribution to many of the SDGs.

The most substantial business decision made in 2018 related to climate change was the launch of Norway’s first Swan-labeled Fund called “KLP AksjeGlobal Mer Samfunnsansvar”, roughly translated to More Responsibility towards Society. The fund only includes companies that have a high performance against criteria like environment, corporate responsibility, governance and leadership, and it excludes investments in fossil fuels and weapons. The Swan label has been the official environmental label in the Nordic countries for the past 30 years, and in order to label the fund as Swan-certified we had to meet a list of strict requirements. This move was in line with other decisions in 2018, including the exclusions of eight major companies for environmentally damaging behavior, breaches of human rights, and for being involved in coal mining. In 2018, we also joined UNEP’s Finance Initiative and helped published a report on how the finance industry can use scenario analyses to report on climate risk according to the TCFD recommendations.

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details
RCP 2.6 RCP 4.5 RCP 8.5 REMIND	In our initial climate risk assessment, KLPs subsidiaries within property, insurance, banking and asset management have conducted a qualitative scenario analysis in order to consider the development of identified risks and opportunities in different scenarios. In this initial climate risk screening we have considered RCP 2.6, RCP 4.5 and RCP 8.5. The time horizons considered were short (0-5 years), medium (5-20 years) and long (>20 years). The scenarios were selected on the basis of the need to incorporate high mitigation scenarios coupled with scenarios with less steep mitigation. A description summary of the results from the scenario analysis is that it has been a usefull start to ignite awareness arising and knowledge development koncerning climate risk assessments. Our enhanced capability in understanding climate risk has enabled us to understand that the current state of data, methods and tools regarding climate risk assessments and reporting is far from being able to comply with the recommendation of the TCFD. In terms of how the results of the scenario analysis has informed our business objectives and strategy, it is clear that it is not possible to conduct climate risk assessment with an appropriate level of precision to inform business objectives and strategy. However, the work that we do on scenario analysis is used to raise our capabilities on analysing climate risk. In terms of providing a case study/example of how the scenario analysis has informed our business objectives and strategy, based on the experience from conducting our first scenario analysis on climate risk, it has influenced our business objectives in terms of deciding to run a subsequent scenario analysis in order to raise our knowledge and capabilities on climate risk.
REMIND	KLP asset management was part of the UNEP FI pilot project to develop a methodology to analyse climate risk. Here, a quantitative method to analyse both transition risk and physical risk was developed and tested. In this project, 1.5°C, 2°C and 3°C scenarios from the REMIND model of the Potsdam University were emplyed. The scenarios were selected on the basis of the need to incorporate high mitigation scenarios coupled with scenarios with less steep mitigation. The scenarios themselves are provided from the REMIND model, which is a sophisticated integrated assessment model, whose scenarios are consistent with those published by I.A. (Inter Alias), the IEA, and the RCP scenarios. The time horizon selected was from 2018-2033. This was based on the available modelling provided by the data service provider, Carbon Delta. The application of a medium time horizon has made it more relevant to our organization, and business strategy. A description summary of the results from the scenario analysis is that it has been a usefull start to ignite awareness arising and knowledge development koncerning climate risk assessments. Our enhanced capability in understanding climate risk has enabled us to understand that the current state of data, methods and tools regarding climate risk assessments and reporting is far from being able to comply with the recommendation of the TCFD. In terms of how the results of the scenario analysis has informed our business objectives and strategy, it is clear that it is not possible to conduct climate risk assessment with an appropriate level of precision to inform business objectives and strategy. However, the work that we do on scenario analysis is used to raise our capabilities on analysing climate risk. In terms of providing a case study/example of how the scenario analysis has informed our business objectives and strategy, based on the experience from conducting our first scenario analysis on climate risk, it has influenced our business objectives in terms of deciding to run a subsequent scenario analysis in order to raise our knowledge and capabilities on climate risk.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1+2 (location-based) +3 (upstream)

% emissions in Scope

100

Targeted % reduction from base year

50

Base year

2010

Start year

2012

Base year emissions covered by target (metric tons CO2e)

1086

Target year

2030

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% of target achieved

61

Target status

Underway

Please explain

By the year-end of 2018, scope 1-3 emissions were reduced by 30,3% compared to the baseline year in 2010. Hence, using the calculation; ((30,3%/50%)*100 = 61% progress towards the target to date. As such, we are more than halfvay to completion of our target of a 50% reduction by 2030.

Target reference number

Abs 2

Scope

Scope 1+2 (location-based) +3 (upstream)

% emissions in Scope
100

Targeted % reduction from base year
78

Base year
2010

Start year
2015

Base year emissions covered by target (metric tons CO2e)
1086

Target year
2050

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% of target achieved
39

Target status
Underway

Please explain
KLP has set a science-based absolute emissions target. The target is based on the IEA 2degrees scenario/methodology and calculated to be in line with the trajectory of our previously stated target (abs1) of 50% reduction in absolute emissions by 2030. Our science based target entails a 78% reduction in absolute emissions by 2050, with 2010 as the baseline-year. By the year end 2018, a 30,3% decrease in absolute emissions was obtained. Hence, using the calculation; ((30,3%/78%)*100) = 39%. I.e. , 39% progress towards the target has been made since the base-line year in 2010.

Target reference number
Abs 3

Scope
Scope 1+2 (location-based) +3 (upstream)

% emissions in Scope
100

Targeted % reduction from base year
25

Base year
2010

Start year
2012

Base year emissions covered by target (metric tons CO2e)
1086

Target year
2020

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% of target achieved
100

Target status
Achieved

Please explain
KLP has set a science-based absolute emissions target. The target is based on the IEA 2degrees scenario/methodology and calculated to be in line with the trajectory of our previously stated target (abs1) of 50% reduction in absolute emissions by 2030. Our science based target entails a 25% reduction in absolute emissions by 2020, with 2010 as the baseline-year. By the year end 2018, a 30,3% decrease in absolute emissions was obtained. Hence, using the calculation; ((30,3%/25%)*100) = 100%. I.e. , 100% progress towards the target has been made since the base-line year in 2010.

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	30
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type
Energy efficiency: Building services

Description of initiative
Building controls

Estimated annual CO2e savings (metric tonnes CO2e)
5

Scope
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
150000

Investment required (unit currency – as specified in C0.4)
100000

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment
Energy monitoring of all KLPs own office spaces (3) in the same central energy monitoring system. Investment cost is a fixed fee for energy consultants seeking out specific outliers in our offices energy consumption in order to adjust the centrally monitored and adjusted heating/cooling as well as lights in our office spaces.

Initiative type
Other, please specify (Reduced air-travel)

Description of initiative
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)
20

Scope
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
500000

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment
KLP has been focusing largely on reducing corporate air travel for the last coulpe of years. From 2015 to 2018, number of flights was reduced by 16,5% and CO2e emissions from corporate flights reduced by 19%.

Initiative type
Other, please specify (Transportation fleet)

Description of initiative
<Not Applicable>

Estimated annual CO2e savings (metric tonnes CO2e)
5

Scope
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
150000

Investment required (unit currency – as specified in C0.4)
300000

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
All company cars will be phased out, and no new ones will be procured. When the process is completed, only electric cars and electric bicycles for daily activities like meetings and seminars will be available. In from 2017 to 2018, number of kilometers driven in EVs increased by 52%.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Potential investments in emissions reduction activities are based on two factors: 1. Financial optimalization calculations. In certain cases, for example when it comes to energy efficiency the cost reduction is quite substatial and the payback period is quite short. Hence, it makes financial sense to pursue the emission reduction activity. 2. Level of impact and/or strategic importance. Some emissions reduction activities are not financially sound. However, if the emission reduction impact is large, and/or therefore of strategic importance, investments in the activity might still be undertaken.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Product

Description of product/Group of products
KLP asset managements launched the worlds first SWAN-labeled global index fund in 2018. The fund is fossil-free; it excludes companies with low ESG scores, and overweighs those with high ESG scores.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Low-Carbon Investment (LCI) Registry Taxonomy

% revenue from low carbon product(s) in the reporting year
1

Comment
Revenue is an estimate and is uncertain.

Level of aggregation
Group of products

Description of product/Group of products
KLP Eiendom, KLPs realestate subsidiary owns state of the art climate-friendly new buildings with high BREEAM classifications. In 2017, Abels Hus, one of KLPs newly constructed properties became the first BREEAM Excellent property in Trondheim municipality in Norway. Moreover, KLP Eiendom certified the first office space in Norway with a BREEAM in-use classification in 2017. As of 31.12.2017, 16% of KLP Eiendom`s properties are properties with specific environmental qualities. KLP Eiendom also built the worlds first shopping mall with BREEAM outstanding classification. Consequently, the tenants/customers reduce their environmental impact linked to their shops/restaurant locations. The same goes for tenants/customers renting office space from KLP Eiendom which has been BREEAM classified. In 2016, KLP Eiendom got its first BREEAM in-use certification for one of its office buildings in Trondheim, Norway.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Other, please specify (BREEAM combined with internal methods.)

% revenue from low carbon product(s) in the reporting year
10

Comment
Revenue is an estimate and is uncertain.

Level of aggregation
Group of products

Description of product/Group of products
In 2018, KLPs banking subsidiary launched two new products. Green loans for energy efficient housing on the private market and green loans for the public market. The latter includes loans to new property developments with specifically low environmental impact, loans for energy efficiency in existing buildings as well as loans for infrastructure develoment or improvements of existing infrastructure in water and wastewater management. The public sector green loans framework is based on the taxonomies of green bond principles and the climate bonds initiative.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Climate Bonds Taxonomy

% revenue from low carbon product(s) in the reporting year
1

Comment
Revenue is an estimate and is uncertain.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2010

Base year end
December 31 2010

Base year emissions (metric tons CO2e)
63.5

Comment

Scope 2 (location-based)

Base year start
January 1 2010

Base year end
December 31 2010

Base year emissions (metric tons CO2e)
644

Comment

Scope 2 (market-based)

Base year start
January 1 2012

Base year end
December 31 2012

Base year emissions (metric tons CO2e)
1208

Comment
The market-based calculation methodology started in 2012. Market based Scope 2 calculations for KLPs base-line year (2010) is therefore not available. Therefore, 2012-figures is used.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
6.5

Start date
January 1 2018

End date
December 31 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
123.6

Scope 2, market-based (if applicable)
762.4

Start date
January 1 2018

End date
December 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
The relevant purchased products and services are accounted for under other sources. Consumer goods such as IT equipment and vehicles are not deemed relevant at this stage, but might become more relevant in the future.

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
As a property developer, KLP has started to develop lifecycle analysis / material analysis of selected new property development projects in our portfolio. This is also of relevance to our consumers. However, we do not currently report on this on an annual basis as part of the companys scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
75.3

Emissions calculation methodology
These are upstream scope 3 emissions from the reported fuel consumption emissions in scope 1 and electricity consumption in scope 2. i) The data source is identical to the data sources in scope 1 and 2, fuel consumption is vehicles diesel fuel consumption and the source for the emissions factors is The Department of Environment, Food and Rural Affairs, DEFRA 2018; Diesel (B5) indirect 0,61 kgCO2e/litre. For Electricity Location based Nordic mix indirect 0,029 kgCO2e/kWh, source IEA 2012-2014 and NVE 2015.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not produce tangible products, and does not have upstream transportation activities, therefore it is not relevant.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
25.4

Emissions calculation methodology
These are emissions stemming from waste generated at KLPs own office premises in Bergen, Oslo, and Trondheim. The activity data is provided by the waste management supplier. In order to reflect the new LCA standard (EN15804) the emission factors show the total climate impact of waste treatment without including avoided emissions in other systems (next cycle). This means that the energy recovery from the incineration of waste for the production of district heating is not deducted from the emission factor of waste for incineration. Recycled waste fractions include only a small transport component (collection of waste) while the material recycling and replacement of virgin materials takes place outside the system (by the actor who buy the recycled material). i) The emission factor is 0.502 kg CO2 per kg incinerated waste (source: Ecoinvent 2) and 0.0213 for recycled waste (source: DEFRA 2018). Other waste fraction emission factors are also DEFRA 2018. Data quality is primary data from waste management company. iii). Allocation is based on the principle of operational control in the GHG Protocol Corporate Accounting and Reporting Standard.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
586.2

Emissions calculation methodology
These are emissions from business travel by air and mileage allowance. The source of emission factors used to calculate the emissions is DEFRA 2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLPs office premises are all locaded close to public transport hubs, and we do not provide parking for employees. Safe parking for bicycles, showers and wardrobes are available for all KLP employees. Hence, KLP employees mainly use public transportation or other low-emissions transport solutions for commuting to work. Given that there is little room for KLP to facilitate further for low-emission commuting, we do not find calculations of employee commuting emissions to be relevant.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLPs approach to emissions is based on operational control, and hence emissions from upstream leased assets are included in Scope 1 and 2.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not sell physical goods that result in downstream transportation and distribution activities.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not sell physical products and hence do not generate downstream emissions from the processing of sold products.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not sell products that generate direct emissions in the use-phase of the products.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not sell physical products that generate emissions in the end of life treatment.

Downstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
10613.2

Emissions calculation methodology
i) Data sources: scope 1 and scope 2 energy consumption at all facilities leased to third party lessees. Emission factors applied: Electricity Nordic mix: Nordic average production mix for 0,045 kg CO2/kWh, source IEA energy statistics report 2016; 2012-2014 (3 years rolling average), Denmark: 0,184kg CO2/kWh (Energinet.dk, 2018), product declaration by Energinet.dk February 2018. Local district heating factors in Norway from suppliers of district heating and cooling. Source for global warming potentials (AR4 - 100 year). ii) Data quality is from KLP property manager (own buildings) iii) The data is allocated based on the principle of operational control, so the emissions from third party tenants are allocated in scope 3

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
These are the emissions stemming from the use.phase of KLPs property subsidiary's properties. The emissions are related to our tenants energy consumption and generated waste.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not have franchise operations.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP has a vast investment portfolio. Our GHG accounting principle is operational control, and thus, we do not include emissions from our invested capital in our emission accounts. However, we do have stringent guidelines for responsible investments, including climate change. KLP does measure the carbon intensity of the investment portfolio, which can be found here: https://www.klp.no/polopoly_fs/1.35537.1485787682!/menu/standard/file/KLP-fondenes%20karbonavtrykk%20des%202016.pdf For the time being, we find it challenging to include emission data from our investments. There is no commonly accepted framework/methodology for this yet. This is exemplified by the fact that a financial institution, such as KLP, cannot have Science based targets (SBTs) including scope 3 emissions approved by the SBT organization. For KLP, we see some of the main challenges related to be: - No common understanding on how to report emissions from investments in Bonds - Weaknesses and/ or lack of public emissions data for listed companies - Weaknesses and/ or lack of public emissions data for unlisted companies.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not have any other emissions

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Explanation
KLP does not have any other emissions

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
5.12e-8

Metric numerator (Gross global combined Scope 1 and 2 emissions)
145.5

Metric denominator
unit total revenue

Metric denominator: Unit total
2840000000

Scope 2 figure used
Location-based

% change from previous year
14

Direction of change
Decreased

Reason for change
Pre-tax income increased significantly from 2.474 BNOK in 2017 to 2.840 BNOK in 2018 (please note that KLP does not operate with total revenue, therefore pre-tax income has been used as the metric denominator, as KLP has done for previous reports. Combined Scope 1 and 2 emissions decreased by 1% from 2017 to 2018. Combined, this led to a decrease in the intensity figure. The reasons for the emissions reduction is partly due to a higher level of renewable energy in the Norwegian electricity mix and partly due to our reduced consumption of heating and cooling, as well as our effort to substantially increase the use of electric cars. However, the reduction is not as significant as last year due to the addition of heating in our Bergen office, since they moved into new offices last year.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	6.46	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	0.01	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	0.03	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Norway	6.5

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Transportation (company Cars)	6.5

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Norway	123.6	762.4	3998.7	1440.6

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2 location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Oslo	92.2	469.6
Trondheim	14.2	69.1
Bergen	32.6	199.6

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	2.3	Decreased	1.6	Through reduction activities such as reducing district heating and cooling in Oslo leads to the following calculation for change in tCO2e: (-0,1)+(-2,6)+0,4= -2,3 tCO2e. ((-2,3)/147,7)*100 = -1,6% change. Total s1 and 2 emissions in the previous year was 147,7tCO2e. The decrease in consumption in Oslo is largely due to energy efficiency activities in our Oslo office.
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	14.2	Increased	9.6	Consumption increased for electricity, electric cars and Diesel B5, the equivalent of 14,12 tCO2e. Calculation: 14,12/147,7*100=9,6%
Change in methodology	15.47	Decreased	10.5	Emission factors changes from 2017 to 2018 led to a reduction of 15,47tCO2e. Our total S1 and S2 emissions in the previous year was 147,7tCO2e, therefore, methodology changes accounted for a 10,5% reduction using the calculation ((-15,47)/147,7)*100= -10,5%.
Change in boundary	1.5	Increased	1	We added district heating in Bergen due to moving to new offices there. Calculation: 1,5/147,7*100 = 1,0%
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	27	27
Consumption of purchased or acquired electricity	<Not Applicable>	0	2554.6	2554.6
Consumption of purchased or acquired heat	<Not Applicable>	1036.6	0	1036.6
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	404	0	404
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	1440.6	2581.6	4022.2

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
27

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor
2.5551

Unit
kg CO2e per liter

Emission factor source
DEFRA 2018

Comment

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2

figure reported in C6.3.

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Other low-carbon technology, please specify (District heating Oslo)

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
878.7

Emission factor (in units of metric tons CO2e per MWh)
0.015

Comment
Hafslund, Nøkkeltall 2016

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Other low-carbon technology, please specify (District heating Trondheim)

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
82.1

Emission factor (in units of metric tons CO2e per MWh)
0.0377

Comment
Fjernkontrollen 2017

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Other low-carbon technology, please specify (District heating Bergen)

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
75.9

Emission factor (in units of metric tons CO2e per MWh)
0.02

Comment
Fjernkontrollen 2018

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Other low-carbon technology, please specify (District cooling Oslo)

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
382.5

Emission factor (in units of metric tons CO2e per MWh)
0.015

Comment
Hafslund, Nøkkeltall 2016

Basis for applying a low-carbon emission factor
Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type
Other low-carbon technology, please specify (District cooling Trondheim)

Region of consumption of low-carbon electricity, heat, steam or cooling
Europe

MWh consumed associated with low-carbon electricity, heat, steam or cooling
21.5

Emission factor (in units of metric tons CO2e per MWh)
0.015

Comment
Hafslund, Nøkkeltall 2016. This consumption occurred in Bergen but emission factor for Oslo was best available data.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope
Scope 1

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
ISAE 3410 Independent Statement regarding 2018 CDP report - KLP SIGNED.pdf

Page/ section reference
1 and 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

Scope
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
ISAE 3410 Independent Statement regarding 2018 CDP report - KLP SIGNED.pdf

Page/ section reference
1 and 2

Relevant standard
ISAE 3410

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- all relevant categories

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
ISAE 3410 Independent Statement regarding 2018 CDP report - KLP SIGNED.pdf

Page/section reference
1 and 2

Relevant standard
ISAE 3410

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Biomass energy

Project identification

CDM 4078 - Biomass based power generation project in Maharashtra, India The project produces electricity from agriculture biomass residuals such as rice husk to generate power in a sustainable manner. The plant is connected to the electricity supply network and will after meeting the auxiliary power requirements, supply the area with clean renewable electricity. The project reduces the need for fossil fuels, and hence contributes in reducing the emission of greenhouse gases.

Verified to which standard

CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)

393

Number of credits (metric tonnes CO2e): Risk adjusted volume

393

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Other, please specify (Clean Cookstoves)

Project identification

Gold standard project 1385 - The primary objective of the project is to significantly reduce wood fuel consumption of low income Ganesh households by providing them with affordable improved cookstoves in the Ashanti region in Ghana. The improved cookstoves can replace traditional stoves, that expose them for toxic smoke and gas from burning wood while cooking.

Verified to which standard

Gold Standard

Number of credits (metric tonnes CO2e)

364

Number of credits (metric tonnes CO2e): Risk adjusted volume

364

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify (Engagement and cooperation)

% of suppliers by number

5

% total procurement spend (direct and indirect)

20

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

In 2017 KLP became members of the Ethical Trading Initiative in Norway. As part of this work, we have established new "principles for sustainable supplier behavior". The principles cover climate-related themes as well as other CSR related themes. The principles work as a guideline for all employees with procurement responsibilities at KLP, including how to engage with suppliers. Through these principles, KLP employs a risk-based approach to engagement and cooperation. Instead of having our suppliers signing a code of conduct, they will be presented the principles by KLP. This will clearly signal our stance on what constitutes appropriate supplier behavior on themes including climate and the environment. We believe this opens up a space for cooperation and fruitful supplier engagement.

Impact of engagement, including measures of success

Impact of engagement is not yet measured.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Other, please specify (Collaboration, information, education)

Details of engagement

<Not Applicable>

% of customers by number

30

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

KLPs engangement with customers is multifaceted and through different channels. 1. KLPs owners (also our customers) engage directly with KLP on specific climate-related issues. An example could be for instance if a Municipality, which is an owner/customer of KLP wants KLP to divest from a specific company, asset class or the like. KLP then engages in dialogue and collaboration with the municipality. This type of engagement was one of the reasons why KLP divested froom coal in 2014. 2. KLP seeks to educate our customers on how to be environmentally friendly in their everyday lives. This is done through channels such as KLPs membership magazine, newsletters and social media. 3. KLPs property subsidiary engages with customers on climate-related issues mainly regarding waste and energy consumption. We have somthing called "Green tenant-agreements". This is an agreement where KLP for instance pays for an investment in energy efficiency measures, and the tenant pays a monthly or yearly fee. This fee is often lower than the energy savings, but reducing the need for capital upfront. Moreover, we seek to facilitate and educate our tenants when it comes to recycling and proper waste management.

Impact of engagement, including measures of success

Reduced energy consumption and reduced waste.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	KLP has in multiple instances shared our insights on KLPs investments in infrastructure and unlisted companies. There has been a debate as to whether Norges Bank Investment Management, (who manages the Government pension fund global) should receive a mandate to invest in unlisted renewable energy. KLP argued, based on our own experiences that they should receive such a mandate.	Norges Bank Investment Management is given a mandate to invest, through the Government Pension Fund Global, in unlisted renewable energy.
Clean energy generation	Support	KLP has in multiple instances shared our insights on KLPs investments in infrastructure and unlisted companies. There has been a debate as to whether Norges Bank Investment Management, (who manages the Government pension fund global) should receive a mandate to invest in unlisted renewable energy. KLP argued, based on our own experiences that they should receive such a mandate.	Norges Bank Investment Management is given a mandate to invest, through the Government Pension Fund Global, in unlisted renewable energy.
Climate finance	Support	KLP contributed to the creation of the "Roadmap for Green Competitiveness in the Financial Sector". Roadmaps for Green Competitiveness have been deveoped by multiple industry oraganizations in Norway, in order to exemplify how the industries intend to deliver on National climate tarets as decided by national government.	KLP supports the "Roadmap for Green Competitiveness in the Financial Sector", and intend to deliver on the measures relevant to our business. We urge other actors in our sector to do the same.
Other, please specify (Climate risk analysis and reporting)	Support	KLP has been part of the public debate on the need for increasing knowledge and attantion on climate risk. We are open on our work with climate risk, and have been engaging in a wider public debate including speaking at multiple conferences, and directly to policy makers. We have aso been presenting our work directly to government agencies	Increased focus on climate risk assessment and reporting in the financial sector.
Other, please specify (Urban planning and densification)	Please select	KLP has been engaging in the public debate on urban planning and densification, and engaging directly with policymakers on the same issues. Most specifically on the need to build higher properties around public transportation hubs, in order to be able to reduce the land use in central areas to open up more of the area for shared space like parks and recreational space. In order to achieve the targets of densification around public transportation hubs, while still focusing og well designed urban areas with recreational space for the city's inhabitants, there is a need to build higher and better.	Changed regulation on building height around public transportation hubs in central locations.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

We strive to be very clear in our policies and standpoint on climate change, both internally and externally.

The mother company seeks to be informed and involved in all relevant policy processes in order to ensure consistency. Relevant policy processes or hearings are quarterly reported internally in KLP. When KLP has participated in hearing processes, our comments are published at klp.no

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
KLP Annual report 2018.pdf

Page/Section reference
48-49, 60-63, 185-209

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Vice President Corporate Responsibility	Please select

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms