Lundin Petroleum’s CEO Ashley Heppenstall and chairman of the board Ian Lundin met the company’s major shareholders on Tuesday afternoon. There have been demands from the shareholders for an independent review of Lundin Petroleum’s activities.

The Lundin Group’s companies have been criticised for their way of conducting business with non-democratic regimes in countries such as Ethiopia and Sudan. Brothers Ian and Lukas Lundin have countered the criticism by, among other things, claiming that the company’s operations have contributed to economic growth. And on Tuesday Lundin Petroleum invited institutional shareholders to an information meeting at the Grand Hôtel in Stockholm.

Among the major shareholders to attend, several, for example Folksam and Swedbank Robur, wanted the company to agree to an independent review.

“Representatives of the company were not exactly jubilant at this, but did not reject the proposal out of hand,” says Carina Lundberg Markow, Head of Corporate Governance at Folksam, as she leaves the meeting at Grand Hôtel.

At the meeting, Ian Lundin rejected accusations against the company, the former Lundin Oil, for example that people were forced from their homes by a road building project in Sudan.

Carina Lundberg Markow nevertheless wants the company to appoint an independent review, perhaps with the aid of a firm of lawyers and preferably with shareholders and possibly an ethical scientist included in the group.

A similar desire is expressed by Swedbank’s fund brokers Robur. “We were one of those pursuing the issue and would like a review of this kind,” says Swedbank Robur’s Head of Information Pär Bäckman.

Is there something specific you want to know more about?

“What the review should investigate is the company’s earlier activities in Sudan. Precisely what it will throw up it is too early to say; that is precisely the purpose of the enquiry.”

Pär Bäckman says that Robur is considering the alternatives if there is to be no review on the part of the company. “It’s only been a few hours since the meeting; we haven’t taken a decision yet.”

Folksam’s Carina Lundberg Markow says that it may be appropriate to raise the issue of an independent review at the shareholders meeting if the company has not already done anything before that. At the same time, she says that Lundin Petroleum has improved its work on risk assessment considerably in recent years. “If you compare it with companies with similar operations, the company’s work in managing risks gives a reliable and good impression.”

Carina Lundberg Markow gives the company high marks as regards dealing with environmental risks, but says that there is more work to be done as regards a code of conduct for human rights.

The meeting that took place at the Grand Hôtel in on Tuesday afternoon brought together several of the major institutional shareholders. Första – Fjärde AP-fonden (AP1-AP4) and Swedbank Robur, SEB Fonder, Handelsbanken Fonder, Skandia and Folksam together own 10% of the shares in the company.

Handelsbanken Fonder will not comment on the question of an independent review, whilst

SEB Fonder notes that the matter has been tabled, but that there has been no decision as yet.

In their invitation to the shareholders regarding Tuesday’s information meeting, Lundin Petroleum’s management wrote: “We understand the pressure that you are under and we would like to provide you with as much information as possible, and also answer any possible questions.”

Carl-Johan Lejland

*original Swedish article:*

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