

Exclusion criteria and list of excluded companies








Decided 25 September, fully implemented 10 October 2019

Länsförsäkringar AB (LFAB), together with its subsidiaries, has implemented sustainability (also “ESG”) related exclusion criteria. These criteria apply to direct investments in listed equities and corporate bonds by LFAB’s Asset Management Department and the Mutual Fund Company. The criteria cover:

- companies associated with serious violations of international norms and conventions, where dialogue with the company has not reached the desired outcome
- companies involved with controversial weapons (nuclear weapons, cluster weapons, anti-personnel mines, biological and chemical weapons, depleted uranium, and white phosphorus)
- companies, typically within mining and energy, with more than 5 percent of their revenue from thermal coal¹
- companies with more than 5 percent of their revenue from the extraction of oil from oil sands, and
- companies with more than 5 percent of their revenue from tobacco production

LFAB aims and does influence external asset managers, both with regards to our approach to exclusions and the existing exclusion criteria. We exert our influence and conduct engagement in connection with the selection and ongoing evaluation of external managers.

The table below relates our exclusion criteria to one or several of the UN Global Goals for Sustainable Development (SDGs), which individual companies subject to the criteria are at risk of counteracting.

Criteria for individual sectors and products	Likely to counteract SDG number:
Thermal coal and oil sands	 
Controversial weapons	
Tobacco	  
Serious violations of international conventions	 <p>Connection to individual SDG varies</p>

The following list includes companies both within and outside MSCI ACWI, LFAB’s reference index.

¹ LFAB may consider retaining companies in its investment universe if the company has made a commitment to the Paris Agreement <2 degrees goal and/or if the company’s revenue share from renewable energy exceeds the revenue share from fossil fuel power generation. See page 3 for more information.

Serious violations of international norms and conventions

LFAB does not make direct investments in companies, through listed equities or corporate bonds, which are considered to violate international norms and where dialogue with the company has not reached the desired outcome.

The international norms and associated guidelines, that LFAB is committed to, include international conventions, agreements, and standards, such as the UN Global Compact, the OECD Guidelines for Multinational Companies, and the UN Guiding Principles for Business and Human Rights (see full list via [link](#)). The areas covered by these conventions and standards concern the environment, human rights, labour rights, and corruption.

- **Elbit Systems Ltd.²**
- **Enbridge Energy**
- **Enbridge Inc**
- **Energy Transfer LP**
- **Jerusalem Economy Ltd**
- **Metallurgical Corporation of China Ltd.**
- **Motorola Solutions Inc**
- **Philips 66**
- **Türkiye Halk Bankası**
- **Vale SA**
- **Walmart Inc.**

Controversial weapons

LFAB does not make direct investments in companies, through listed equities or corporate bonds, which are assessed to be involved in nuclear weapons, cluster weapons, anti-personnel mines, biological and chemical weapons, depleted uranium, and white phosphorus.

- **Aecom Technology group**
- **Aerojet Rocketdyne (f.d. Gencorp Inc)**
- **Airbus group (f.d. EADS)**
- **Anhui GreatWall Military Industry Co., Ltd.**
- **Aryt Industries Ltd.**
- **Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi**
- **Babcock International Group PLC**
- **BAE Systems**
- **Bharat Dynamics Limited**
- **Boeing**
- **BWX Technologies (f.d. Babcock & Company)**
- **China Shipbuilding Industry Co. Ltd.**
- **Constructions Industrielles de la Méditerranée Société Anonyme (CNIM)**
- **Dassault Aviation**

² The company is also excluded due to its involvement in controversial weapons.

- **Ducommun Incorporated**
- **Fluor**
- **General Dynamics Corp**
- **Hanwha Corporation**
- **Honeywell International**
- **Huntington Ingalls Industries**
- **Jacobs Engineering Group Inc**
- **Larsen & Toubro**
- **Leonardo**
- **LIG Nex1 Co Ltd**
- **Lockheed Martin Group**
- **Northrop Grumman Corp**
- **Poongsan Corporation**
- **Poongsan Holdings Corporation**
- **Raytheon Company**
- **S&T Dynamics Co. Ltd.**
- **S&T Holdings Co. Ltd.**
- **Safran Group**
- **Serco Group**
- **Tata Power Company Limited³**
- **Textron**
- **Thales**
- **United Technologies Corp**
- **Walchandnagar Industries**

Thermal coal

LFAB does not make direct investments in companies, through listed equities or corporate bonds, which derive more than 5 percent of their revenue from thermal coal⁴. These companies are not considered sustainable investments, neither from a financial nor from an environmental perspective.⁵

- **Aboitiz Equity Ventures Inc**
- **Aboitiz Power Corp**
- **Adani Power Ltd**
- **Adaro Energy Tbk PT**
- **AES Corp**
- **AES Gener S.A.**
- **AGL Energy Ltd**

³ The company is also excluded due to its involvement in thermal coal.

⁴ Figures on revenue share are based on company information from Trucost's database as per September 2019.

⁵ LFAB may however consider retaining companies with between 5-20 percent of revenue from thermal coal power generation, if they have made a commitment to the Paris Agreement <2 degrees goal (assessed based either on an approved Science Based Target or alignment with the Transition Pathway Initiative's 2 degrees scenario for 2030) and/or the company's revenue share from renewable energy exceeds the revenue share from fossil fuel power generation.

- **Albioma**
- **Allete Inc**
- **Alliant Energy Corp**
- **Ameren Corp**
- **American Electric Power**
- **An Hui Wenergy Co. Ltd.**
- **Anglo American Plc**
- **Anhui Wanjiang Logistics (Group) Co Ltd**
- **Arch Coal**
- **Bakrie and Brothers Tbk PT**
- **Banpu Public Co Ltd**
- **Baotailong New Materials Co Ltd**
- **Bathurst Resources Limited**
- **Beijing Haohua Energy Resource Co Ltd**
- **BHP Group Ltd**
- **Black Hills Corp**
- **Bukit Asam (Persero) Tbk PT**
- **Capital Power Corp**
- **CESC Ltd**
- **CEZ-Ceske Energeticke Zavody**
- **China Coal Energy Co Ltd**
- **China Power International Development Ltd.**
- **China Resources Power Holdings Co. Ltd.**
- **China Shenhua Energy Co Ltd**
- **Chubu Electric Power Co**
- **Chugoku Electric Power Co Inc**
- **Cloud Peak Energy Inc**
- **CLP Holdings Ltd.**
- **CMS Energy Corp**
- **Coal India Ltd**
- **COLBUN SA**
- **Datang International Power Generation Co Ltd**
- **Datong Coal Industry Co Ltd**
- **DMCI Holdings Inc**
- **Dominion Energy Inc**
- **DTE Energy Co**
- **Duke Energy Corp**
- **E.ON Russia OJSC**
- **EDP - Energias do Brasil SA**
- **Electric Power Development Co**
- **Electricity Generating PCL**

- **Elion Clean Energy Company Limited**
- **Emera Inc**
- **EnBW Energie Baden-Wuerttemberg AG**
- **Endesa SA**
- **Enea S.A.**
- **ENERGA S.A.**
- **Eneva SA**
- **Engie Energia Chile S.A.**
- **Engie Energia Peru S.A.**
- **Evergy, Inc.**
- **Exxaro Resources**
- **FirstEnergy Corp**
- **Formosa Chem & Fibre Co**
- **Formosa Petrochemical Corp**
- **Fortis Inc**
- **GD Power Development A**
- **Glow Energy**
- **Great Plains Energy Inc**
- **Guangdong Baolihua New Energy Stock Co Ltd**
- **Guangdong Electric Power Development Co Ltd**
- **Guangdong Investment Ltd.**
- **Guanghui Energy Co Ltd**
- **Guangzhou Development Group Incorporated**
- **Guizhou Panjiang Refined Coal Co A**
- **Gujarat Mineral Development Corp Ltd**
- **HALLADOR ENERGY**
- **HK Electric Investments Ltd**
- **Hokkaido Electric Power Co**
- **Hokuriku Electric Power Co**
- **Hosken Consol Investment Ltd**
- **Huadian Energy Co Ltd**
- **Huadian Fuxin Energy Corp Ltd.**
- **Huadian Power International Corp Ltd**
- **Huaneng Power International Inc**
- **HuBei Energy Group Co Ltd**
- **Huolinhe Opencut Coal Industry Corp Ltd of Inner Mongolia**
- **Idemitsu Kosan Co Ltd**
- **Indo Tambangraya Megah PT**
- **Inner Mongolia Junzheng Energy & Chemical Group Co Ltd**
- **Inner Mongolia Mengdian Huaneng Thermal Power Corporation Limited**
- **Inner Mongolia Yitai Coal**

- **Inter RAO OJSC**
- **Jaiprakash Power Ventures Ltd**
- **Jastrzebska Spolka Weglowa SA**
- **Jilin Power Share A**
- **Jindal Steel & Power Ltd**
- **Jizhong Energy Resources Co Ltd**
- **JSW Energy Ltd**
- **Kansai Electric Power Co Inc**
- **Kuzbasskaya Toplivnaya Company OJSC**
- **Kyushu Electric Power Co Inc**
- **Lanco Infratech Ltd**
- **Lubelski Wegiel Bogdanka S.A.**
- **MC Mining Ltd**
- **Mechel Steel Group**
- **MGE Energy Inc**
- **Mongolia Energy Corporation Ltd.**
- **Mongolian Mining Corp**
- **Monnet Ispat & Energy Ltd**
- **NACCO Industries Inc**
- **New Hope Corp**
- **Nisource Inc**
- **NLC India Ltd**
- **NTPC Ltd**
- **OGE Energy Corp**
- **Okinawa Electric Power Co Inc**
- **Origin Energy Ltd**
- **Peabody Energy Corp**
- **Pingdingshan Tianan Coal Mining Co Ltd**
- **Pinnacle West Capital (AZ)**
- **PNM Resources Inc**
- **Polska Grupa Energetyczna SA**
- **Polskie Gornictwo Naftowe**
- **PPL Corp**
- **Public Power Corp**
- **Ratchaburi Electricity Generating Holding PCL**
- **Reliance Power Ltd**
- **SCANA Corp**
- **SDIC Power Holdings Co., Ltd.**
- **Sembcorp Industries**
- **Semirara Mining and Power Corp**
- **Severstal PJSC**

- **Shaanxi Coal Industry Co Ltd**
- **Shanghai Electric Power Co A**
- **Shanxi Coal International Energy Co Ltd**
- **Shanxi Lanhua Sci-Tech Venture Co.,Ltd.**
- **Shanxi Lu'an Environmental Energy Development Co Ltd**
- **Shanxi Xishan Coal and Electricity Power Co. Ltd.**
- **Shanxi Zhangze Ele A**
- **Shenergy Co. Ltd.**
- **Shijiazhuang Dongf A**
- **Shikoku Electric Power Co Inc**
- **Shz Energy Investment A**
- **South32 Limited**
- **Southern Co**
- **SouthGobi Resources Ltd.**
- **Taiwan Cement Corp**
- **Taqa Morocco**
- **Tauron Polska Energia SA**
- **Tenaga Nasional Bhd**
- **Tohoku Electric Power Co**
- **Tokyo Electric Power Co. Holding Inc.**
- **Top Energy Company Ltd.shanxi**
- **Torrent Power Ltd**
- **TransAlta Corporation**
- **Unicorn Capital Partners Limited**
- **United Company RUSAL Plc**
- **United Tractors Tbk PT**
- **Washington H Soul Pattinson & Company Limited**
- **WEC Energy Group Inc**
- **Vectren Corp**
- **Vedanta Ltd**
- **Westmoreland Coal Co**
- **White Energy Co. Ltd**
- **Whitehaven Coal Ltd**
- **Wintime Energy Co Ltd**
- **Wuhan Kaidi Electric Power A**
- **Xcel Energy Inc**
- **Yancoal Australia Ltd**
- **Yang Quan Coal Industry (group) Co., Ltd.**
- **Yanzhou Coal Mining Co Ltd**
- **Zespol Elektrowni Patnow ADA**
- **Zhejiang Zheneng Electric Power Co., Ltd.**

Oil sands

LFAB does not make direct investments in companies, through listed equities or corporate bonds, which derive more than 5 percent of their revenue from the extraction of oil from oil sands. These companies are not considered sustainable investments, neither from a financial nor from an environmental perspective.⁶

- **Canadian Natural Resources Limited**
- **Cenovus Energy Inc**
- **Suncor Energy Inc**
- **Imperial Oil Ltd**
- **ConocoPhillips**
- **Devon Energy Corp**
- **Husky Energy Inc**
- **MEG Energy Corp**
- **Athabasca Oil Corporation**
- **Pengrowth Energy Corporation**

Tobacco

LFAB does not make direct investments in companies, through listed equities or corporate bonds, which derive more than 5 percent of their revenue from the production of tobacco. Tobacco producers are considered to have such a negative impact, both from a health and an environmental perspective, that they cannot be considered to be responsible companies.

- **Altria Group**
- **British American Tobacco**
- **British American Tobacco MY**
- **Ceylon Tobacco Co**
- **Eastern Company**
- **Gudang Garam**
- **HM Samponera**
- **Imperial Tobacco Group**
- **ITC**
- **Japan Tobacco**
- **Korea Tobacco & Ginseng Corp**
- **LT Goup**
- **Morris (Philip)**
- **Philip Morris International**
- **Shanghai Ind Holdings**
- **Swedish Match**

⁶ Figures on revenue share are based on company information from Trucost's database as per September 2019.