








## Exclusion criteria and list of excluded companies per January 2020

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 principles for responsible business and associated 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)
- fossil fuels: mining and energy companies with more than 5 percent of their revenue from thermal coal<sup>1</sup>; companies with more than 5 percent of their revenue from the extraction of oil from oil sands, and, when applicable, companies with significant oil reserves and production and where the prospects for meaningful active ownership are deemed to be insufficient;
  - When investing in illiquid funds (private equity and private lending) with an investment horizon of 5-10 years, exclusion criteria based on revenue share are applied on companies involved in oil and natural gas, in addition to coal,
- companies with more than 5 percent of their revenue from tobacco production.

LFAB aims to 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:   |
|--|--|
| <b>Fossil fuels (thermal coal and oil)</b>             |     |
| <b>Controversial weapons</b>                           |   |
| <b>Tobacco</b>   |    |
| <b>Serious violations of international conventions</b> |  <p>Connection to individual SDG varies</p>   |

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

<sup>1</sup> 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 principles for responsible business and associated conventions, and where dialogue with the company has not reached the desired outcome. In LFABs regular screening to identify potential companies involved in violations the following standards are applied: the UN Global Compact's Ten Principles for responsible business conduct, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and associated international conventions (see full list via [link](#)). Principles for responsible business cover the environment, human rights, labour rights, and anti-corruption.

- **Enbridge Energy**
- **Enbridge Inc**
- **Energy Transfer LP**
- **Jerusalem Economy Ltd**
- **Metallurgical Corporation of China Ltd.**
- **Motorola Solutions Inc**
- **Phillips 66**
- **Türkiye Halk Bankası**
- **Vale SA**
- **PetroChina Co Ltd**
- **Ratch Group Public Co. Ltd.<sup>2</sup>**

### **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.

LFAB direktinvesterar inte i bolag som bedöms vara involverade i kärnvapen, klusterbomber, anti-personella landminor, biologiska och kemiska vapen, inklusive vit fosfor, samt utarmat uran.

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

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<sup>2</sup> The company is also excluded due to its involvement in thermal coal.

- **Fluor Corporation**
- **General Dynamics Corp**
- **Hanwha Corporation**
- **Honeywell International**
- **Huntington Ingalls Industries, Inc.**
- **Jacobs Engineering Group Inc**
- **Larsen & Toubro Limited**
- **Leonardo S.p.a.**
- **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 Limited<sup>3</sup>**
- **Textron Inc.**
- **Thales**
- **United Technologies Corp**
- **Walchandnagar Industries**

### **Fossil fuels (thermal coal and oil)**

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 coal<sup>4</sup>, in oil companies which derive more than 5 percent of their revenue from the extraction of oil sands, or, when applicable, companies with significant oil reserves and production and where the prospects for meaningful active ownership are deemed to be insufficient. These companies are not considered sustainable investments, neither from a financial nor from an environmental perspective.<sup>5</sup>

#### **Thermal coal**

- **Aboitiz Equity Ventures, Inc.**
- **Aboitiz Power Corporation**
- **Adani Power Limited**
- **AES Gener S.A.**
- **AGL Energy Limited**
- **Albioma**

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<sup>3</sup> The company is also excluded due to its involvement in thermal coal.

<sup>4</sup> Figures on revenue share are based on company information from Trucost's database as per December 2019.

<sup>5</sup> 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. See separate list of companies in transition.

- **ALLETE, Inc.**
- **Alliant Energy Corporation**
- **Ameren Corporation**
- **American Electric Power Company, Inc.**
- **An Hui Wenergy Company Limited**
- **Anglo American Plc**
- **Arch Coal, Inc.**
- **Banpu Public Company Limited**
- **Baotailong New Materials Co., Ltd.**
- **Bathurst Resources Limited**
- **Beijing Haohua Energy Resource Co., Ltd.**
- **BHP Group Ltd**
- **BHP Group PLC**
- **Black Hills Corporation**
- **Canadian Utilities Limited**
- **Capital Power Corporation**
- **CESC Limited**
- **CEZ, a. s.**
- **China Coal Energy Company Limited**
- **China Power International Development Limited**
- **China Resources Power Holdings Company Limited**
- **China Shenhua Energy Company Limited**
- **Chubu Electric Power Company, Incorporated**
- **CITIC Resources Holdings Limited**
- **Cleco Corporate Holdings LLC**
- **Cloud Peak Energy Inc.**
- **CLP Holdings Limited**
- **CMS Energy Corporation**
- **Coal India Limited**
- **COLBUN SA**
- **Datang International Power Generation Co., Ltd.**
- **DaTong Coal Industry Co.,Ltd**
- **DMCI Holdings, Inc.**
- **DTE Energy Company**
- **Duke Energy Corporation**
- **EDP - Energias do Brasil S.A.**
- **Electric Power Development Co., Ltd.**
- **Electricity Generating Public Company Limited**
- **Elion Energy Company Limited**
- **Emera Incorporated**
- **EnBW Energie Baden-Wuerttemberg AG**

- **Endesa, S.A.**
- **Enea S.A.**
- **Energa SA**
- **Eneva S.A.**
- **Engie Energia Chile S.A.**
- **Engie Energia Peru S.A.**
- **Evergy, Inc.**
- **Exxaro Resources Limited**
- **First Pacific Company Limited**
- **FirstEnergy Corp.**
- **Formosa Chemicals & Fibre Corporation**
- **Formosa Petrochemical Corporation**
- **Fortis Inc.**
- **GD Power Development Co.,Ltd**
- **Glow Energy Public Company Limited**
- **Great Plains Energy Inc**
- **Guangdong Baolihua New Energy Stock Co., Ltd.**
- **Guangdong Electric Power Development Co., Ltd.**
- **Guangdong Investment Limited**
- **Guanghui Energy Co., Ltd.**
- **Guangzhou Development Group Incorporated**
- **Guizhou Panjiang Refined Coal Co., Ltd.**
- **Gujarat Mineral Development Corporation Limited**
- **Hallador Energy Company**
- **Hidili Industry International Development Limited**
- **HK Electric Investments and HK Electric Investments Limited**
- **Hokkaido Electric Power Company, Incorporated**
- **Hokuriku Electric Power Company**
- **Hosken Consolidated Investments Limited**
- **Huadian Energy Company Limited**
- **Huadian Fuxin Energy Corporation Limited**
- **Huadian Power International Corporation Limited**
- **Huaihe Energy (Group) Co.,Ltd**
- **Huaneng Power International, Inc.**
- **Hubei Energy Group Co., Ltd.**
- **Huolinhe Opencut Coal Industry Corporation Limited of Inner Mongolia**
- **Idemitsu Kosan Co.,Ltd.**
- **Inner Mongolia Junzheng Energy & Chemical Group Co.,Ltd.**
- **Inner Mongolia Mengdian Huaneng Thermal Power Corporation Limited**
- **Inner Mongolia Yitai Coal Co.,Ltd.**
- **Jaiprakash Power Ventures Limited**

- **Jastrzebska Spolka Weglowa SA**
- **Jilin Electric Power Co.,Ltd.**
- **Jilin Yatai (Group) Co., Ltd.**
- **Jindal Steel & Power Limited**
- **Jizhong Energy Resources Co., Ltd.**
- **JSW Energy Limited**
- **Kaidi Ecological and Environmental Technology Co., Ltd.**
- **Kyushu Electric Power Company, Incorporated**
- **Lanco Infratech Limited**
- **Lubelski Wegiel Bogdanka S.A.**
- **MC Mining Limited**
- **Mechel PAO**
- **MGE Energy, Inc.**
- **Monnet Ispat & Energy Limited**
- **NACCO Industries, Inc.**
- **New Hope Corporation Limited**
- **NiSource Inc.**
- **NLC India Limited**
- **NRG Energy, Inc.**
- **NTPC Limited**
- **OGE Energy Corp.**
- **Origin Energy Limited**
- **Peabody Energy Corporation**
- **PGE Polska Grupa Energetyczna S.A.**
- **Pingdingshan Tianan Coal. Mining Co., Ltd.**
- **Pinnacle West Capital Corporation**
- **PNM Resources, Inc.**
- **Polskie Gornictwo Naftowe**
- **PPL Corporation**
- **PT Adaro Energy Tbk**
- **PT Bakrie & Brothers Tbk**
- **PT Bukit Asam Tbk**
- **PT Indo Tambangraya Megah Tbk**
- **PT United Tractors Tbk**
- **Public Joint Stock Company Inter RAO UES**
- **Public Joint Stock Company Kuzbasskaya Toplivnaya Company**
- **Public Joint-Stock Company Unipro**
- **Public Power Corporation S.A.**
- **Ratch Group Public Co. Ltd.<sup>6</sup>**

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<sup>6</sup> The company is also excluded due to its involvement in serious violations of international norms.

- Reliance Power Limited
- RWE Aktiengesellschaft
- SCANA Corp
- SDIC Power Holdings Co., Ltd.
- Sembcorp Industries Ltd
- Semirara Mining and Power Corporation
- Shaanxi Coal Industry Company Limited
- Shanghai Electric Power Company Limited
- Shanxi Coal International Energy Group 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 Electric Power Co., LTD.
- Shenergy Company Limited
- Shenzhen Energy Group Co., Ltd.
- Shikoku Electric Power Company, Incorporated
- South32 Limited
- SouthGobi Resources Ltd.
- Spic Dongfang Energy Corporation
- Taiwan Cement Corp.
- Tata Power Company Limited<sup>7</sup>
- TAQA Morocco S.A.
- TAURON Polska Energia S.A.
- Tenaga Nasional Berhad
- The AES Corporation
- The Chugoku Electric Power Co., Inc.
- The Kansai Electric Power Company, Incorporated
- The Okinawa Electric Power Company, Incorporated
- The Southern Company
- Tohoku Electric Power Company, Incorporated
- Tokyo Electric Power Company Holdings, Incorporated
- Top Energy Company Ltd.shanxi
- Torrent Power Limited
- TransAlta Corporation
- Unicorn Capital Partners Limited
- United Company RUSAL Plc
- Washington H. Soul Pattinson and Company Limited
- WEC Energy Group, Inc.
- Vectren Corp

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<sup>7</sup> The company is also excluded due to its involvement in controversial weapons.

- **Vedanta Limited**
- **Vedanta Resources Limited**
- **Westmoreland Coal Company**
- **White Energy Company Limited**
- **Whitehaven Coal Limited**
- **Wintime Energy Co.,Ltd.**
- **Xcel Energy Inc.**
- **Yancoal Australia Ltd**
- **Yangquan Coal Industry (Group) Co., Ltd.**
- **Yanzhou Coal Mining Company Limited**
- **Zespól Elektrowni Patnow ADA**
- **Zhejiang Zheneng Electric Power Co., Ltd.**

## **Oil**

- **Athabasca Oil Corporation**
- **Canadian Natural Resources Limited**
- **Cenovus Energy Inc**
- **ConocoPhillips Company**
- **Devon Energy Corp**
- **Husky Energy Inc**
- **Imperial Oil Ltd**
- **MEG Energy Corp**
- **Nexen Inc.**
- **Pengrowth Energy Corporation**
- **Petro-Canada**
- **Suncor Energy Inc**
- **Suncor Energy Ventures Holdings Corporation**
- **Saudi Arabian Oil Co. (Saudi Aramco)**

## **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 SAE**
- **PT Gudang Garam Tbk**
- **PT Hanjaya Mandala Samponerna Tbk**



- **Imperial Brands Plc**
- **ITC**
- **Japan Tobacco Inc**
- **KT&G Corp (Korea Tobacco & Ginseng Corp)**
- **LT Group**
- **Philip Morris CR AS**
- **Philip Morris International**
- **Shanghai Industrial Holdings Ltd.**
- **Swedish Match AB**