

ETHIX SRI ADVISORS

Investments in anti-personnel mines and cluster munitions: a Nordic perspective

Report to the United Nations Association of Sweden

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Foreword

The United Nations Association of Sweden has requested Ethix SRI Advisors provide a report about the position of major Nordic investors regarding investments in companies involved in cluster munitions and anti-personnel mines as expressed in public statements and policy documents. The results of a United Nations Association of Sweden questionnaire have been integrated.

This report provides the following:

- An introduction to the international bans on anti-personnel mines and cluster munitions.
- An outline of the debate about the bans' implications for investments.
- A survey of the position of selected Nordic investors regarding investments in companies with continued involvement in anti-personnel mines and cluster munitions.

The scope of the survey has been limited to cover investors in Denmark, Sweden and Norway – with a particular focus on Sweden. The selection of investors included in the survey has been based on (a) the size of assets under management, (b) brand name among consumers, and (c) strength of profile within responsible investment. The survey thus captures a broad range of actors on the financial market (commercial banks, investment banks, public and private pension funds, insurance companies and pension fund managers).

Ethix SRI Advisors does not take a position with regard to the overall strategy of the Cluster Munitions Coalition on the issue of investments in cluster munitions but hopes that this survey will provide input for a constructive dialogue between civil society organizations, investors and national authorities.

Summary

In early December 2008, around 100 states signed a new convention banning cluster munitions. As of early November 2009, 24 states have ratified the convention—another six have to do so before the *Convention on Cluster Munitions* will enter into force. Prior to the Oslo signing ceremony the movement against cluster munitions leading up to the ban had already had a visible impact with several countries introducing a moratorium on use, procurement and transfers and, as a result, the number of companies worldwide involved in cluster munitions had decreased significantly. Similar developments occurred ten years earlier with regard to anti-personnel mines.

The Norwegian Government together with civil society organizations led the international effort to reach an agreement on an international ban on cluster munitions, and started the destruction of its stockpiles in mid-2009. While also Denmark and Sweden signed the Convention on Cluster Munitions nearly one year ago, they have yet to ratify it and announce the destruction of holdings.

Around ten stock-market listed companies and 30-40 unlisted, state-owned or privately held, companies are today known to remain involved in anti-personnel mines and cluster munitions. Increased attention has been placed on investments in such companies, especially in countries that have endorsed the ban. However, as of the end of October 2009, only two states have introduced an explicit prohibition on financing activities related to the banned weapons, one more introduced such a prohibition for public funds only.

Developments in the Denmark, Sweden and Norway can be summarized as follows:

- Notwithstanding the lack of binding prohibitions, a significant number of major investors in Denmark, Norway and Sweden have divested from companies with known involvement in anti-personnel mines and cluster munitions, or are in the process of doing so.
- Such decisions have been adopted and implemented within the framework of broader responsible investment policies which in the majority of cases are fully or partly based on principles set out in international conventions *endorsed* by home states. In Denmark and Sweden investors have therefore adopted the prohibition set out in the *Convention on Cluster Munitions* ahead of state ratification.
- Though limited information is available, it appears that few investors today apply responsible investment strategies, including divestment or disinvestment from companies involved in anti-personnel mines and cluster munitions, without limitations. The focus is on equity investments, while other activities, e.g. credit activities of banks, are generally not covered.

The bans on anti-personnel mines and cluster munitions

Eric Prokosch, the author of *The Technology of Killing* of 1995, cites a retired colonel discussing the military utility of anti-personnel weapons: '[...] if you're flying in to attack a legitimate military target [...] and someone fires at your plane, then you have to shoot back; and if you know you are likely to encounter anti-aircraft fire over a certain place, then it makes sense to go in just before and lay down a barrage of antipersonnel fire, so that people will keep their heads down when your bombers fly over. That's why it's useful to saturate parts of the enemy homeland with antipersonnel bombs, or to seed wide areas with antipersonnel mines. If some civilians get hurt in the process, that's just the price you have to pay.'¹

In early December 1997, 122 states committed to a ban on anti-personnel mines. Yet it took almost one and a half decades before a similar commitment was made regarding cluster munitions. Negotiations for a ban of both weapons were first pursued, and still are, under the framework Convention on Certain Conventional Weapons (CCW Convention), also known as the Inhumane Weapons Convention, which seeks to ban or restrict the use of specific types of weapons that are considered to cause unnecessary or unjustifiable suffering to combatants or to affect civilians indiscriminately.² In response to the weak efforts undertaken within this 'arms control' track a group of states, supported by strong civil society movements, took the initiative in both cases to move negotiations to parallel 'humanitarian' tracks³ which were successful in establishing a ban within a relatively short amount of time. These processes and their outcome are summarized below.

Definitions

Anti-personnel mines

"Anti-personnel mine" means a mine designed to be exploded by the presence, proximity or contact of a person and that will incapacitate, injure or kill one or more persons. Mines designed to be detonated by the presence, proximity or contact of a vehicle as opposed to a person, that are equipped with anti-handling devices, are not considered anti-personnel mines as a result of being so equipped.

"Mine" means a munition designed to be placed under, on or near the ground or other surface area and to be exploded by the presence, proximity or contact of a person or a vehicle.

"Anti-handling device" means a device intended to protect a mine and which is part of, linked to, attached to or placed under the mine and which activates when an attempt is made to tamper with or otherwise intentionally disturb the mine.⁴

Anti-tank mines or other anti-vehicle mines, and anti-ship mines are not covered by the ban set out in the Mine Ban Treaty.

¹ Prokosch, E., *The Technology of Killing, A military and political history of antipersonnel weapons*, 1995, Zed Books, pp.1-2.

² The full name of the Convention on Certain Conventional Weapons is *Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects*. It was opened for signature in 1981 and amended in 2001. 110 state are parties to the CCW Convention, additional five states have signed it. For more information see the United Nations Office in Geneva, 'Disarmament', URL <[http://www.unog.ch/80256EE600585943/\(httpHomepages\)/6A03113D1857348E80256F04006755F6?OpenDocument](http://www.unog.ch/80256EE600585943/(httpHomepages)/6A03113D1857348E80256F04006755F6?OpenDocument)>.

³ SLachowski, Z., 'The ban on anti-personnel mines, ch.13 in Stockholm International Peace Research Institute (SIPRI), *SIPRI Yearbook 1998: Armaments, Disarmament and International Security*, 1998, Oxford University Press, p. 546.

⁴ The full text of the treaty is available at the website of the International Committee of the Red Cross (ICRC) at URL <<http://www.icrc.org/ihl.nsf/INTRO?OpenView>>.

Cluster munitions

Cluster munitions are containers designed to disperse or release multiple submunitions. The prohibitions set in the *Convention on Cluster Munitions* apply to 'cluster munitions' defined as follows:

"Cluster munition" means a conventional munition that is designed to disperse or release explosive submunitions each weighing less than 20 kilograms, and includes those explosive submunitions. It does not mean the following:

- (a) A munition or submunition designed to dispense flares, smoke, pyrotechnics or chaff; or a munition designed exclusively for an air defence role;
- (b) A munition or submunition designed to produce electrical or electronic effects;
- (c) A munition that, in order to avoid indiscriminate area effects and the risks posed by unexploded submunitions, has all of the following characteristics:
 - (i) Each munition contains fewer than ten explosive submunitions;
 - (ii) Each explosive submunition weighs more than four kilograms;
 - (iii) Each explosive submunition is designed to detect and engage a single target object;
 - (iv) Each explosive submunition is equipped with an electronic self-destruction mechanism;
 - (v) Each explosive submunition is equipped with an electronic self-deactivating feature;

3. "Explosive submunition" means a conventional munition that in order to perform its task is dispersed or released by a cluster munition and is designed to function by detonating an explosive charge prior to, on or after impact.⁵

Humanitarian consequences

The wide-spread use of anti-personnel mines in a long series of conflicts is estimated to have caused hundreds of thousands of casualties—civilians, soldiers, peacekeepers and aid workers—and to deprive people in some of the poorest countries of land and infrastructure. Widely used for the first time during the Second World War, the use of anti-personnel mines spread to a very large number of poor countries. According to an expert organization, Landmine Action, more than 80 countries worldwide are affected by anti-personnel mines and other explosive remnants of war.⁶ Countries particularly affected include Angola, Mozambique, Afghanistan, Cambodia and Bosnia-Herzegovina.

As Landmine Action emphasises, 'contamination or even the suspicion of contamination with landmines can deny people access to community resources such as water sources and agricultural land, creating or worsening poverty'.⁷ In the late 1990s, at the time of the adoption of the Mine Ban Treaty (see below), it was estimated that more than 110 million anti-personnel mines were deployed in 70 countries—a result of their simple design, low production cost and long shelf-life—and that such mines killed or maimed over 2000 people each month, some 80 per cent of these civilians.⁸ Also, while the cost of a mine is in certain countries as low as \$3, the cost of mine-clearing amounts to \$300-1 000 per mine.⁹

Extensively used in, among others, Cambodia, Vietnam, Laos, Chechnya, the Gulf War of 1991, Kosovo, Afghanistan, Iraq and most recently Lebanon, cluster

⁵ The full text of the treaty is available at the website of the International Committee of the Red Cross (ICRC) at URL <<http://www.icrc.org/ihl.nsf/INTRO?OpenView>>.

⁶ Landmine Action, URL <<http://www.landmineaction.org/>>.

⁷ Landmine Action, URL <<http://www.landmineaction.org/>>.

⁸ Lachowski, Z., 'The ban on anti-personnel mines, ch.13 in Stockholm International Peace Research Institute (SIPRI), *SIPRI Yearbook 1998: Armaments, Disarmament and International Security*, 1998, Oxford University Press, pp.545 ff.

⁹ Goldblat, J., 'Conventional Arms Controls', in International Peace Research Institute Oslo (PRIO) and Stockholm International Peace Research Institute (SIPRI), *Arms Control*, 2002, Sage Publications Ltd., p.236.

munitions have been found to cause humanitarian consequences similar to anti-personnel mines, both immediate and long-term. Cluster munitions disperse their submunitions over a wide area and are used to hit several targets through one launch. The risk is therefore high that civilians and civilian infrastructure close to or between military targets will be hit. Furthermore, submunitions dispersed by cluster munitions that remain in service with the armed forces of many countries are known to have high failure rates. A significant proportion of the large number of submunitions dispersed by a single cluster munition fail to explode on impact and become de-facto landmines, endangering the lives of civilians long after a conflict has ended. 15 countries and a small number of non-state armed groups are known to have used cluster munitions, while stockpiles are believed to be held by some 85 countries.¹⁰

From Ottawa to Oslo

The use of both anti-personnel mines and cluster munitions is restricted by general principles embedded in international humanitarian law: distinction and proportionality. These require that parties to an armed conflict distinguish between civilians and combatants and also between civilian objects and military targets, and that all those involved take every possible precaution with respect to the means and methods of warfare used so as to avoid or minimize incidental loss of life, injury to civilians and damage to civilian objects.¹¹ The interpretation of these principles and of the restrictions they impose on the use of anti-personnel mines and cluster munitions has varied, and still does, across states. This lack of specificity led to demands from civil society and initiatives taken by individual states to reach a specific binding agreement. Such initiatives have gained considerable momentum in the form of cooperative partnerships with other states and NGOs.

Discussed since the mid-1970s, specific legal restrictions on the use of anti-personnel mines were first introduced in the 1981 CCW Convention. A specific agreement under this framework convention—Protocol II of the Inhumane Weapons Convention—stipulates that the use of mines, booby traps and other devices against civilians is prohibited under all circumstances, and that specific measures have to be taken to avoid incidental harm to civilians when such devices are used against military targets. These restrictions ‘proved patently inefficacious’ in solving the humanitarian problems.¹²

In late 1996, the Canadian Government supported by some 50 governments, the International Committee of the Red Cross (ICRC) and a coalition of NGOs, the International Campaign to Ban Landmines (ICBL) launched an initiative for a

¹⁰ Cluster Munition Coalition, ‘The problem’, URL <<http://www.stopclustermunitions.org/the-problem/>>.

¹¹ International Committee of the Red Cross (ICRC), Distinction, Protecting Civilians in Armed Conflict, Mar. 2007, URL <[http://www.icrc.org/Web/Eng/siteeng0.nsf/htmlall/p0904/\\$File/ICRC_002_0904.PDF](http://www.icrc.org/Web/Eng/siteeng0.nsf/htmlall/p0904/$File/ICRC_002_0904.PDF)>.

¹² Goldblat, J., ‘Restrictions on the methods of warfare’, in International Peace Research Institute Oslo (PRIO) and Stockholm International Peace Research Institute (SIPRI), *Arms Control*, 2002, Sage Publications Ltd., p.288.

legally binding international ban of anti-personnel mines—the so-called ‘Ottawa Process’. As a result of negotiations carried out within this process, the *Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction* was adopted in late 1997. The convention, commonly referred to as the Mine Ban Treaty or Ottawa Convention, entered into force one and a half years later, in early 1999. It prohibits the use, stockpiling, production and transfer of anti-personnel mines and demands their destruction. As of mid-October 2009, 159 states are parties to the Mine Ban Treaty.¹³

As with anti-personnel mines, restrictions on the use of cluster munitions necessary to guarantee respect for the principles of international humanitarian law have been on the agenda of international arms control and disarmament negotiations since the mid-1970s. Within the framework of the diplomatic process of the Inhumane Weapons Convention, restrictions on cluster munitions resulted in late 2003 in the adoption of Protocol V on Explosive Remnants of War.¹⁴ The protocol determines responsibilities with regard to the clearance, removal or destruction of explosive remnants of war and specifies generic preventive measures for improving the reliability of munitions, and therefore minimising the occurrence of explosive remnants of war.¹⁵

Frustrated about the meagre results of continued negotiations on binding restrictions of the use of cluster munitions within the CCW framework, the Norwegian Government, supported by likeminded states, UN agencies, the ICRC and a broad coalition of NGOs, the Cluster Munition Coalition, launched a ‘humanitarian’ negotiation track similar to the Ottawa process, called the ‘Oslo Process on Cluster Munitions’. The process resulted in the adoption in mid-2008 by more than 100 states of the text of the *Convention on Cluster Munitions*. As of early November 2009, 102 states have signed the convention, and 24 have ratified it.¹⁶ The convention will enter into force six months after the thirtieth ratification. Like the Mine Ban Treaty, the Convention on Cluster Munitions prohibits the use, stockpiling, production and transfer of the weapons it bans, and demands their destruction.

¹³ For information about status of the convention consult the United Nations Treaty Collection database at URL <<http://treaties.un.org/>>. The full text of the treaty is available at the website of the International Committee of the Red Cross (ICRC) at URL <<http://www.icrc.org/ihl.nsf/INTRO?OpenView>>.

¹⁴ The term Explosive Remnants of War (ERW) refers to both unexploded explosive ordnance (UXO) and abandoned explosive ordnance.

¹⁵ Weidacher, R., Wezeman, S. and Hollestelle, M., *Cluster Weapons: Necessity or Convenience?*, Aug. 2005, Pax Christi Netherlands, URL <<http://www.ikvpaxchristi.nl/catalogus/default.aspx?lid=1&id=67>>.

¹⁶ For information about status of the convention consult the United Nations Treaty Collection database at URL <<http://treaties.un.org/>>. The full text of the treaty is available at the website of the International Committee of the Red Cross (ICRC) at URL <<http://www.icrc.org/ihl.nsf/INTRO?OpenView>>.

Table 1: The positions of Nordic states

Country	Mine Ban Treaty	Convention on Cluster Munitions
Denmark	Signed on 4 Dec. 1997 Ratified on 8 June 1998	Signed on 3 Dec. 2008
Norway	Signed on 3 Dec. 1997 Ratified on 9 July 1998	Signed on 3 Dec. 2008 Ratified on 3 Dec. 2008
Sweden	Signed on 4 Dec. 1997 Ratified on 30 Nov. 1998	Signed on 3 Dec. 2008

The Mine Ban Treaty was signed and ratified by Denmark, Norway and Sweden in 1997-1998. In late 2008, the initiator of the 'Oslo process on cluster munitions', the Norwegian Government, ratified the new convention on the day it was opened for state signature in Oslo. Both Denmark¹⁷ and Sweden¹⁸ signed the convention, but have yet to ratify it.

In a public statement, the Swedish Government emphasized its 'active role in the talks to introduce a ban on cluster bombs, which cause unacceptable suffering to civilians. The convention is an important step in improving conditions for civilians in armed conflicts.'¹⁹ While it was understood that the Swedish ratification of the convention was intended to take place in early 2010, it may now have been delayed.

Norway started the destruction of its cluster munitions stockpiles in May 2009²⁰, while Denmark and Sweden have not yet announced the destruction of their holdings, DM642 artillery shells and the submunitions dispenser Bombkapsel BK-90 Mjölner, respectively.²¹ In early 2009, the Swedish Ministry of Foreign Affairs indicated to Ethix SRI Advisors that a decision on when and how to withdraw the BK90 from service had not yet been made, and would take at least one year.

It is also worth noting that Finland has not signed the Mine Ban Treaty nor the Cluster Munition Convention. At the eve of the 1998 signing ceremony for the Convention on Cluster Munitions, Admiral Pauli Juhani Kaskeala, then Chief of Defence of the Finnish Defence Forces, was quoted as saying: 'Had Finland joined the ban we would have risked having a significantly weaker and more expensive defense'.²²

¹⁷ Underskrivelse af Oslo-konventionen om klyngeammunition den 3. - 4. december 2008. Danmarks indlæg i plenumdebatten v/ambassadør Theis Truelsen, 3 Dec. 2008, URL <http://www.clusterconvention.org/pages/pages_i/documents/Denmark312.pdf>.

¹⁸ Statement by H.E. Michael Sahlin, Ambassador of Sweden, 3 Dec. 2008, URL <http://www.clusterconvention.org/pages/pages_i/documents/Sweden412.pdf>.

¹⁹ Swedish Ministry for Foreign Affairs, 'Sweden signs convention banning cluster munitions', 4 Dec. 2008, URL <<http://regeringen.se/sb/d/11212/a/116887>>.

²⁰ Ministry of Defence of Norway, 'Norwegian cluster munitions soon to be history', 7 May 2009, URL <<http://www.regjeringen.no/en/dep/fo/whats-new/News/2009/norwegian-cluster-munitions-soon-to-be-h.html?id=560048>>.

²¹ Dansk Røde Kors, 'Danmarks klyngebomber's, URL <<http://drk.dk/nyheder/temaer/klyngebombe-kampagnen/danmarks+klyngebomber?>>. See also Mines Action Canada, 'Denmark' and 'Sweden', in *Banning Cluster Munitions: Government Policy and Practice*, May 2009, pp.68 ff and pp.161 ff, URL <http://lm.icbl.org/cm/2009/banning_cluster_munitions_2009.pdf>.

²² O'Dwyer, G., 'Finland Snubs Cluster Bomb Treaty', *Defense News*, 6 Nov. 2008, URL <<http://www.defensenews.com/story.php?i=3808006>>.

Implications for investments

Under Article 1.1 of both the Mine Ban Treaty and the Convention on Cluster Munitions, states parties commit not only not to use, develop, produce, stockpile or transfer anti-personnel mines and cluster munitions, respectively, but also not to 'assist, encourage or induce anyone to engage in' prohibited activities, according to article 1.c (see below). NGOs supporting the conventions, most importantly the International Campaign to Ban Landmines (ICBL) and the Cluster Munition Coalition (CMC), support an interpretation of the prohibition to 'assist', to include a prohibition to invest in companies involved in the weapons banned under them. According to the CMC, a ban on investments is motivated in particular as it 'will stem capital flows from signatory countries towards cluster munitions producing or trading companies'.²³

Belgium was the first country to outlaw the financing of anti-personnel mines and cluster munitions, in 2005 and 2007, respectively. However, the Belgian Government has yet to publish a list of restricted entities - companies and investment institutions - as set out in the law. Similar legislation has been introduced in Luxemburg and proposed in a number of countries. In the absence of legally binding restrictions, a significant number of investors outside Belgium, including in Denmark, Norway and Sweden, address the issue within the framework of responsible investment policies.

Mine Ban Treaty

1. Each State Party undertakes never under any circumstances:
 - a) To use anti-personnel mines;
 - b) To develop, produce, otherwise acquire, stockpile, retain or transfer to anyone, directly or indirectly, anti-personnel mines;
 - c) To assist, encourage or induce, in any way, anyone to engage in any activity prohibited to a State Party under this Convention.**
2. Each State Party undertakes to destroy or ensure the destruction of all anti-personnel mines in accordance with the provisions of this Convention.¹

Convention on Cluster Munitions

1. Each State Party undertakes never under any circumstances to:
 - (a) Use cluster munitions;
 - (b) Develop, produce, otherwise acquire, stockpile, retain or transfer to anyone, directly or indirectly, cluster munitions;
 - (c) Assist, encourage or induce anyone to engage in any activity prohibited to a State Party under this Convention.**
2. Paragraph 1 of this Article applies, mutatis mutandis, to explosive bomblets that are specifically designed to be dispersed or released from dispensers affixed to aircraft.¹

Corporate involvement in anti-personnel mines and cluster munitions

Corporate involvement in anti-personnel mines decreased rapidly as a result of the entry into force of the Mine Ban Treaty and the large number of states parties to the treaty. According to ICBL, 13 countries either still produce anti-personnel mines or reserve the right to produce them.²⁴ Production capabilities are

²³ Cluster Munition Coalition, 'Investment in Civilian Suffering To Be Halted by future Cluster Munitions Convention', policy paper, URL <<http://www.stopclustermunitions.org/wp/wp-content/uploads/2009/09/disinvestment-policy-paper.pdf>>.

²⁴ International Campaign to Ban Landmines, 'Production of Antipersonnel mines', in *Landmine Monitor 2008*, 2008, URL <http://lm.icbl.org/index.php/publications/display?url=lm/2008/es/ban.html#Production_of_Antipersonnel_Mines>.

maintained today almost exclusively with state-owned companies. Similarly, corporate involvement in cluster munitions has decreased in recent years as a result of unilaterally imposed procurement and export restrictions ahead of the adoption of the Convention on Cluster Munitions. Today, a relatively small and decreasing number of publicly listed companies globally remain involved in cluster munitions. These are commonly leading national producers of military equipment in countries that have not acceded to Convention on Cluster Munitions—most importantly China, India, Israel, Singapore, South Korea and the United States.

Prohibition to provide financial support

In 2005 Belgium was the first country in the world to adopt a law that explicitly prohibits the financing of companies involved in anti-personnel mines. The law was broadened to cover cluster munitions in 2007 and depleted uranium ammunition and armour in 2009—after Belgium outlawed these weapons in 2006 and 2009, respectively.²⁵

Prohibitions set out in law 20060608/30 (Art. 8)

The law prohibits the financing of companies (Belgian or foreign) involved in the production, the use, the repair, the offering for sale, the sale, the distribution, the trade, the storage or the transport of anti-personnel mines, cluster munitions/submunitions and depleted uranium ammunition and armour.

The law provides that the King of Belgium (represented by the Belgian Government) publishes a list of the following:

- i) companies known to be involved in activities prohibited under the law;
- ii) companies that hold a majority stake of companies covered under i) above; and
- iii) investment institutions which hold securities of companies covered under i) and ii).

‘Financing’ refers to any form of financial support, i.e. credits, bank guarantees and the acquisition of financial instruments issued by that company.

Financial support for companies on the restricted list has to be terminated if contractually possible.

Index funds are exempt from the prohibition set out in the law.

As of mid-October 2009, the Belgian Government has yet to publish the list of restricted entities as stipulated by law (see above). Some investors therefore contend that ‘negative screening on weapons is not yet technically a legal requirement’.²⁶ At the same time, the vast majority of Belgian investors, represented by the Belgian Asset Managers Association (BEAMA), have taken measures to implement the prohibition to finance companies involved in activities prohibited under law 20060608/30.²⁷

²⁵ *Wet houdende regeling van economische en individuele activiteiten met wapens; Loi réglant des activités économiques et individuelles avec des armes*. Full text available at URL <http://www.juridat.be/cgi_loi/loi_N.pl?cn=2006060830>. See also Netwerk Vlaanderen, ‘Belgian investors on an illegal course?’, 8 May 2008, URL

<<http://www.netwerkvlaanderen.be/en/files/documenten/campaigns/banksandweapons/Rapport%20overtredingen%20wet%20fin%20clusterm%20a%20pm%20090508%20-%20EN.pdf>>.

²⁶ BELSIF (Belgian Sustainable and Socially Responsible Investment Forum), ‘MVI wetgeving’, URL <http://www.belsif.be/default.aspx?page_id=715>, accessed Oct. 2009.

²⁷ Weidacher, R., ‘Softening the impact of non-conventional investments’, *Nordic Region Pension and Investment News, Financial Times Ltd.*, July 2008, URL <http://www.nrpn-online.com/news/fullstory.php/aid/470/Softening_the_impact_of_non-conventional_investments.html>.

In December 2008 Ireland adopted a Cluster Munitions and Anti-Personnel Mines Act to 'give effect to the Convention on Cluster Munitions' and to 'give further effect' to the Mine Ban Treaty. The law imposes the duty to avoid investment in companies involved in cluster munitions or anti-personnel mines on 'person or body responsible for the investment of public moneys owned by a Minister of the Government'.²⁸ In mid-2009, Luxemburg also adopted a law ratifying the Cluster Muniton Conventon including a specific provision regarding investments. The law stipulates that 'All persons, businesses and corporate entities are prohibited from knowingly financing cluster munitions and explosive submunitions' – but does not include further definitions of key terms, such as 'knowingly' and 'financing'.²⁹ Furthermore, Lebanon, Mexico, Norway and Rwanda have reportedly stated that they interpret investment to be banned under the Cluster Muniton Convention.³⁰

Explicit prohibitions have also been proposed in, among others Austria, Australia, Denmark and the Netherlands. The Australian Parliament's Treaties Committee, for example, recommended in August 2009 that Australia ratify the convention taking measures 'preventing investment by Australian entities in the development or production of cluster munitions, either directly, or through the provision of funds to companies that may develop or produce cluster munitions.'³¹ At the same time, the Department of Foreign Affairs and Trade stated that, 'in accordance with its interpretation of the term under the *Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction*, Australia has interpreted 'assist' to mean direct physical participation in any activity prohibited under the Convention. [...] it is therefore doubtful that Australian investment in companies that develop or produce cluster munitions is prohibited under the Convention.'³²

It is worth emphasizing that the above prohibitions to 'finance' or 'invest' exempt certain types of investments. Belgian law exempts index funds from the prohibition. Also the Irish law stipulates that 'Nothing in this Part shall prevent an investor [of public moneys] from contracting derivative financial instruments based on a financial index'.³³

²⁸ Office of the Houses of the Oireachtas, *Cluster Munitions and Anti-Personnel Mines Act 2008*, 2 Dec. 2008, URL <<http://www.oireachtas.ie/documents/bills28/acts/2008/a2008.pdf>>.

²⁹ Journal Officiel du Grand-Duché de Luxembourg, Loi du 4 juin 2009 portant approbation de la Convention sur les armes à sous-munitions, ouverte à la signature à Oslo le 3 décembre 2008, 22 June 2009, URL <<http://www.legilux.public.lu/leg/a/archives/2009/0147/a147.pdf>>. The original text says: 'Il est interdit à toute personne physique ou morale de financer, en connaissance de cause, des armes à sousmunitions ou des sous-munitions explosives.'

Gouvernement Luxembourgeois, 'Le Luxembourg devient le 13e pays à ratifier la Convention sur les sous-munitions', 13 Jul. 2009, URL <http://www.gouvernement.lu/salle_presse/actualite/2009/07-juillet/13-sous-munitions/index.html>.

³⁰ IKV Pax Christi and Netwerk Vlaanderen, *Worldwide investments in Cluster Munitions – a shared responsibility*, Oct. 2009, URL <http://www.ikvpaxchristi.nl/files/Documenten/wap%20cluster%20munitie/Clustermunitie/Stop%20Explosive%20Investments/Worldwide%20investments%20in%20cluster%20munitions_%20full%20report.pdf>.

³¹ Parliament of Australia Joint Standing Committee on Treaties, 'Convention on Cluster Munitions', in *Report 103: Treaties Tabled on 12 March and 13 May 2009*, URL <<http://www.aph.gov.au/house/committee/jsc/13may2009/report/chapter3.pdf>>.

³² Parliament of Australia Joint Standing Committee on Treaties, 'Convention on Cluster Munitions', in *Report 103: Treaties Tabled on 12 March and 13 May 2009*, URL <<http://www.aph.gov.au/house/committee/jsc/13may2009/report/chapter3.pdf>>.

³³ Office of the Houses of the Oireachtas, *Cluster Munitions and Anti-Personnel Mines Act 2008*, 2 Dec. 2008, URL <<http://www.oireachtas.ie/documents/bills28/acts/2008/a2008.pdf>>.

Beyond legal requirements

Discussion on investment prohibitions have been significantly influenced by positions taken by institutional investors such as state pension funds, the Norwegian Pension Fund – Global (as early as 2004), the New Zealand Superannuation Fund, the Irish National Pension Reserve Fund and the Swedish National Pension Fund AP7 in 2008. Many other investors, in particular those with a strong responsible investment profile, have followed suit.

Over the past decade, the idea that the management of financial capital ought to take into consideration non-financial factors—a variety of social, environmental and governance (ESG) issues—for the benefit of long-term financial returns, has gained wide acceptance. This has been especially evident since the establishment of the *UN Principles for Responsible Investment* in 2006 as an investor initiative in partnership with the UN Global Compact³⁴ (see below). The underlying rationale for responsible investment is well captured in the introduction to the 2005 Freshfields report, which states that in investment *‘ethical conduct extends beyond not breaking the law to properly interpreting what is in the best interests of the savers [...] Are not the social and environmental interests of savers also to be taken into account? Indeed, many people wonder what good an extra percent or three of patrimony are worth if the society in which they are to enjoy retirement and in which their descendents will live deteriorates.’*³⁵ While *‘fiduciary duty’*³⁶ requires asset managers to act in the best interest of the beneficiaries and exercise due diligence in the investment process, such interests are not only to be interpreted in terms of immediate maximum financial return.

Key initiatives

The **United Nations Global Compact (UNGC)** is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

The **Principles for Responsible Investment (UNPRI)**, launched in 2006, are a list of six ‘voluntary and aspirational’ emphasizing the importance of taking environmental, social, and corporate governance (ESG) issues into consideration in investment analysis and decision-making processes. Signatories commit, among others, to incorporating ESG issues, being active owners and seeking disclosure on ESG issues with invested entities. They ‘recognise that applying these Principles may better align investors with broader objectives of society’.

As of mid-October 2009, a total of 614 financial institutions world-wide have signed the principles.

Responsible investment approaches can be implemented through the use of one or a combination of three key strategies: firstly, the exclusion of investible entities based on a set of negative criteria; secondly, positive selection (e.g. best-in-class or theme based approaches); and thirdly, engagement and active ownership activities that seek to influence companies to reform or improve their performance (see p. 18 below). Increased attention is in particular

³⁴ For detailed information about the UN PRI see URL <<http://www.unpri.org/>>.

³⁵ UNEP Finance Initiative, *A legal framework for the integration of environmental, social and governance issues into institutional investment*, produced by the Asset Management Working Group of the ENEP Finance Initiative, Oct. 2005, URL <http://www.unepfi.org/fileadmin/documents/freshfields_legal_resp_20051123.pdf>.

³⁶ *The person who looks after the assets on the other's behalf is expected to act in the best interests of the person whose assets they are in charge of. This is known as "fiduciary duty".* Investopedia, URL <<http://www.investopedia.com/>>.

devoted to developing policies and procedures for 'ESG integration', or the incorporation of environmental, social and governance factors into mainstream financial analysis.

Ethical concerns with regard to the activities of arms-producing companies have long been shared by many investors. In response to these concerns, investors with a strong values-based tradition have chosen to avoid investment in companies with a considerable degree of dependence on the sale of military equipment and services related to the use of such equipment. Others follow the prohibitions and restrictions on the 'means of warfare' set out in international humanitarian law. Such an approach can be linked to the concept of corporate responsibility specific to the core business of weapons producers. A 2008 business reference guide for companies, *Human Rights Translated*, addresses responsibilities of arms producers under the right to life, proposing that companies that produce or supply weapons are also in a position to impinge on the right to life and should ensure that they do not deal in illegal weapons [...].³⁷

³⁷ Castan Centre for Human Rights Law, International Business Leaders Forum, and Office of the United Nations High Commissioner for Human Rights, *Human Rights Translated: A Business Reference Guide*, 2008, URL <http://www.unglobalcompact.org/docs/news_events/8.1/human_rights_translated.pdf>.

Nordic investors' positions

The overwhelming majority of investors from Denmark, Sweden and Norway covered in this survey have adopted and publicly disclosed a responsible investment strategy over the past five years—or are in the process of doing so. In the majority of cases, such policies have been amended to successively cover corporate involvement in anti-personnel mines and cluster munitions as part of a broader strategy focusing on principles embedded in international conventions.

In the absence of detailed and binding prohibitions, the application of restrictions by Nordic investors varies and generally focuses on asset management. It is of note, however, that a number of investors exclude companies involved in anti-personnel mines and cluster munitions from the indices they use as benchmark. Key trends are outlined in below. Greater detail about the positions of Nordic investors is provided in appendix 1.

Focus on prohibitions set out in international conventions

Six Nordic investors were included in the 'hall of fame' section of the recently published global survey of investments in cluster munitions published by Dutch IKV Pax Christi and Belgian Netwerk Vlaanderen—none appeared in the 'hall of shame'.³⁸ Of the 31 investors covered in this survey, 21 have made public that they exclude companies involved in anti-personnel mines and cluster munitions from investments, two have announced to do so and one additional investor states that exclusions are limited to companies involved in antipersonnel mines (see table 2 below).

Around two thirds of investors covered in this survey, base their responsible investment strategies fully or partly on principles set out in international conventions endorsed by their home states. These generally encompass human rights, labour rights, environment and anti-corruption, and often have an exclusionary approach. Sweden's state pension fund AP7's policy, for instance excludes investments assessed to be in conflict with Sweden's international formal commitments, in the form of ratified conventions and in conflict with Sweden's clear position on issues of particular relevance (e.g. nuclear weapons).³⁹

While the importance of active ownership activities as a means to influence companies has grown in importance over recent years as compared to exclusionary approaches, the latter appear to dominate with regard to anti-personnel mines and cluster munitions. This is exemplified by the Ethical Council of Sweden's state pension funds AP1-4 funds' conclusion that

³⁸ IKV Pax Christi and Netwerk Vlaanderen, *Worldwide investments in Cluster Munitions – a shared responsibility*, Oct. 2009, URL <http://www.ikvpaxchristi.nl/files/Documenten/wap%20cluster%20munitie/Clustermunitie/Stop%20Explosive%20Investments/Worldwide%20investments%20in%20cluster%20munitions_%20full%20report.pdf>.

³⁹ Sjunde AP-fonden, *Arsredovisning 2008, 2009*, URL <<http://www.ap7.se/dokument/redovisning/2008/Arsredovisning2008.pdf>>. Sjunde AP-fonden, 'Placeringspolicy och riskhanteringsplan 2009', 2009, URL <http://www.ap7.se/dokument/policy/Placeringspolicy_och_riskhanteringsplan_2009.pdf>.

engagement activities are not relevant for reforming the behaviour of companies involved in anti-personnel mines and cluster munitions: *'Dialogue is the basis for our work, and we prefer not to exclude a company before we have done everything in our power to bring about a change. But sometimes we are forced to recommend exclusion. We did so in the past year with nine companies that sell cluster weapons [...] Even here we can see effects as an investor; the convention has most certainly made an impression on the weapons industry and other investors are also reacting.'*⁴⁰

As mentioned above, exclusionary criteria with regard to anti-personnel mines and cluster munitions have been adopted on the basis of the establishment of international bans through specific conventions. However, the timing of the introduction of exclusionary criteria on cluster munitions and anti-personnel mines, and the prominence given to such criteria within responsible investment policies, has been influenced by the massive civil society campaign for an international ban. Several leading institutional investors, such as the Danish ATP, and the Norwegian Pension Fund—Global, KLP and Storebrand, introduced specific negative criteria long before the adoption of the text of the new Convention on Cluster Munitions in mid-2008.

Focus on equity investment

While few investors provide detailed information about the scope of responsible investment policies, it appears that few apply divestment criteria without limitations. The focus is on equity investments, while other activities, e.g. credit activities of banks, are generally not covered. Furthermore, certain limitations are often also applied to equity investments.

As mentioned above, index funds are exempt from the prohibitions to finance companies involved in anti-personnel mines and cluster munitions set out in Belgian and Irish law. The Danish pension fund Lægernes Pensionskasse (The Doctors' Pension Fund) openly discussed the difficulties involved in applying exclusions on across all investments in late 2008: *'Where the pension fund invests in so-called index funds which select investments on the basis of purely mathematical principles, the fund's ability to implement special requirements are limited. At the same time, the pension fund is obliged to invest in such funds in order to be able to maintain an effective asset management and keep costs down. It is in practice extremely difficult to implement and administer the ban on investment in specific industrial sectors and branches.'*⁴¹

Note that several Nordic institutional investors, such as AP7, Danske Bank, KLP and Storebrand, exclude securities of companies involved in anti-personnel

⁴⁰ Etikrådet, *Årsrapport 2008, 2009*, URL <http://www.ap4.se/upload/Etikrådet/Etikradet_Arsrapport_2008_Sve.pdf>.

⁴¹ Original text: *'de tilfælde, hvor pensionskassen investerer i såkaldte indeksporteføljer, som der investeres i ud fra rent matematiske principper, er pensionskassens muligheder for at gennemføre specielle krav eller ønsker begrænsede. Pensionskassen er imidlertid nødt til at kunne investere i disse typer af porteføljer for at kunne opretholde en effektiv formueforvaltning og holde omkostningerne nede. Det er i praksis uhyre vanskeligt at implementere og administrere forbud mod investeringer i specifikke industrisektorer og brancher.'* Lægernes Pensionskasse, 'Investeringer i våbenproduktion', Dec. 2008, URL <<http://www.lpk.dk/composite-850.htm>>.

mines and cluster munitions from the indices they use as benchmark. For instance, KLP states ‘when we exclude a company, it is excluded from all portfolios within all relevant asset classes, and the excluded securities will be replaced with higher weights in others within the same industry group’.⁴²

Table 2: Overview of Nordic investor’s position on cluster munitions and anti-personnel mines

Name	Investor type	Exclusion	Country
AFA	Insurance company	N/A	Sweden
Alecta	Pension fund managers	Yes	Sweden
AMF	Pension fund managers	Yes	Sweden
AP I-4 (foreign holdings)	State pension fund	Yes (provides company names)	Sweden
AP7	State pension fund	Yes (provides company names)	Sweden
ATP	Public pension fund	Yes	Denmark
Carnegie	Investment bank	N/A	Sweden
Danske Bank	Commercial bank & asset manager	Yes	Denmark
Danske civil- og akademiingenjørerers Pensionskasse	Pension fund	Yes	Denmark
DnB NOR	Commercial bank & asset manager	Yes	Norway
Handelsbanken	Commercial bank & asset manager	Yes	Sweden
HQ Bank	Investment bank	N/A	Sweden
Jurister og økonomers Pensionsk.	Pension fund	Yes (provides company names)	Denmark
Kommunal Landspensjonskasse	Pension fund managers	Yes (provides company names)	Norway
KPA	Pension fund managers	Yes (provides company names)	Sweden
Laegernes Pensionskasse	Pension fund	Announced	Denmark
Länsförsäkringar	Insurance company	N/A	Sweden
LO	Workers organization	Yes	Sweden
Mistra, Stiftelsen för miljöstrategisk forskning	Endowment	N/A	Sweden
Nordea	Commercial bank & asset manager	Yes (provides company names)	Sweden
Nykredit	Commercial bank & asset manager	Yes	Denmark
PenSam	Pension fund managers	Yes (provides company names)	Denmark
PensionDanmark	Pension fund managers	Yes (provides company names)	Denmark
SAMPENSION	Pension fund managers	Anti-personnel mines**	Denmark
SEB	Commercial bank & asset manager	Announced	Sweden
Skandia	Commercial bank & asset manager	Yes	Sweden
Sparinstitutens Pensionskassa	Pension fund	N/A	Sweden
Statens pensjonsfond – Utland	State pension fund	Yes (provides company names)	Norway
Storebrand (includes SPP)	Pension fund managers	Yes	Norway
Swedbank	Commercial bank & asset manager	(Yes)*	Sweden
Svenska Kyrkan	Church	Yes	Sweden

N/A—not available. Refers to public information and does not take into account the relevance of the issue for the investor.

* Applied to a significant part of the group’s asset management.

** While the investment policy specifically refers to anti-personnel mines, a wide range of arms-producers are excluded. See appendix I below for further detail.

⁴² KLP URL <[http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/\\$file/SRI_June_2009_Eng.pdf](http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/$file/SRI_June_2009_Eng.pdf)>. KLP further states: ‘So far this year, KLP’s benchmark index KLP World, which is adjusted for companies excluded due to violations of international norms, has a level of return that is 0.74 percent higher than the MSCI World. Note that this is a quantitative analysis of the potential influence on the KLP World Index only.’

Appendix I: Select Nordic investors' position on cluster munitions and anti-personnel mines

Key terms

RI strategy refers to responsible investment strategy on a group level. It covers communicated positions (e.g. policy statements) and measures that take into consideration ethical or environmental, social and governance factors in investment decision-making. Responsible investment approaches can be implemented through the use of one or a combination of several specific strategies (see below).

Exclusion refers to a strategy that seeks to avoid investments in companies whose performance is assessed to fall short of set environmental, social and governance criteria or ethical criteria.

Positive selection refers to a strategy that seeks to identify companies whose environmental, social and governance performance is assessed to be best performers—also referred to as Best-in-class approach.

Engagement refers to active ownership activities that seek to influence companies to reform or improve their environmental, social and governance performance. Such activities include direct dialogue with companies that are assessed to be able and willing to improve performance, often in cooperation with other investors, or through voting at annual general meetings (AGMs).

Sources

The following sources have been reviewed: online publications by investors, including annual reports and sustainability reports, policy/strategy announcement and policy/strategy documents, as well as investor statements in media.

In addition, the survey integrates investors' responses to a United Nations Association of Sweden questionnaire.

Abbreviations

AUM – assets under management⁴³

N/A – not available

⁴³ The market value of assets that an investment company manages on behalf of investors. Investopedia, URL <<http://www.investopedia.com/>>.

AFA Försäkring, AFA Insurance (Sweden)
Insurance company, AUM: around SEK190b
Owned by Sweden's labour market parties: the Confederation of Swedish Enterprise, the Swedish Trade Union Confederation (LO) and the Swedish Federation of Salaried Employees in Industry and Services (PTK)

RI strategy N/A⁴⁴

Public position (regarding anti-personnel mines and cluster munitions) N/A

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) N/A

Alecta (Sweden)

Pension fund manager; AUM: around SEK400b

RI strategy Exclusion and Engagement
Exclusionary criteria: corporate activities in violation of principles embedded in international conventions and agreements adopted by Sweden.⁴⁵
Scope: N/A

Public position (regarding anti-personnel mines and cluster munitions) RI strategy covers anti-personnel mines (2008)
According to its ethical guidelines, Alecta does not invest in companies involved in anti-personnel mines and cluster munitions.⁴⁶

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) N/A

AMF (Sweden)

Pension fund manager; AUM: around SEK310b

Owned equally by the Confederation of Swedish Enterprise and the Swedish Trade Union Confederation (LO)

RI strategy Engagement and Exclusion
Exclusionary criteria: corporate involvement in activities in conflict with the principles set out in the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Mine Ban Treaty, the Chemical Weapons Convention, the Biological and Toxin Weapons Convention, the Non-Proliferation Treaty and the Convention on Cluster Munitions.⁴⁷
Scope: N/A

Public position (regarding anti-personnel mines and cluster munitions) RI strategy covers anti-personnel mines and cluster munitions.
According to its ethical guidelines, AMF seeks to avoid investments in companies involved in anti-personnel mines or cluster munitions.⁴⁸

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) N/A

⁴⁴ AFA Försäkring, URL <<http://www.afaforsakring.se/>>, accessed Oct. 2009.

⁴⁵ Alecta, *Etisk policy för Alecta*, URL <<http://www.alecta.se/upload/ägarpolicy/etisk%20policy%20för%20alecta.pdf>>, accessed Oct. 2009.

⁴⁶ Alecta, *Etisk policy för Alecta*, URL <<http://www.alecta.se/upload/ägarpolicy/etisk%20policy%20för%20alecta.pdf>>, accessed Oct. 2009.

⁴⁷ AMF, *Ägarpolicy AMF Fonder AB*, Dec. 2008, URL <https://www.amf.se/upload/Dokument/PDF/Agarpolicy_AMF_Pension_Fondforvaltning.pdf>.

AMF, *AMFs Fonder*, URL <<http://www.amf.se/upload/Dokument/PDF/Fondbestammelser.pdf>>.

⁴⁸ AMF, *Ägarpolicy AMF Fonder AB*, Dec. 2008, URL <https://www.amf.se/upload/Dokument/PDF/Agarpolicy_AMF_Pension_Fondforvaltning.pdf>.

AMF, *AMFs Fonder*, URL <<http://www.amf.se/upload/Dokument/PDF/Fondbestammelser.pdf>>.

AP1, AP2, AP3 and AP4 foreign holdings – Ethical Council (Sweden)

Four of six state-owned pension funds; AUM per fund roughly SEK180b

The Ethical Council was established in 2007 to 'increase the ability of the Funds to influence the foreign companies in which the Funds invest to conduct their operations without breaching the international conventions signed by Sweden'.

RI strategy	Engagement and Exclusion Engagement focusing on violations of the principles embedded in international conventions on human rights, labour rights and environmental protection. Exclusionary criteria: corporate involvement in anti-personnel mines and cluster munitions. ⁴⁹ Scope: Foreign holdings.
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy covers anti-personnel mines and cluster munitions (2008). AP1, AP2, AP3 and AP4 announced in late 2008 the introduction of an exclusionary criterion regarding corporate involvement in anti-personnel mines and cluster munitions from their investments. ⁵⁰
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	Alliant Techsystems Inc., GenCorp Inc., General Dynamics Corporation, Hanwha Corporation, L-3 Communications Corporation, Lockheed Martin, Poongsan Corporation (and Poongsan Holdings Corporation), Raytheon Company, Singapore Technologies Engineering Ltd., Textron (as of end 2008). ⁵¹

AP7 (Sweden)

One of six state-owned pension funds; AUM: SEK30b

RI strategy	Exclusion (and Engagement) Exclusionary criteria: investments (global) in conflict with Sweden's international formal commitments (signed conventions) including anti-personnel mines and cluster munitions, and clear position on issues of particular relevance (e.g. nuclear weapons); investments (Swedish) in conflict with Swedish law. ⁵² Scope: All holdings
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy covers anti-personnel mines (2003) and cluster munitions (2008). AP7 announced in mid-2008 the introduction of a new exclusionary criterion covering, among others, corporate involvement in cluster munitions. ⁵³
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	Alliant Techsystems Inc., General Dynamics Corporation, Hanwha Corporation, IHI Corporation, Lockheed Martin Corporation, Poongsan Corporation, Raytheon Company, Singapore Technologies Engineering Ltd., Textron Inc., Toshiba Corporation (as of end 2008). ⁵⁴

⁴⁹ Etikrådet, *Årsrapport 2008*, 2009, URL <http://www.ap4.se/upload/Etikrådet/Etikradet_Arsrapport_2008_Sve.pdf>.

⁵⁰ Etikrådet, *Årsrapport 2008*, 2009, URL <http://www.ap4.se/upload/Etikrådet/Etikradet_Arsrapport_2008_Sve.pdf>.

⁵¹ Etikrådet, *Årsrapport 2008*, 2009, URL <http://www.ap4.se/upload/Etikrådet/Etikradet_Arsrapport_2008_Sve.pdf>.

⁵² Sjunde AP-fonden, *Årsredovisning 2008*, 2009, URL <<http://www.ap7.se/dokument/redovisning/2008/Arsredovisning2008.pdf>>. Sjunde AP-fonden, 'Placeringspolicy och riskhanteringsplan 2009', 2009, URL <http://www.ap7.se/dokument/policy/Placeringspolicy_och_riskhanteringsplan_2009.pdf>.

⁵³ Sveriges television, 'AP-fond lämnar klusterföretag', 1 June 2008, URL <http://mobil.svt.se/2.22620/1.1161038/ap-fond_lamnar_klusterforetag>.

⁵⁴ Sjunde AP-fonden, *Årsredovisning 2008*, 2009, URL <<http://www.ap7.se/dokument/redovisning/2008/Arsredovisning2008.pdf>>. Sjunde AP-fonden, 'Placeringspolicy och riskhanteringsplan 2009', 2009, URL <http://www.ap7.se/dokument/policy/Placeringspolicy_och_riskhanteringsplan_2009.pdf>.

ATP (Denmark)

Public pension fund (including Labour Market Supplementary Pension and the Special Pension Savings); AUM: around DKK400b

RI strategy	<p>Exclusion and Engagement</p> <p>Exclusionary criteria: deliberate and repeated violations of the rules laid down by the national authorities in the markets in which the company operates or by international organisations endorsed by Denmark; companies located in countries being subjected to a trade embargo imposed by the UN or the EU and endorsed by Denmark.⁵⁵</p> <p>Scope: N/A</p>
Public position (regarding anti-personnel mines and cluster munitions)	<p>RI strategy implicitly covers anti-personnel mines (2006) and cluster munitions (2006).</p> <p>ATP disclosed in its 2007 annual report that it had divested from European and US companies involved in anti-personnel mines and cluster munitions, without making public further details.⁵⁶</p>
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

Carnegie Investment Bank (Sweden)

Investment bank; AUM: SEK 134b

RI strategy	N/A REF ⁵⁷
Public position (regarding anti-personnel mines and cluster munitions)	N/A
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

Danske Bank (Denmark)

Commercial bank & asset manager; includes Danica Pension and Realkredit; AUM: SEK 617b

RI strategy	<p>Exclusion (and Engagement)</p> <p>Exclusionary criteria: 'The Danske Bank Group's SRI policy must ensure that customers' funds are not placed in companies that violate internationally recognised norms.'⁵⁸</p> <p>Scope: 'The SRI policy applies to products with which the Group manages the investment of customer funds. [...] It does not apply to funds-of-funds, structured products, individual securities or derivatives [...].'⁵⁹</p>
Public position (regarding anti-personnel mines and cluster munitions)	<p>RI strategy covers anti-personnel mines (2008) and cluster munitions (2008).</p> <p>Danske Bank's RI policy specifically refers to the conventions on anti-personnel mines and cluster munitions.⁶⁰</p>
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	<p>Aerostar S.A., Alliant Techsystems Inc., General Dynamics Corporation, Hanwha Corporation, L-3 Communications Corporation, Lockheed Martin, Poongsan Corporation, Singapore Technologies Engineering Ltd., Textron Inc. (as of end 2008).⁶¹</p>

⁵⁵ ATP, 'Social responsibility in investments', URL

<http://www.atp.dk/X5/wps/wcm/connect/atp/atp.com/index/Investering/Responsibility/Social_responsibility>, accessed Oct. 2009.

⁵⁶ ATP, *ATP Koncernen Årsrapport 2007*, available at URL <<http://www.atp.dk>>.

⁵⁷ Carnegie Investment Bank, URL <www.carnegie.se>, accessed Nov. 2009.

⁵⁸ Danske Bank, 'Group SRI Policy', URL <<http://www.danskebank.com/en-uk/CSR/customers/SRI/Pages/SRI-policy.aspx>>, accessed Oct. 2009.

Danske Bank, 'Screening guidelines', URL <<http://www.danskebank.com/en-uk/CSR/customers/SRI/Pages/Screening-guidelines.aspx>>, accessed Oct. 2009.

⁵⁹ Danske Bank, 'Group SRI Policy', URL <<http://www.danskebank.com/en-uk/CSR/customers/SRI/Pages/SRI-policy.aspx>>, accessed Oct. 2009.

⁶⁰ Danske Bank, 'Screening guidelines', URL <<http://www.danskebank.com/en-uk/CSR/customers/SRI/Pages/Screening-guidelines.aspx>>, accessed Oct. 2009.

⁶¹ Danske Bank, 'CR Fact Book 2008', 5 Feb. 2009, URL <http://www.danskebank.com/en-uk/CSR/Documents/CR_Fact_Book_2008.pdf>.

DIP, Danske civil- og akademiingeniørers Pensionskasse, The Danish Pension Fund for Engineers (Denmark)

Professional pension fund; AUM: DKK24b

RI strategy Focus on Danish law and international conventions signed and ratified by Denmark, as well as Danish political direction as expressed by the Danish Government and Parliament.⁶²
Scope: N/A

Public position (regarding anti-personnel mines and cluster munitions) RI policy implicitly covers anti-personnel mines and cluster munitions.⁶³
N/A

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) N/A

DnB NOR (Norway)

Commercial bank & asset manager; AUM: SEK595b

RI strategy Exclusion, Engagement and Positive selection
Exclusionary criteria: 'DnB NOR Asset Management and Vital shall not contribute to the infringement of human or labour rights, corruption or serious environmental harm. In addition, companies involved in the manufacturing and distribution of strategic components to be used in weapons of mass destruction, anti-personnel mines and cluster weapons are excluded from the investment universe. The life and pension company Vital also avoids investment in companies which produce tobacco and pornography.'⁶⁴
Scope: asset management and credit activities

Public position (regarding anti-personnel mines and cluster munitions) RI strategy covers anti-personnel mines and cluster munitions.
DnB NOR has a joint ethical platform for asset management according to which '[...] companies involved in the manufacturing and distribution of strategic components to be used in weapons of mass destruction, anti-personnel mines and cluster weapons are excluded from the investment universe.'⁶⁵

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) Number of companies

Handelsbanken (Sweden)

Commercial bank & asset manager; AUM: SEK224b

RI strategy N/A⁶⁶

Public position (regarding anti-personnel mines and cluster munitions) RI strategy covers anti-personnel mines and cluster munitions.⁶⁷
Note that Storebrand, a client of Handelsbanken, obtained confirmation from the bank in October 2008 that it had divested from companies involved in anti-personnel mines and cluster munitions.⁶⁸
N/A

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) N/A

⁶² Original text: 'DIP følger naturligt danske love og de internationale konventioner, som Danmark har tiltrådt og ratificeret samt ønsker at følge dansk politik som udtrykt af regering og Folketing.' 'DIP, 'Ansvarlige investeringer', URL <http://www.dip.dk/content/dk/investering/ansvarlige_investeringer>, accessed Oct. 2009.

⁶³ Original text: 'DIP følger naturligt danske love og de internationale konventioner, som Danmark har tiltrådt og ratificeret samt ønsker at følge dansk politik som udtrykt af regering og Folketing.' 'DIP, 'Ansvarlige investeringer', URL <http://www.dip.dk/content/dk/investering/ansvarlige_investeringer>, accessed Oct. 2009.

⁶⁴ DnB NOR, 'Socially responsible investments', URL <https://www.dnbnor.com/corporate_responsibility/customers_and_suppliers/socially_responsible_investment/social_responsible_investments.html>, accessed Oct. 2009.

⁶⁵ DnB NOR, 'Socially responsible investments', URL

<https://www.dnbnor.com/corporate_responsibility/customers_and_suppliers/socially_responsible_investment/social_responsible_investments.html>, accessed Oct. 2009.

⁶⁶ Handelsbanken, 'Etiske retningslinjer i Handelsbankskoncernen', URL

<http://handelsbanken.se/shb/INeT/ISStartSv.nsf/FrameSet?OpenView&iddef=ombanken&navid=Investor_Relations&navob=52&base=/shb/inet/icentsv.nsf&sa=/shb/inet/icentsv.nsf/default/q700BBE2F5D0AE8B2C12571F10024A224>, accessed Oct. 2009.

⁶⁷ In response to a UN Association of Sweden questionnaire, Handelsbanken informed that companies involved in anti-personnel mines and cluster munitions are not investible.

⁶⁸ Storebrand, Annual Report 2008, p. 13, URL

<[http://www.storebrand.no/site/stb.nsf/Get/geta7662a937d5fee2198c4f68ed1b6a681/\\$FILE/2008_annual_report_lav.pdf](http://www.storebrand.no/site/stb.nsf/Get/geta7662a937d5fee2198c4f68ed1b6a681/$FILE/2008_annual_report_lav.pdf)>.

HQ Bank (Sweden)	
Investment bank; AUM: SEK54b	
RI strategy	HQ Fonder's approach focuses on national laws, rules and business practices of in the company's country of operations, as well as acceptance of the company's activities by its clients. ⁶⁹
Public position (regarding anti-personnel mines and cluster munitions)	N/A
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A
JØP, Jurister og økonomers Pensionskasse, Pension Fund for Lawyers and Economists (Denmark)	
Professional pension fund	
RI strategy	Exclusion and Engagement Focus on the following: <i>'At a minimum, JØP expects the companies and the bond issuers to comply with standards adopted by national authorities as well as standards adopted by acknowledged international organizations that Denmark supports. JØP does not invest in weapon-producing companies which verifiably violate the UN Human Rights Norms for Business by not assuming responsibility for the expected use of their weapons.'</i> ⁷⁰ Scope: N/A
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy implicitly covers anti-personnel mines and cluster munitions. JØP addresses corporate involvement in controversial weapons implicitly through an exclusionary criteria covering arms-production in conflict with the Draft UN Human Rights Norms for Businesses. ⁷¹
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	JØP provides a list of 27 companies, including major weapons producers, without motivation. ⁷²

⁶⁹ Original text: 'Den etiska måttstocken är härmed främst de lagar, regler och affärsseder som gäller där företaget verkar samt den acceptans verksamheten har hos företagets kunder.' HQ Fonder, 'Etiska frågor', URL <<http://www.hq.se/upload/HQ%20fonder/pdf/övrigt/Etika%20frågor.pdf>>, Oct. 2007.

⁷⁰ Original text: 'JØP forudsætter, at virksomhederne og obligationsudstederne som minimum både lever op til de krav, som de respektive nationale myndigheder har vedtaget, og til de krav, som anerkendte internationale organisationer har vedtaget, og som er tiltrådt eller henstillet fulgt af Danmark. [...] JØP investerer ikke i våbenproducerende virksomheder, der verificerbart overtræder FN's Human Rights Norms for Business, hvorved de ikke udviser ansvarlighed i forhold til den forventede brug af deres våben.' JØP, 'Etik', 5 May 2009, URL <<http://www.djoef.dk/Joep-Pension/Investeringer/Investeringspolitik/Etik.aspx>>.

⁷¹ Original text: 'JØP investerer ikke i våbenproducerende virksomheder, der verificerbart overtræder FN's Human Rights Norms for Business, hvorved de ikke udviser ansvarlighed i forhold til den forventede brug af deres våben.' JØP, 'Etik', 5 May 2009, URL <<http://www.djoef.dk/Joep-Pension/Investeringer/Investeringspolitik/Etik.aspx>>.

Note that the 2003 draft UN Human Rights Norms for Businesses address responsibilities of the arms industry under Provision C (Right to security of persons), Art. 3, which specifically refers to illegal weapons. United Nations Sub-Commission on the Promotion and Protection of Human Rights, Commentary on the Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights, UN Doc. E/CN.4/Sub.2/2003/38/Rev.2, 2003.

⁷² JØP, 'Negativliste', URL <<http://www.djoef.dk/Joep-Pension/Investeringer/Investeringspolitik/~media/Documents/Joep/Etisknegativliste.ashx>>.

KLP, Kommunal Landspensjonskasse (Norway)

Pension fund manager & insurance company; AUM: roughly NOK205b

RI strategy	<p>Exclusion and Positive selection</p> <p>Exclusionary criteria: investments associated with breaches of international norms, 'including corporations that have been excluded by the Norwegian Government Pension Fund–Global'.⁷³</p> <p>Scope: <i>When we exclude a company, it is excluded from all portfolios within all relevant asset classes, and the excluded securities will be replaced with higher weights in others within the same industry group.</i>⁷⁴</p>
Public position (regarding anti-personnel mines and cluster munitions)	<p>RI strategy covers anti-personnel mines (2001); cluster munitions (2005).</p> <p><i>Some weapons hit harder, and affect more civilians than others. KLP does not want to contribute to manufacture, sale or use of weapons that do not differentiate between civilian and military targets. As a consequence, 19 companies involved in the production or sale of landmines, and nuclear and cluster weapons have been excluded.</i>⁷⁵</p>
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	<p>Alliant Techsystems Inc. (2005), EADS (2005), GenCorp Inc. (2008), General Dynamics Corporations (2005), Hanwha Corporation (2008), L-3 Communications Corporation (2005), Lockheed Martin Corporation (2005); Poongsan Corporation (2007), Raytheon Company (2005), Singapore Technologies Engineering Ltd. (2001), Textron Inc. (2008).⁷⁶</p>

KPA (Sweden)

Pension fund manager; AUM: roughly SEK60b

Owned 60% by Folksam and 40% by Swedish Association of Local Authorities and Regions.

RI strategy	<p>Exclusion and Engagement</p> <p>Engagement efforts focus on human rights, environment and corruption.⁷⁷</p> <p>Exclusionary criteria: weapons, tobacco, alcohol, gambling.</p> <p>Scope: N/A</p>
Public position (regarding anti-personnel mines and cluster munitions)	<p>RI strategy covers anti-personnel mines and cluster munitions.</p> <p><i>'KPA does not invest in companies that produce weapons. Weapons have been defined as products designed to kill, maim or destroy sold to military customers.'</i>⁷⁸</p>
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	<p>KPA provides a list of arms-producing companies.⁷⁹</p>

⁷³ KLP, Ansvarlige Investeringer SRI-rapport juni 2009, URL <[http://www.klp.no/web/klpmm.nsf/lupgraphics/KLP_SRI_09.pdf/\\$file/KLP_SRI_09.pdf](http://www.klp.no/web/klpmm.nsf/lupgraphics/KLP_SRI_09.pdf/$file/KLP_SRI_09.pdf)>. KLP, KLP-experiences from 7 years of active SRI-practice, Oct. 2008, URL <<http://www.gnordic.net/Files/Helsinki/KLP%20Monseid%20-%20GlobalCompact-Helsinki-24-10-08.pdf>>.

⁷⁴ KLP, 'Responsible investments SRI report June 2009', URL

<[http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/\\$file/SRI_June_2009_Eng.pdf](http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/$file/SRI_June_2009_Eng.pdf)>.

⁷⁵ KLP, 'Responsible investments SRI report June 2009', p.34, URL

<[http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/\\$file/SRI_June_2009_Eng.pdf](http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/$file/SRI_June_2009_Eng.pdf)>.

⁷⁶ KLP, 'Responsible investments SRI report June 2009', URL

<[http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/\\$file/SRI_June_2009_Eng.pdf](http://www.klp.no/web/klpmm.nsf/lupgraphics/SRI_June_2009_Eng.pdf/$file/SRI_June_2009_Eng.pdf)>.

⁷⁷ KPA Pension, 'Så placerar vi pensionspengarna', URL <http://www.kpa.se/mallar/SidaEjHogerListning___1534.aspx>, accessed Oct. 2009.

⁷⁸ Original text: 'KPA Pension investerar inte i företagsgrupper som producerar vapen. Vapen har vi definierat som produkter med ändamålet att döda, stympta eller ödelägga och som säljs till militära användare'. KPA Pension, 'Våra etiska placeringar', URL <http://kpa.se/upload/tema/minor/etiska_placeringar.html>, accessed Oct. 2009.

⁷⁹ KPA, 'Företag KPA Pension inte investerar i', URL <http://www.kpa.se/mallar/Sida___810.aspx>, accessed Nov. 2009.

Lægernes Pensionskasse, The Doctors' Pension Fund (Denmark)

Professional pension fund; AUM: DKK46b

RI strategy	Exclusion and Engagement Exclusionary criteria: tobacco production, corporate involvement in violations of fundamental human rights and labour rights, as well as in environmental damage and in corruption. ⁸⁰ Scope: N/A
Public position (regarding anti-personnel mines and cluster munitions)	Laegernes Pensionskasse disclosed in mid-2009 its intention to divest from companies involved in cluster munitions. ⁸¹
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

LO (Sweden)

Swedish Trade Union Confederations; administers pension schemes for members

RI strategy	Exclusion Exclusionary criteria: focus on corporate involvement in breaches of ILO core conventions and OECD Guidelines for Multinational Enterprises. ⁸²
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy implicitly covers anti-personnel mines and cluster munitions. ⁸³ N/A
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

Länsförsäkringar (Sweden)

Insurance company; AUM: SEK140b

RI strategy	N/A ⁸⁴
Public position (regarding anti-personnel mines and cluster munitions)	N/A
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

Mistra, Stiftelsen för miljöstrategisk forskning, Swedish Foundation for Strategic Environmental Research (Sweden)

Endowment; distributes about SEK200m a year to environmental research; capital (early 2007): SEK3.6b

RI strategy	Positive selection Focus on 'a positive screening applying a "best in class" model. Mistra's asset managers have different methodologies and degree of environmental and ethical information in their mandates. Mistra closely follows the work of the external managers in order to learn more about the processes and also influence the future asset management.' ⁸⁵ Scope: N/A
Public position (regarding anti-personnel mines and cluster munitions)	N/A
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

⁸⁰ Lægernes Pensionskasse, Bilag 1, 'Social Ansvarlige Investeringer', Nov. 2008, URL <[http://www.lpk.dk/media\(909,1030\)/Socialt_ansvarlige_investeringer_Nov_2008.pdf](http://www.lpk.dk/media(909,1030)/Socialt_ansvarlige_investeringer_Nov_2008.pdf)>.

⁸¹ Lægernes Pensionskasse, Lægernes Pensionsnyt, Juni 2009, URL <[http://www.lpk.dk/media\(1112,1030\)/L%C3%A6gernes_Pensionsnyt_juni_2009.pdf](http://www.lpk.dk/media(1112,1030)/L%C3%A6gernes_Pensionsnyt_juni_2009.pdf)>.

⁸² LO, Ägaransvar och ägarmakt, May 2006, URL <[http://www.lo.se/home/lo/home.nsf/unidView/9AEFCF2C99D4CEB1C12575840059A781/\\$file/Agaransvar_och_agarmakt.pdf](http://www.lo.se/home/lo/home.nsf/unidView/9AEFCF2C99D4CEB1C12575840059A781/$file/Agaransvar_och_agarmakt.pdf)>. LO – Landsorganisationen i Sverige, URL <<http://www.lo.se/home/lo/home.nsf>>, accessed Oct. 2009.

⁸³ In response to a UN Association of Sweden questionnaire, LO informed that companies involved in anti-personnel mines and cluster munitions are not investible.

⁸⁴ Länsförsäkringar, 'Om oss', URL <http://www.lansforsakringar.se/foretag/om_oss/stockholm/Sidor/default.aspx>, accessed Oct. 2009.

⁸⁵ Mistra, 'Capital assets: Sustainability policy', URL <<http://www.mistra.org/mistra/english/capitalassets/sustainabilitypolicy.4.1eeb37210182cfc0d680005910.html>>, accessed Oct. 2009.

Nordea (Sweden)

Commercial bank & asset manager; AUM: SEK1478b

RI strategy	Engagement and Exclusion Focus on corporate involvement in activities that are in conflict with 'existing laws, regulations, relevant rules and international conventions'. Scope: 'Nordea Investment Funds (NIF) administers a Socially Responsible Investment (SRI) policy that applies to all funds and portfolios managed by NIF.' ⁸⁶
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy implicitly covers anti-personnel mines and cluster munitions (2009). 'In June 2009 Nordea's committee for Responsible Investment decided to exclude companies which are involved in the production of cluster munitions from its investment universe.' ⁸⁷
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	Aerostar S.A., Aeroteh S.A., Alliant Techsystems Inc., GenCorp Inc., General Dynamics Corporation, Hanwha Corporation, L-3 Communications Corporation, Lockheed Martin Corporation, Poongsan Corporation, Singapore Technologies Engineering Ltd., Textron Inc. (as of mid-2009). ⁸⁸

Nykredit (Denmark)

Commercial bank & asset management; AUM: roughly DKK290b

RI strategy	Engagement and Exclusion. Focus on UN Global Compact principles. ⁸⁹ Scope: N/A
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy implicitly covers anti-personnel mines and cluster munitions. 'Investment in a company should only be excluded [...] or if the company is in clear breach of the agreed standards for instance if it produces weapons that contravene UN conventions. One example is producers of cluster bombs, which have been banned by the UN.' ⁹⁰
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

⁸⁶ Nordea, *CSR Report 2008*, 2009, URL<http://www.nordea.com/About%2bNordea/Corporate%2bSocial%2bResponsibility/Reports/CSR%2breport%2b2008/1113202.html>.⁸⁷ Nordea, 'Exclusion list', URLhttp://www.nordea.com/About+Nordea/Corporate+Social+Responsibility/Doing+business+with+Nordea/Exclusion+list/1141522.html?q=cluster%20munitions&link=1_1, accessed Oct. 2009.⁸⁸ Nordea, 'Exclusion list', URLhttp://www.nordea.com/About+Nordea/Corporate+Social+Responsibility/Doing+business+with+Nordea/Exclusion+list/1141522.html?q=cluster%20munitions&link=1_1, accessed Oct. 2009.⁸⁹ Nykredit, 'Nykredit's sustainable investments policy', URLhttp://www.nykredit.com/informationsSide.do?wiID=/aboutnykredit/informationside/sustainability/sustainable_investments_policy.xml, accessed Oct. 2009.⁹⁰ Nykredit, 'Nykredit's sustainable investments policy', URLhttp://www.nykredit.com/informationsSide.do?wiID=/aboutnykredit/informationside/sustainability/sustainable_investments_policy.xml, accessed Oct. 2009.

PenSam (Denmark)	
Pension fund manager	
RI strategy	Exclusion Exclusionary criteria: violations of the principles set out in international conventions on human rights, labour rights and environmental protection; involvement in cluster munitions, nuclear weapons as well as components thereof. ⁹¹ Scope: N/A
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy covers anti-personnel mines and cluster munitions (2006). PenSam explicitly excludes from investments companies involved in anti-personnel mines and cluster munitions. ⁹²
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	Alliant Techsystems Inc., Gencorp Inc., General Dynamics Corporation, Hanwha Group, L-3 Communications Corporation, Lockheed Martin Corporation, Poongsan Corporation, Raytheon Company, Singapore Technologies Engineering Ltd., Saab AB, Textron, Thales SA (all as of Sep. 2009). ⁹³
PensionDanmark (Danmark)	
Pension fund manager; AUM: €9.6b	
RI strategy	Exclusion and Engagement Exclusionary criteria: corporate involvement in violations of principles embedded in international conventions in areas such as human rights and labour rights. ⁹⁴ Scope: N/A
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy implicitly covers anti-personnel mines and cluster munitions.
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	Alliant Techsystems Inc., GenCorp Inc., General Dynamics Corporation, Hanwha Corporation, L-3 Communications Corporation, Lockheed Martin Corporation, Poongsan Corporation/Poongsan Holdings Corporation, Singapore Technologies Engineering Inc., Textron Inc. (all as of June 2009). ⁹⁵
SAMPENSION (Danmark)	
Pension fund manager; AUM: roughly DKK95b	
RI strategy	Exclusion Exclusionary criteria: breaches of social and environmental standards, arms production (see below). ⁹⁶ Scope: N/A
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy covers anti-personnel mines. SAMPENSION's investment policy specifically addresses arms-production. According to this policy, SAMPENSION does not invest in companies that derive 5% or more of revenue from military equipment, or in companies involved in specific weapons, including anti-personnel mines. ⁹⁷
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

⁹¹ PenSam, Udelukkelsesliste Marts 2009, March 2009, URL

https://www.pensam.dk/ompensam/pensamital/aarsrapporter/documents/udelukkelsesliste_marts2009.pdf. PenSam, Pen-Sam overvejer at udelukke investeringer i mineselskabet Freeport-McMoRan, 2006, URL <<https://www.pensam.dk/OmPenSam/Nyheder/2006/Pages/Pen-SamOvervejerAtUdelukkeInvesteringer.aspx>>. PenSam, 'Ethiske investeringer', accessed 23 June 2009, URL <<https://www.pensam.dk/OmPenSam/Investering/EtiskeInvesteringer/Pages/EtiskeInvesteringer.aspx>>.

⁹² PenSam, Pen-Sam præciserer sine retningslinjer for investering, 2006, URL <<https://www.pensam.dk/ompensam/nyheder/2006/pages/pen-sampræciserersinerefningslinjer.aspx>>.

⁹³ PenSam, Udelukkelsesliste september 2009, URL <<https://www.pensam.dk/OmPenSam/Investering/EtiskeInvesteringer/Documents/Pen-Sam%27s%20udelukkelsesliste%2011-09-2009.pdf>>.

⁹⁴ PensionDanmark, 'Social ansvarlighed' URL <<http://www.pension.dk/da/Om-PensionDanmark/Sadan-investerer-vi/Social-ansvarlighed/>>, accessed Oct. 2009.

⁹⁵ PensionDanmark, 'Udelukkelsesliste' URL <<http://www.pension.dk/da/Om-PensionDanmark/Sadan-investerer-vi/Social-ansvarlighed/Udelukkelsesliste/>>, accessed Oct. 2009.

⁹⁶ SAMPENSION, 'SAMPENSIONS investeringspolitik på våbenområdet', URL <<http://sampension.dk/composite-32.htm>>, accessed Oct. 2009.

⁹⁷ SAMPENSION, 'SAMPENSIONS investeringspolitik på våbenområdet', URL <<http://sampension.dk/composite-32.htm>>, accessed Oct. 2009.

SEB (Sweden)	
Commercial bank & asset manager; AUM: SEK1267b	
RI strategy	N/A ⁹⁸
Public position (regarding anti-personnel mines and cluster munitions)	Announced RI strategy that will cover anti-personnel mines and cluster munitions. ⁹⁹
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A
Skandia (Sweden)	
Commercial bank & asset manager; AUM: SEK253b	
RI strategy	Exclusion, Engagement and Positive selection Exclusionary criteria: corporate involvement in violations of principles embedded in international conventions in areas such as human rights, labour rights, environmental protection and anti-corruption. ¹⁰⁰ Scope: Skandia Fonder
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy covers anti-personnel mines and cluster munitions.
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	(Number of companies)
SPK, Sparinstitutens Pensionskassa (Sweden)	
Professional pension fund	
RI strategy	N/A ¹⁰¹
Public position (regarding anti-personnel mines and cluster munitions)	N/A
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

⁹⁸ SEB, 'SEB:s samhällsansvar', URL <<http://www.seb.se/pow/wcp/sebgroup.asp?website=TAB1&lang=se>>, accessed Oct. 2009.

⁹⁹ In response to a UN Association of Sweden questionnaire, SEB informed that companies involved in anti-personnel mines and cluster munitions will no longer be investible according to a responsible investment policy which will be made public during Q1 2010.

¹⁰⁰ Skandia, Policy för etik- och miljöhänsyn i Skandia Fonder, URL <<http://www.skandia.se/fonder/upload/Documents/pdf/etik.pdf>>, accessed Nov. 2009. See also Skandia, 'Etik och samhällsansvar', in *Halvårsrapport 2008*, URL <<http://www.skandia.se/fonder/upload/Documents/pdf/Skandia%20Fonder%20halv%C3%A5rsrapport%202008.pdf>>.

¹⁰¹ SPK, URL <<http://www.spk.se/>>, accessed Nov. 2009.

Statens pensjonsfond – Utland, Norwegian Pension Fund – Global (Norway)

State pension fund; AUM: roughly NOK90b

RI strategy	Exclusion, Engagement and Positive selection Exclusionary criteria are grouped into (a) corporate involvement in 'weapons that through normal use may violate fundamental humanitarian principles', in tobacco production, or in the sale of weapons or military materiel to states whose sovereign bonds are not investible according to the funds supplementary guidelines; and (b) corporate involvement in serious or systematic human rights violations including violations of international labour standards, grave breaches of individual rights in situations of war or conflict; severe environmental damages, gross corruption, and other particularly serious violations of fundamental ethical norms. ¹⁰² Scope: All foreign holdings.
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy covers anti-personnel mines (2002) and cluster munitions (2004). The ethical guidelines of the fund define both anti-personnel mines and cluster munitions as weapons that through normal use may violate fundamental humanitarian principles. ¹⁰³
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	As of Oct. 2009: Singapore Technologies Engineering Ltd. (2002), Alliant Techsystems Inc. (2005), General Dynamics Corporation (2005), L-3 Communications Holdings Inc. (2005), Lockheed Martin Corporation (2005), Raytheon Company (2005), Poongsan Corporation (2006), Hanwha Corporation (2008) and Textron Inc. (2009). ¹⁰⁴

Storebrand (Norway)

Pension fund manager; includes insurance company SPP; AUM: NOK229b

RI strategy	Exclusion, Engagement and Positive selection Exclusionary criteria: <i>serious human rights violations, grand corruption, serious climate and environmental damage, the production of cluster munitions, landmines or nuclear weapons, the production of tobacco [...] companies that score among the worst 10% in Social Responsibility in high risk industries, or companies that take inadequate climate measures in high emissions industries.</i> ¹⁰⁵ Scope: All funds and portfolios.
Public position (regarding anti-personnel mines and cluster munitions)	RI strategy covers anti-personnel mines (2005); cluster munitions (2005). In 2005 Storebrand introduced a new policy to apply socially responsible investment criteria to all funds and pension assets. This policy prohibits investments in, among others, companies that produce landmines and cluster munitions. ¹⁰⁶
Disclosed exclusions (relating to anti-personnel mines and cluster munitions)	N/A

¹⁰² Ministry of Finance, *Ethical Guidelines for the Government Pension Fund - Global*, Dec 2005, URL <<http://www.regjeringen.no/en/dep/fin/Selected-topics/the-government-pension-fund/Ethical-Guidelines-for-the-Government-Pension-Fund---Global-.html?id=446948>>. Restricted sovereign bonds as of Oct. 2009: Burma. Ministry of Finance, 'Provisions on the management of the Government Pension Fund', Dec. 2005, URL <<http://www.regjeringen.no/en/dep/fin/Selected-topics/the-government-pension-fund/the-guidelines-for-the-management-of-the.html?id=434605>>.

¹⁰³ Ministry of Finance, 'Ethical Guidelines for the Government Petroleum Fund', in *The Revised National Budget for 2004*, 11 May 2005, URL <<http://www.statsbudsjetten.dep.no/Revidert-2004/English/?pid=10868#hopp>>.

¹⁰⁴ Ministry of Finance, 'Companies Excluded from the Investment Universe', URL <<http://www.regjeringen.no/en/dep/fin/Selected-topics/the-government-pension-fund/Ethical-Guidelines-for-the-Government-Pension-Fund---Global/companies-excluded-from-the-investment-u.html?id=447122>>, accessed Oct. 2009.

¹⁰⁵ Storebrand, 'Responsible investments', URL <<http://www.storebrand.no/site/stb.nsf/Pages/responsibleinvestments.html>>, accessed Oct. 2009.

¹⁰⁶ Storebrand, *Annual Report 2005*, URL <[http://www.storebrand.no/site/stb.nsf/Get/getb13f0bde4f176e5cf640fc23b9c895a4/\\$FILE/2005%20Annual%20Report%20-%20Storebrand%20ASA.pdf](http://www.storebrand.no/site/stb.nsf/Get/getb13f0bde4f176e5cf640fc23b9c895a4/$FILE/2005%20Annual%20Report%20-%20Storebrand%20ASA.pdf)>.

Swedbank (Sweden)

Commercial bank & asset manager; includes Swedbank Robur, Swedbank Försäkring and Folksam Fond;
AUM: SEK743b

RI strategy Asset Management and Insurance comprises Swedbank Robur, Swedbank Försäkring and Folksam Fond. Swedbank Robur Fonder, owned by Swedbank Robur, currently manages funds which until recently were managed by Banco, Folksam and KPA (see above)—all with a strong ethical or sustainability profile and applying a combination of positive selection, engagement and exclusion.¹⁰⁷

Public position (regarding anti-personnel mines and cluster munitions) N/A – It is worth noting that the weapons criteria applied for Robur Ethica funds, Folksam and KPA covers anti-personnel mines and cluster munitions.¹⁰⁸

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) N/A

Svenska Kyrkan, Church of Sweden (Sweden)

Administer SEK4.5b general fund and SEK7.7b pension fund

RI strategy Exclusion and Positive Selection
Based on the principle of human dignity and the concept of stewardship. Exclusionary criteria: focus on tobacco production, production and active distribution of pornographic material, irresponsible marketing and sale of alcoholic beverages, irresponsible gambling services and weapons (combat equipment).¹⁰⁹

Public position (regarding anti-personnel mines and cluster munitions) RI strategy covers anti-personnel mines and cluster munitions. The RI policy adopted in 2006 and revised in 2009 explicitly covers ‘particularly inhumane weapons’, defined as weapons whose normal use is considered to be in breach of the principles of international humanitarian law.¹¹⁰

Disclosed exclusions (relating to anti-personnel mines and cluster munitions) N/A

¹⁰⁷ Folksam, Informationsbroschyr Swedbank Robur Fonder AB, Dec. 2008 URL <http://www.folksam.se/polopoly_fs/1.93671/info%20kpa%20pensions%20fonder%20s8534.pdf>.

¹⁰⁸ Swedbank Robur, URL <http://www.swedbankrobur.se/upload/pdf/etik_miljo_eng.pdf>.

¹⁰⁹ Svenska kyrkan, *Finanspolicy för Svenska kyrkans nationella nivå*, adopted in Sep. 2006, revised in April 2009, URL <<http://www.svenskakyrkan.se/Sve/Dokument/Dokumentfiler/b753fbba-e731-45fe-8782-25e330b90b6a.pdf>>.

¹¹⁰ Svenska kyrkan, *Finanspolicy för Svenska kyrkans nationella nivå*, adopted in Sep. 2006, revised in April 2009, URL <<http://www.svenskakyrkan.se/Sve/Dokument/Dokumentfiler/b753fbba-e731-45fe-8782-25e330b90b6a.pdf>>.