

KLP's exclusion list

Companies excluded from our investment universe, **June 2008**



KLP

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We are a responsible financial investor and owner

The first and foremost purpose of KLP's investment and ownership activities is to secure its financial commitments. KLP manages nearly 200 billion Norwegian Crowns (30 bn Euros). We manage more than half a million Norwegians' pensions. It is our responsibility to not only protect, but to enhance the long-term value of the assets under our management. However, we will not sacrifice ethics to maximize profits. Therefore, KLP approved in 2002, as the first life insurance company in Norway, a comprehensive ethical investment policy which encompasses its entire financial investment universe.

Excluding companies that do not meet our responsible investment criteria is one tool KLP uses in order to be a responsible investor. Furthermore, we exercise our rights and responsibilities as owners to positively influence companies in which we invest to adopt and advance sustainable policies and practices. We engage in these activities because we believe that they generate sustainability and long-term value.

Transparency and sharing best practices have been cornerstones of KLP's work. KLP is the only pension fund provider in Norway that discloses the names of the companies in which it divests, as well as the basis for these exclusions. Transparency and reporting are important principles for a responsible business practice, and these are principles which we encourage companies to adhere. Therefore, it is important that we ourselves comply with these principles and are transparent to our stakeholders. Transparency and reporting are disciplining and ensures that we at all times work systematically and consistently, and are humble for our decisions being scrutinized. In an international context KLP is a small investor and our influence is limited. Disclosure concerning which companies we exclude gives us a greater potential to influence companies in breach of international norms. Being transparent adds credibility and strength to our requests when engaging with companies.

Criteria

KLP excludes companies that are associated with breaches in UN norms from its investment universe. We also exclude tobacco manufacturers and companies involved in the manufacture of certain types of weapons. The UN Global Compact's ten principles serve as the foundation for our ethical criteria. In addition, we also incorporate the OECD Guidelines for Multinational Enterprises and the ethical guidelines for the Norwegian Government Pension Fund – Global (NGPF).

1. Human rights
2. Labour rights
3. Environment
4. Corruption
5. Weapon production
6. Tobacco production



Company analyses

KLP's investment universe of almost 2000 companies is continuously monitored for potential breaches with our ethical criteria. KLP's exclusion list is updated and made public principally twice a year, in June and in December.

For the exclusions, we mainly base our decisions on recommendations from our supplier, GES Investment Services (GES), but also on the Council on Ethics for the Norwegian Government Pension Fund - Global (NGPF).

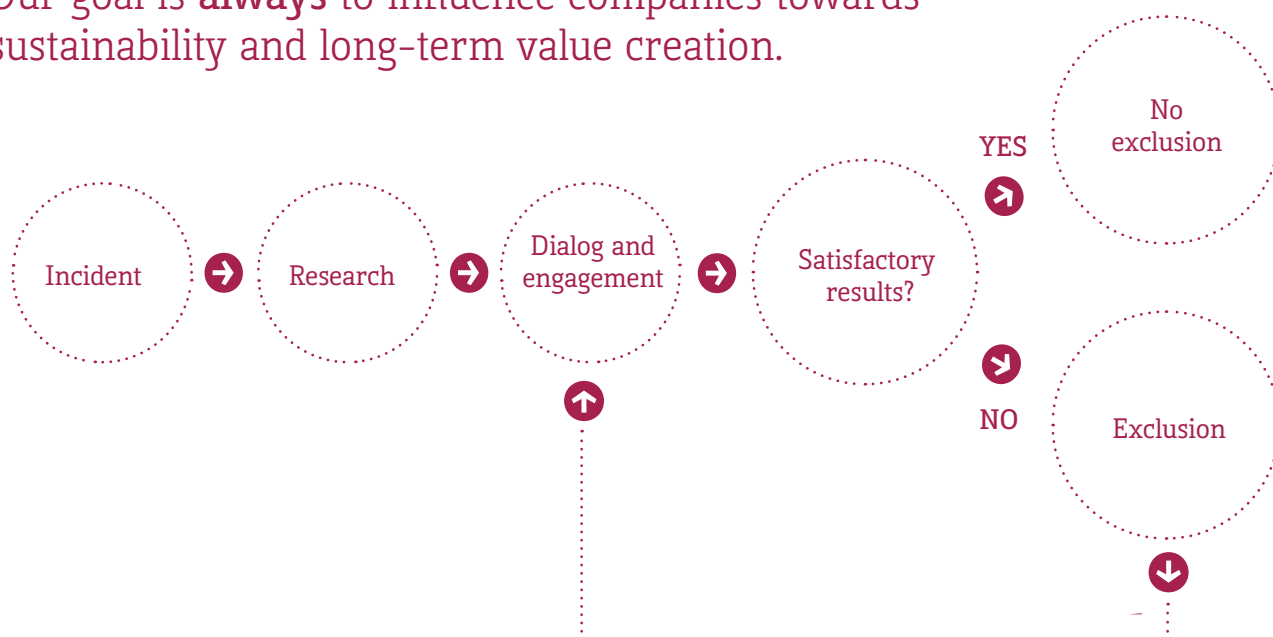
GES

GES Investment Services is a Stockholm based consultancy that delivers analyses on corporate responsibility and recommendations on company exclusions or engagements. GES monitors 9 000 news sources, UN organizations, etc. on a daily basis. In incidents where a company is associated with breaches of KLP's ethical criteria, the company will be registered in GES' monitoring process. GES collects facts, is in dialogue with different stakeholders as well as the company to get their comments and views on the incident in order to get an unbiased picture of the incident. GES also facilitates a dialogue between companies and investors. If the conclusion is that the company is associated with the reported incident, and in addition, over time do not take responsibility or show willingness to improve their practices, GES will recommend KLP to exclude the company. KLP will continuously engage in a dialogue with companies that wish to improve their practices, and work systematically to get companies on our exclusion list re-included.

NGPF

The Council on Ethics for the Norwegian Government Pension Fund-Global was established in 2004. The role of the Council is to provide evaluation on whether or not investment in specified companies is inconsistent with the established ethical guidelines. The Council will recommend exclusion where there is considered to be an unacceptable risk of contributing to serious human rights violations, serious violations of individuals' rights in situations of war or conflict, severe environmental damages or gross corruption. The Council on Ethics evaluates cases on its own initiative or on the initiative of the Norwegian Ministry of Finance, and makes a number of thorough analyses per year. When the Council makes its recommendations publicly available, KLP will divest from these companies.

Our goal is **always** to influence companies towards sustainability and long-term value creation.



THE KLP LIST IN SHORT

COMPANY	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
HUMAN RIGHTS					
ALSTOM	DECEMBER 2007	GES	FRANCE	CAPITAL GOODS	MSCI-WI
CHEVRON*	DECEMBER 2002	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
L3 COMMUNICATIONS*	DECEMBER 2005	GES	USA	CAPITAL GOODS	MSCI-WI
SODEXO	JUNE 2007	GES	FRANCE	CONSUMER SERVICES	MSCI-WI
WESFARMERS	DECEMBER 2007	GES	AUSTRALIA	FOOD AND STAPLES RETAILING	MSCI-WI
YAHOO!	DECEMBER 2005	GES	USA	SOFTWARE AND SERVICES	MSCI-WI
LABOUR RIGHTS					
BHP BILLITON	JUNE 2004	GES	AUSTRALIA, UK	MATERIALS	MSCI-WI
BRIDGESTONE	DECEMBER 2006	GES	JAPAN	AUTOMOBILES AND COMPONENTS	MSCI-WI
NEW GROUP 4 SECURICOR	JUNE 2008	GES	UK	COMMERCIAL SERVICES AND SUPPLIES	MSCI-WI
TOYOTA MOTOR	DECEMBER 2005	GES	JAPAN	AUTOMOBILES AND COMPONENTS	MSCI-WI
WAL-MART STORES	JUNE 2003	GES NGPF	USA	FOOD AND STAPLES RETAILING	MSCI-WI
ENVIRONMENT					
CHEVRON*	JUNE 2004	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
DRD GOLD	MAI 2007	NGPF	SOUTH AFRICA	MATERIALS	-
DUKE ENERGY	DECEMBER 2006	GES	USA	UTILITIES	MSCI-WI
FREEPORT MCMORAN	JULY 2006	GES	USA	MATERIALS	MSCI-WI
GRUPO FERROVIAL	JUNE 2007	GES	SPAIN	CAPITAL GOODS	MSCI-WI
MONSANTO	JUNE 2007	GES	USA	MATERIALS	MSCI-WI
PETROCHINA	JUNE 2006	GES	CHINA	ENERGY (OIL AND GAS)	-
VEDANTA RESOURCES	DES 2007	NGPF	UK	MATERIALS	MSCI-WI
CORRUPTION					
EXXON MOBIL	DECEMBER 2004	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
HESS	DECEMBER 2004	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
MARATHON OIL	DECEMBER 2004	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
THALES*	JUNE 2006	GES	FRANCE	CAPITAL GOODS	MSCI-WI
WEAPON PRODUCERS					
ALLIANT TECHSYSTEMS	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	-
BAE SYSTEMS	JANUARY 2006	NGPF	UK	CAPITAL GOODS	MSCI-WI
BOEING	JANUARY 2006	NGPF	USA	CAPITAL GOODS	MSCI-WI
EADS	DECEMBER 2005	NGPF	NETHERLANDS	CAPITAL GOODS	MSCI-WI
FINMECCANICA	JANUARY 2006	NGPF	ITALY	CAPITAL GOODS	MSCI-WI
GENCORP	JANUARY 2008	NGPF	USA	CAPITAL GOODS	-
GENERAL DYNAMICS	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	MSCI-WI
HANWHA CORPORATION	JANUARY 2008	NGPF	SOUTH KOREA	MATERIALS	-
HONEYWELL	JANUARY 2006	NGPF	USA	CAPITAL GOODS	MSCI-WI
L-3 COMMUNICATIONS*	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	MSCI-WI

* THE COMPANY IS EXCLUDED OF SEVERAL REASONS

MSCI-WI = MORGAN STANLEY CAPITOL INTERNATIONAL WORLD INDEX

THE KLP LIST IN SHORT

COMPANY	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
WEAPON PRODUCERS					
LOCKHEED MARTIN	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	MSCI-WI
NORTHROP GRUMMAN	JANUARY 2006	NGPF	USA	CAPITAL GOODS	MSCI-WI
POONGSAN	JANUARY 2007	NGPF	SOUTH KOREA	MATERIALS	-
RAYTHEON	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	-
SAFRAN	JANUARY 2006	NGPF	FRANCE	CAPITAL GOODS	MSCI-WI
SERCO GROUP	JANUARY 2008	NGPF	UK	INDUSTRI	-
SINGAPORE TECHNOLOGIES ENGI- NEERING	DECEMBER 2001	GES NGPF	SINGAPORE	CAPITAL GOODS	MSCI-WI
THALES*	DECEMBER 2005	NGPF	FRANCE	CAPITAL GOODS	MSCI-WI
UNITED TECHNOLOGIES	JANUARY 2006	NGPF	USA	CAPITAL GOODS	MSCI-WI
TOBACCO PRODUCERS					
ALTADIS	1999	GES	SPAIN	FOOD, BEVERAGE AND TOBACCO	-
ALTRIA GROUP	1999	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
BRITISH AMERICAN TOBACCO	1999	GES	UK	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
IMPERIAL TOBACCO	1999	GES	UK	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
JAPAN TOBACCO	1999	GES	JAPAN	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
LOEWS (CAROLINA GROUP)	DECEMBER 2007	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
PHILIP MORRIS	1999	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
REYNOLDS AMERICAN	DECEMBER 2007	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
RICHEMONT	1999	GES	SWITZERLAND	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
SWEDISH MATCH	1999	GES	SWEDEN	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
UST	DECEMBER 2007	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI

* THE COMPANY IS EXCLUDED OF SEVERAL REASONS



REASONS FOR EXCLUSION

International human rights are important pillars of worldwide common human values. It is in our responsibility as a responsible investor in and owner of companies, to support human rights and promote adherens by all our stakeholders. As a consequence, six companies are excluded from our investment universe associated to human rights violations.



COMPANY	EXCLUDED SINCE	SOURCE	LAND	INDUSTRY GROUP	INDEX
HUMAN RIGHTS					
ALSTOM	DECEMBER 2007	GES	FRANCE	CAPITAL GOOD	MSCI-WI
<p>Association to complicity in human rights violations in hydro-electric project in Sudan. In August 2007, a UN Special Rapporteur from the Human Rights Council called upon companies involved in the Merowe Dam project in Sudan to halt the operations. The statement was made due to concerns over reports on human rights violations in connection with large resettlements. Among the companies is Alstom, which is the main supplier of electrical equipment to the project. None of the companies has followed the recommendation from the UN Special Rapporteur.</p>					
CHEVRON	DECEMBER 2002	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
<p>Chevron, formerly ChevronTexaco, acknowledges that the Nigerian government's security forces in May 1998 used transport equipment contracted to the Nigerian subsidiary of Chevron - with the company's authorization - in a violent encounter to free employees held hostage by a group of youths at the Parabe oil platform. Seven months later, the same equipment was used in an attack on two villages in the Warri Delta. See further reasons for the exclusion of Chevron under Environment.</p>					
L3 COMMUNICATIONS*	DECEMBER 2005	GES	USA	CAPITAL GOODS	MSCI-WI
<p>In May and August 2004, reports emerged from the US military's investigations associating Titan employees to human rights abuses in US detention operations at the prison Abu Ghraib in Iraq. The company is a major supplier of linguist and translator services to the US Government. In July 2005, Titan was acquired by L-3 Communications Holdings Inc, who is continuing to supply these services to the U.S. Army. See further reasons for the exclusion of L-3 Communications under Weapon producers.</p>					
SODEXO	JUNE 2007	GES	FRANCE	CONSUMER SERVICES	MSCI-WI
<p>In 2006, the HM Chief Inspector of Prisons (HMIP) directed harsh criticism against the Harmondsworth Immigration Removal Centre (IRC) in London, because of its inhumane conditions. The report cites use of disproportional disciplinary measures, degrading treatments, inadequate complaint systems among other aspects. The centre is managed by Kalyx, a subsidiary of Sodexo, and has also been criticised by the HMIP in 2003 regarding the treatment of detainees.</p>					
WESFARMERS	DECEMBER 2007	GES	AUSTRALIA	FOOD AND STAPLES RETAILING	MSCI-WI
<p>Association to illegal exploitation of natural resources in Western Sahara. In June 2007, the Saharawi Journalists' & Writers' Union forwarded allegations against Wesfarmers' subsidiary CSBP, for importing phosphate from Western Sahara and thus indirectly funding Morocco's illegal occupation of the country. The practice of importing phosphate rock from the concerned territory has been confirmed by the company. The exploitation of the natural resources of colonised territories - Western Sahara in particular - was declared illegal in an opinion issued in 2002 by the UN Under-Secretary General for Legal Affairs.</p>					
YAHOO!	DECEMBER 2005	GES	USA	SOFTWARE AND SERVICES	MSCI-WI
<p>Yahoo stands criticised for having passed on Internet user information of a Chinese journalist to China's state security leading to a ten-year imprisonment for the journalist. The transfer of information is confirmed by Chinese court documents and company statements.</p>					



There are some basic rights every employee has. In the UN, some minimum standards for labour conditions have been approved, dealing with freedom of association, ban of forced labour, child labour and discrimination. These standards must be complied with, no matter where in the world the employee goes to work. As a consequence five companies are excluded from our investment universe associated to labour rights violations.

COMPANY	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
LABOUR RIGHTS					
BHP BILLITON	JUNE 2004	GES	AUSTRALIA/UK	MATERIALS	MSCI-WI
<p>In 2003, the Australian Council of Trade Union reports that BHP Billiton has made individual workplace agreements a condition of employment for new employees at some of its operations. The practices were criticised in a letter by the UN Global Compact in 2003. The company confirmed its commitment to the practices in 2004.</p>					
BRIDGESTONE	DECEMBER 2006	GES	JAPAN	AUTOMOBILES AND COMPONENTS	MSCI-WI
<p>In May 2006, the UN Mission in Liberia published a report on human rights conditions at Liberian rubber plantations, including a plantation owned by a subsidiary of the Bridgestone Corporation. The report portrays child labour as a serious problem, supporting the allegations of child labour previously forwarded in a lawsuit against the company filed by the International Labor Rights Fund (ILRF) in 2005. Liberia has child labour laws and the company claims it has banned children from tapping trees, but workers say the ban is not enforced. Allegedly, the children begin to work at the age of nine or ten in order to help their parents meet the quotas set by the company.</p>					
NEW GROUP 4 SECURICOR	JUNE 2008	GES	UK	COMMERCIAL SERVICES AND SUPPLIES	MSCI-WI
<p>Group 4 Securicor (G4S) is reported to have committed systematic violations on labour rights in twelve countries. The International trade union alliance UNI (Union Network International) has for instance filed two complaints to the British National Contact Point for OECD's Guidelines for Multi-national Enterprises in 2006 and 2007. Violations in at least five countries can be verified by official bodies, e.g. International Labour Organization (ILO) and national judicial authorities. The reported practices can be associated with freedom of association, systematic violations of labour laws, unlawful dismissal of workers, harassment of trade unionists, breaches of binding collective agreement and underpayment of overtime.</p>					
TOYOTA MOTOR	DECEMBER 2005	GES	JAPAN	AUTOMOBILES AND COMPONENTS	MSCI-WI
<p>The Toyota Motor Philippines Company Workers Association (TMPCWA) union alleges that the management of Toyota Motor Philippines, a Toyota Motor subsidiary, has impeded the right to organise and collective bargaining and resorted to illegal dismissals of workers. The case is under scrutiny by the Philippine court system and by the International Labour Organization (ILO) Committee of Freedom of Association. The ILO reporting lists a number of actions taken by the company to challenge the certification of a union and to intimidate employees in their preference of union.</p>					
WAL-MART STORES	JUNE 2003	GES NGPF	USA	FOOD AND STAPLES RETAILING	MSCI-WI
<p>A steady stream of media reports and law suits testify of Wal-Mart's notoriously bad labour practices. The company is criticised for regulatory and legal non-compliance in several areas related to labour rights. Specific incidents in the GES Global Ethical Standard concern sweatshop conditions at factories, discrimination of women, child labour and anti-union behaviour.</p>					

The environment is a common resource and subsequently a common responsibility. By excluding companies that are causing severe environmental damages, KLP acts responsible and wish to signalize the importance of sound environment management. As a consequence, eight companies are excluded from our investment universe, associated to severe environmental damage.

COMPANY	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
ENVIRONMENT					
CHEVRON	JUNE 2004	GES	USA	ENERGI	MSCI-WI
<p>In 2004, a trial was initiated against Chevron, formerly ChevronTexaco, in Ecuador. The company stands accused of systematically dumping billions of gallons of highly toxic waste into pits dug into the earth. See further reasons for the exclusion of Chevron under Human Rights.</p>					
DRD GOLD	MAI 2007	NGPF	SOUTH AFRICA	MATERIALS	MSCI-WI
<p>The company is associated to extensive and irreversible damage to the natural environment. According to the Norwegian Council on Ethics' assessment the company's practice of riverine disposal is in breach of international norms, and the question may be raised whether the company violates national environmental regulations as well.</p>					
DUKE ENERGY	DECEMBER 2006	GES	USA	UTILITIES	MSCI-WI
<p>In July 2006, the US Supreme Court granted permission for the Environmental Protection Agency (EPA) to proceed with a lawsuit against Duke Energy under the Clean Air Act (CAA). The case stems from the late 1990's when Duke Energy endeavoured upon a modernisation program, extending the life of eight of its oldest coal-fired electricity plants in the US for another 20 years. The plants in question date back to the 1920's, hence exceeding the expected operational time for a coal plant. In some cases the plants had not been operational for the last ten years. Notably, the modernisation program was implemented without installing any modern pollution controls which reportedly could have decreased emissions significantly. As a consequence, the US Environmental Protection Agency (EPA) filed suit against the company in 2000, for violating the CAA.</p>					
FREEPORT MCMORAN	JULY 2006	GES	USA	MATERIALS	MSCI-WI
<p>PT Freeport Indonesia, a subsidiary to Freeport McMoRan Copper and Gold, has received heavy criticism from NGOs for polluting the surroundings of its Grasberg mine in Indonesia. For many years the government has accused the company of negligence and in June 2006, media reported that the Indonesian Environmental Minister had confirmed there are serious problems and ordered the company to take measures to minimise the effect on the environment. However, according to several NGOs the recommended measures are not sufficient to comply with industry standards or international norms.</p>					
GRUPO FERROVIAL	JUNE 2007	GES	SPAIN	CAPITAL GOODS	MSCI-WI
<p>During early 2007, the European Commission (EC) repeatedly sent warning letters to the Polish government about the routing of the Via Baltica expressway, where a controversial part is under construction by Grupo Ferrovial's subsidiary Budimex. The road will bypass a valley which is a Special Protection Area (SPA). SPAs are designated under the Birds Directive, enacted by the European Community in 1979, and should allegedly also benefit from protection under the Habitats Directive. As no satisfactory response was received from the government within due time, the EC publicly announced on March 21 that it took Poland to the European Court of Justice (ECJ).</p>					
MONSANTO	JUNE 2007	GES	USA	MATERIALS	MSCI-WI
<p>In February 2007, Monsanto was sharply criticised in British media for not taking responsibility for the environmental effects of its systematic dumping of highly toxic waste in British landfill sites during the 1960's and 1970's. A report from the Environment Agency (EA) regarding the Brofiscin site in Wales shows an ongoing contamination of groundwater by PCBs produced by Monsanto. The report is part of an EA investigation launched in 2003, after the Brofiscin site was found leaching. According to the agency, it could cost up to £100m to clean up the site which has been called "one of the most contaminated" in the country.</p>					
PETROCHINA	JUNE 2006	GES	CHINA	ENERGY (OIL AND GAS)	-
<p>In November 2005, a major industrial accident occurred at a chemical plant owned by PetroChina, in Jilin city, China. The explosion killed five workers, injured over 70 others and led to approximately 100 tons of pollutants leaking into the Songhua river. The accident was covered up by the company as well as the authorities for nine days. The State Environmental Protection Administration (SEPA) places the responsibility for the explosion on PetroChina.</p>					
VEDANTA RESOURCES	DECEMBER 2007	GES	UK	MATERIALS	MSCI-WI
<p>Vedanta Resources is accused of having caused environmental damage and contributed to human and labour rights violations. Other accusations include repeated breaches of national environmental legislation, illegal production expansions, irresponsible handling of hazardous waste, violations against tribal peoples, deplorable wages, and dangerous working conditions in the mines and factories. The company is also criticized for being involved in bribery and corruption.</p>					



Corruption is one of the major economic problems hindering economic and sustainable development in many countries. As an investor, KLP supports the international battle against corruption by excluding companies that are associated with severe or systematic corrupt activities. As a consequence, four companies are excluded from our investment universe.

COMPANY	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
CORRUPTION					
EXXON MOBIL	DECEMBER 2004	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
Six large American oil companies, including ExxonMobil (Exxon), were included into investigations conducted by the US Senate Permanent Subcommittee on Investigations in 2004, in relation to their operations in Equatorial Guinea. According to the Subcommittee, during its investigations, it became aware of a number of substantial payments that had been made by oil companies to individual E.G. officials, their family members, or entities controlled by those officials or family members.					
HESS	DECEMBER 2004	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
Six large American oil companies, including Hess, were included into investigations conducted by the US Senate Permanent Subcommittee on Investigations in 2004, in relation to their operations in Equatorial Guinea. According to the Subcommittee, during its investigations, it became aware of a number of substantial payments that had been made by oil companies to individual E.G. officials, their family members, or entities controlled by those officials or family members.					
MARATHON OIL	DECEMBER 2004	GES	USA	ENERGY (OIL AND GAS)	MSCI-WI
Six large American oil companies, including Marathon Oil, were included into investigations conducted by the US Senate Permanent Subcommittee on Investigations in 2004, in relation to their operations in Equatorial Guinea. According to the Subcommittee, during its investigations, it became aware of a number of substantial payments that had been made by oil companies to individual E.G. officials, their family members, or entities controlled by those officials or family members.					
THALES	JUNE 2006	GES	FRANCE	CAPITOL GOODS	MSCI-WI
Thales is associated to corrupt business practices, involving payments of bribes to South Africa's former Deputy President Jacob Zuma in relation to an arms deal in the country. The practices are confirmed in a 2005 Durban High Court Judgement. According to the judgement, a joint venture was created between Thales and a South African business man, facilitating access to important channels in the country. Additionally, a former Thales director has openly accused Thales of systematic corrupt business practices which has led to French judicial investigations. Thales is now facing a court case for corrupt practices in connection with a business agreement in 2002. See further reasons for the exclusion of Thales under Weapon producers.					

Some weapons hits harder, and affects more civilians, than others. KLP does not want to contribute to manufacture or sale of, and subsequently use of weapons that with normal use will affect civilians. As a consequence, 19 companies are excluded, associated to the production or sale of weapons or parts of weapons violating basic humanitarian principles.

COMPANY	REASON FOR EXCLUSION	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
WEAPON PRODUCERS						
ALLIANT TECHSYSTEMS	CLUSTER MUNITION	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	-
The company produces cluster bombs of the type CBU-87/B, which contain 202 pieces of BLU-97 explosive devices. This is one of the most commonly used air-delivered cluster weapons. This information is verified by Jane's Information Group.						
EADS (EUROPEAN AERONAUTICS DEFENCE AND SPACE COMPANY)	CLUSTER MUNITION	DECEMBER 2005	NGPF	NETHERLAND	CAPITAL GOODS	MSCI-WI
The company has confirmed in a letter to Norges Bank that the company is part of a 50%/50% joint venture with Thales SA, in the company TDA. According to the letter TDA produces, among other things, the artillery grenade PR Cargo, which is described as follows in the above mentioned letter: "This is a submunition projectile for 120 mm rifled mortars. Equipped with dual effect-submunitions, it engages dismounted troops and light armored vehicles." According to Janes Information Group's database InfantryWeapons, PR Cargo contains 16 bomblets each. This type of weapon is an "area-weapon" and is primarily used against personnel. The Mine Section in Norwegian Peoples Aid confirms that the use of artillery delivered cluster munitions constitutes a substantial humanitarian problem.						
GENERAL DYNAMICS	CLUSTER MUNITION	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	MSCI-WI
The company acknowledged in May 2005 to Norges Bank that the company produces fuses for BLU-97 which are explosive devices in various cluster weapons, among others those that are included in JSOW-A (Joint Standoff Weapon). This is considered as a key component in cluster weapons.						
HANWHA CORPORATION	CLUSTER MUNITION	JANUARY 2008	NGPF	SOUTH KOREA	MATERIALS	-
The company produces various forms of military equipment, among these different types of munitions. On the company's website a picture and description of a so-called "Scattering Bomb" is given. The term "scattering bomb" is not a commonly used designation for weapons. From its context it must be assumed that the "scattering" refers to bomblets which are scattered over the target area, which is characteristic of cluster munitions.						
L-3 COMMUNICATIONS	CLUSTER MUNITION	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	MSCI-WI
L-3 Communication has confirmed to the Council on Ethics for the Norwegian Governments Pensionfund that two of its daughter companies are involved in the production of clusterbombs. See further reasons for the exclusion of L-3 Communications under Human Rights.						
LOCKHEED MARTIN	CLUSTER MUNITION	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	MSCI-WI
The company produces, according to its own web-site, four various missiles which can be categorized as cluster weapons. One of these is the MLRS M 26-S. This is a surface-to-surface missile which is fired from artillery systems of the type MLRS. M 26 contains 644 bomblets of the type M77 DPICM cluster ammunition. The company also produces other types of weapons within this category. This information is confirmed by Jane's Information Group. The company has not replied to the communication from Norges Bank.						
POONGSAN	CLUSTER MUNITION	JANUARY 2007	NGPF	SOUTH KOREA	MATERIALS	-
Poongsan Corp. produces various types of munitions for military use, including 155 mm artillery shells. On its website, the company describes two of these products. The shell designated DP-ICM TP is described as containing 88 "bomblets", i.e. small, explosive submunitions that characterize cluster munitions. Furthermore, the shell designated DP-ICM K305 is described as follows: "This is fired from 155 howitzer and used for blast, fragmentation, mining effects." In this context, it appears that the company, by using the term "mining effects", specifically promotes that this type of munitions have a high failure rate which leads to a large number of undetonated explosives on the ground, with similar effects as antipersonnel landmines.						
RAYTHEON	CLUSTER MUNITION	DECEMBER 2005	NGPF	USA	CAPITAL GOODS	-
The company produces, according to its own web-site, 3 JSOW (Joint Stand Off Weapon), and cluster munitions to these: "JSOW integrates the BLU-97 combined effects bomblets and the BLU-108 sensor fused weapon submunitions for area targets or armoured vehicles". These are considered as cluster weapons. This information is confirmed by Jane's Information Group. The company has not replied to the communication from Norges Bank.						

COMPANY	ÅRSAK	EXCLUDED SINCE	SOURCE	LAND	INDUSTRY GROUP	INDEX
WEAPON PRODUCERS						
THALES	NUCLEAR WEAPONS	DECEMBER 2005	NGPF	FRANCE	CAPITAL GOODS	MSCI-WI
	The company EADS has confirmed in a letter to Norges Bank that the company is part of a 50%/50% joint venture with Thales SA, in the company TDA. According to the letter TDA produces, among other things, the artillery grenade PR Cargo, which is described as follows in the above mentioned letter: "This is a submunition projectile for 120 mm rifled mortars. Equipped with dual effect-submunitions, it engages dismounted troops and light armored vehicles." According to Janes Information Group's database InfantryWeapons, PR Cargo contains 16 bomblets each. This type of weapon is an "area-weapon" and is primarily used against personnel. The Mine Section in Norwegian Peoples Aid confirms that the use of artillery delivered cluster munitions constitutes a substantial humanitarian problem. See further reasons for the exclusion of Thales under Corruption.					
BAE SYSTEMS	NUCLEAR WEAPONS	JANUARY 2006	NGPF	UK	CAPITAL GOODS	MSCI-WI
	BAE Systems Plc, Finmeccanica SpA and EADS have together formed the joint venture MBDA. The ownership structure, according to EADS' homepage is 37,5 percent BAE, 37,5 percent EADS and 25 percent Finmeccanica. This is also confirmed on the homepages of BAE Systems and Finmeccanica. According to Jane's Air Launched Weapons, MBDA is under contract to develop and produce the ASMP-A missile for the French armed forces. ASMP-A is described as a "nuclear warhead air-to-surface missile".					
BOEING	NUCLEAR WEAPONS	JANUARY 2006	NGPF	UK	CAPITAL GOODS	MSCI-WI
	The company is, according to its own home page a supplier of various forms of maintenance and upgrade services for the Minuteman III ICBM. ICBM, short for Intercontinental Ballistic Missiles, is the main element of the US land based strategic nuclear weapons.					
FINMECCANICA	NUCLEAR WEAPONS	JANUARY 2006	NGPF	ITALY	CAPITAL GOODS	MSCI-WI
	BAE Systems Plc, Finmeccanica SpA and EADS have together formed the joint venture MBDA. The ownership structure, according to EADS' homepage is 37,5 percent BAE, 37,5 percent EADS and 25 percent Finmeccanica. This is also confirmed on the homepages of BAE Systems and Finmeccanica. According to Jane's Air Launched Weapons, MBDA is under contract to develop and produce the ASMP-A missile for the French armed forces. ASMP-A is described as a "nuclear warhead air-to-surface missile".					
GENCORP	NUCLEAR WEAPONS	JANUARY 2008	NGPF	USA	CAPITAL GOODS	-
	GenCorp Inc is assumed to be involved in the production of nuclear weapons. GenCorp's fully owned subsidiary, Aerojet, produces propulsion systems for missiles that have no function other than to deliver nuclear warheads.					
HONEYWELL	NUCLEAR WEAPONS	JANUARY 2006	NGPF	USA	CAPITAL GOODS	MSCI-WI
	The company is, through its subsidiary Honeywell Technology Solutions Inc, responsible for repair, development, calibration, operations and maintenance of instrumentation and recording of data from simulated nuclear detonations at White Sands Missile Range in New Mexico.					
NORTHROP GRUMMAN	NUCLEAR WEAPONS	JANUARY 2006	NGPF	USA	CAPITAL GOODS	MSCI-WI
	The company is, according to its own press release, contractor for maintenance and upgrading of the US Air Force's Minuteman III ICBM. ICBM, short for Intercontinental Ballistic Missiles, is the main element of the US land based strategic nuclear weapons.					
SAFRAN	NUCLEAR WEAPONS	JANUARY 2006	NGPF	FRANCE	CAPITAL GOODS	MSCI-WI
	Safran is the mother company of companies Snecma and Sagem. On 2 February 2005, Jane's Missiles and Rockets wrote "EADS SPACE Transportation has signed a contract with the French armament procurement agency (DGA) for production of the M51 submarine-launched ballistic missile (SLBM) The contract covers series production of the M51 weapon system for a period of ten years. Worth more than EUR3 billion (US\$4 billion), it includes a fixed tranche and several conditional options. EADS SPACE Transportation is prime contractor for the programme, while SNECMA, SNPE, DCN, Thales and Sagem are the main subcontractors."					
SERCO GROUP	NUCLEAR WEAPONS	JANUARY 2008	NGPF	UK	CAPITAL GOODS	-
	According to information on the company's website, Serco Group Plc ("Serco") is a partner in the company AWE Management limited (AWEML), which is the operating company to the British Atomic Weapons Establishment (AWE). AWE is a government owned company which produces and maintains the UK's nuclear weapons.					
UNITED TECHNOLOGIES	NUCLEAR WEAPONS	JANUARY 2006	NGPF	USA	CAPITAL GOODS	MSCI-WI
	A daughter company, Rocketdyne, conducts upgrading and testing of thrusters for the USA's MX Peacekeeper ICBMs. These missiles have no function other than to carry nuclear warheads.					
SINGAPORE TECHNOLOGIES ENGINEERING	LANDMINES	DECEMBER 2001	GES NGPF	SINGAPORE	CAPITAL GOODS	MSCI-WI
	In 2004, the Ministry of Foreign Affairs in Thailand acknowledged to the International Campaign to Ban Landmines (ICBL) that Singapore Technologies Kinetics (ST Kinetics) continues to produce anti-personnel mines. ST Kinetics is a wholly-owned subsidiary of Singapore Technologies Engineering (STE). In November 2005, the company confirmed that mines are still being produced.					

The whole industry group tobacco is excluded because of the health damages tobacco causes; The World Health Organization has stated that cigarettes are the only legal consumer good that causes lives at normal use. Companies that are excluded get more than half of their earnings from production or sale of tobacco. As a consequence, eleven companies are excluded from our investment universe.



COMPANY	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
TOBACCO					
ALTADIS	1999	GES	SPAIN	FOOD, BEVERAGE AND TOBACCO	-
ALTRIA GROUP	1999	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
BRITISH AMERICAN TOBACCO	1999	GES	MULTINA-TIONAL	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
IMPERIAL TOBACCO	1999	GES	UK	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
JAPAN TOBACCO	1999	GES	JAPAN	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
LOEWS CORP (CAROLINA GROUP)	DECEMBER 2007	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
PHILIP MORRIS	1999	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
REYNOLDS AMERICAN	DECEMBER 2007	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
RICHEMONT	1999	GES	SWITZERLAND	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
SWEDISH MATCH	1999	GES	SWEDEN	FOOD, BEVERAGE AND TOBACCO	MSCI-WI
UST	DECEMBER 2007	GES	USA	FOOD, BEVERAGE AND TOBACCO	MSCI-WI

Our goal is not to exclude many companies – quite the opposite. KLP is pleased to see that companies do listen to criticism and improve their practices. And as such we work systematically to reduce the number of excluded companies. In this round, one company is re-included.

RE-INCLUDED COMPANIES IN 2008

COMPANY	REASON FOR EXCLUSION	EXCLUDED SINCE	SOURCE	COUNTRY	INDUSTRY GROUP	INDEX
AWB	CORRUPTION	JUNE 2006 - JUNE 2008	GES	AUSTRALIA	FOOD AND STAPLES RETAILING	-

In October 2005, the UN Independent Inquiry Committee (IIC) published its final report regarding corrupt business practices and violations of the regulations of the UN Oil-For-Food Programme (OFFP) Among the companies mentioned in the report, AWB is pointed out as the most notable contributor of kickbacks. Allegedly, the company made large payments to the former Saddam Hussein regime between 1997 and 2003. The case is still not resolved in court, but AWB has taken a proactive and precautionary approach to improve routines and prevent future corruption.



4 REQUIREMENTS FOR RE-INCLUSION

1. The violation has ceased.
2. The company has adopted a responsible course of action.
3. The company has taken a proactive and precautionary approach to improve routines and prevent future violations.
4. The company's action is verifiable.



KLP Fondsförvaltning AS

P.O. Box 1733 Vikta
NO - 0121 Oslo
E-mail: klpfonds@klp.no
www.klp.no

Head office

Karl Johans gate 41 b Oslo
Tel: + 47 22 03 35 00
Fax: + 47 22 03 36 00



KLP is a responsible investor and owner which takes environmental, social and governance issues seriously. We continuously monitor the companies in which we invest to ensure that our ethical standards continue to be met. In addition, we seek opportunities to influence companies towards sustainable development. We engage in these activities because we believe that they generate long-term value.