

Decision to exclude companies involved in gambling activities

January 2022

1 Introduction

According to *Guidelines for KLP as a responsible investor*¹ KLP should exclude from its investments any companies that are associated with gross and/or systematic violations of generally accepted standards of business conduct.

KLP and the KLP funds have decided to exclude 11 companies from their investments due to involvement in gambling activities. The current decision is based on KLP's product criteria for gambling².

2 KLP's Guidelines and practice

As of May 2019, the board of KLP decided to introduce product criteria for the exclusion of companies that receive more than 5 percent of their income from the production of gambling. The reason for the decision is that:

- KLP does not want to make money on investments in gambling
- Pension funds and savings can contribute to sustainable development and positive societal effects by being invested in other companies
- Abuse of these products affects vulnerable groups of the population and entails negative societal effects and costs. In Norway, these negative effects and costs are often borne by KLP's customers and owners

3 Information about the companies

KLP receives data and analyzes from our data provider MSCI Inc.

- Scientific Games Corp receives 100 percent of income from gambling activities
- Accel Entertainment Inc. receives 95 percent of income from gambling activities
- Zeal Network SE receives 88 percent of income from gambling activities
- Genm Capital Liabuan Ltd. receives 78 percent of income from gambling activities
- Suncity Group Holdings Ltd. receives 38 percent of income from gambling activities
- Mixi Inc. receives 10 percent of income from gambling activities
- Glory Ltd. receives 5 percent of income from gambling activities
- Golden Nugget Online Gaming Inc. receives 88 percent of income from gambling activities
- Jumbo Interactive Ltd. receives 10 percent of income from gambling activities

¹ <https://www.klp.no/en/english-pdf/Guidelines%20for%20KLP%20as%20a%20responsible%20investor.pdf>

² <https://www.klp.no/media/samfunnsansvar/Pengespill.kriterie.pdf>

- Pollard Banknote Ltd. receives 100 percent of income from gambling activities
- Sun Corp receives 30 percent of income from gambling activities

4 KLP's analysis

In KLP's assessment, the above information indicates that the companies activities are not in line with KLP's guidelines as a responsible investor as the companies' income from gambling activities exceeds the limit of 5 percent.

5 Decision

KLP and the KLP funds exclude the abovementioned companies from its investments from January 2022 due to revenues from gambling activities that exceed the limit of 5 percent.