



## Decision to include General Dynamics Corp.

June 2019

### Summary

General Dynamics Corp. (GD) has been excluded from KLP and the KLP Mutual Funds since 2005, due to its involvement in production of cluster munitions. The exclusion was based on the Government Pension Fund Globals (GPFG) decision to exclude the company, at the recommendation of the Council on Ethics, based on the company's production of cluster munitions of the type CBU-97 / CBU-105. <sup>1</sup>

### KLP's analysis

The Council on Ethics recommended revocation of the exclusion of GD from the GPFGs investments in December 2018. <sup>2</sup> The basis of the recommendation is that the company, through dialogue with the Council on Ethics, have confirmed that they no longer produce the cluster munitions that formed the basis for exclusion. From the dialogue, it also becomes clear that GD does not produce other forms of cluster munitions:

*[...] we have terminated our involvement in the manufacture of components for the CBU-97/CBU-105 Sensor Fused Weapon. We can also state that General Dynamics is not, to the best of our knowledge, involved in activities prohibited by the provisions of the two principal international accords related to landmines and cluster munitions, the Convention on Cluster Munitions, and the Convention on the Prohibition of the Use of Stockpiling, Production, and Transfer of Anti-Personnel Mines and of their Destruction.*<sup>3</sup>

The *Guidelines for KLP as a Responsible Investor* includes the same criteria for excluding companies that produce weapons in breach of fundamental humanitarian. KLP finds the recommendation from the Council on Ethics to be reasonable, and have therefore decided to include the company.

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<sup>1</sup> <https://etikkradet.no/files/2017/02/Tilr%C3%A5dning-klasev%C3%A5pen-15-juni-2005.pdf>

<sup>2</sup> <https://etikkradet.no/files/2019/06/General-Dynamics-Corp.-revocation-ENG.pdf>

<sup>3</sup> Ibid, page 2.



### **KLP's decision**

KLP has decided to revoke the exclusion of General Dynamics Corp. from KLP and the KLP Mutual Funds' investments from June 2019.