

Swedbank Robur's criteria for companies associated with violations of international norms



Application

The following criteria are a supplement to the sustainability analysis applied to portfolios with sustainability criteria within the fund families Ethica, Talenten and Föbundsfonten. While our sustainability analysis aims to identify those companies that have leading sustainability management and performance, the following criteria aim to identify companies that can be associated with concrete incidents of violations of international norms regarding the protection of people and the environment.

Fundamental values

The norms analysis is based on our belief that companies have a responsibility to follow international norms and conventions that go beyond their strict legal obligations. The criteria are founded on principles based on international conventions from the UN, ILO and OECD amongst others. The principles reflect the UN Global Compact's principles for responsible business as well as the OECD Guidelines for Multinational Enterprises. Accordingly, the norms analysis covers the following areas:

- Human rights and labour rights
- The environment
- Business ethics and corruption
- Weapons

A range of underlying norms and conventions are presented in Appendix 1.

Starting Point

We want companies that can be associated with violations of the above norms to:

1. Thoroughly investigate the background and causes of the incident
2. Take action to rectify the problem
3. Communicate the background, causes and actions taken
4. Implement measures to prevent similar violations from recurring

Consequences for our investments

Two external suppliers provide Swedbank Robur with analyses of companies that might be associated with violations of international norms:

- Ethix SRI Advisors (Norm Based Screening)
- GES Investment Services (Global Ethical Standard)

Our suppliers also investigate whether companies are systematically associated with violations of international norms and make judgments as to whether companies are acting responsibly in a given situation. Based on their findings, our suppliers provide recommendations, where exclusion of companies is the most severe. Swedbank Robur examines the various recommendations and decides which companies to take action on, such as in-depth company dialogue. The general rule of Swedbank Robur's sustainability funds is to refrain from investing in companies that either supplier recommends us to exclude.

Appendix 1: Underlying norms and conventions

The norms analysis is based on the UN Global Compact principles for responsible business, the OECD Guidelines for Multinational Enterprises, and on conventions such as:

Human rights and labour rights

- ILO Declaration on Fundamental Principles and Rights at Work
- UN Universal Declaration of Human Rights
- UN Convention on the Rights of the Child
- UN Declaration on the Rights of Indigenous Peoples
- UN Special Representative John Ruggie's Guiding Principles on Business and Human Rights

Environment

- UN Framework Convention on Climate Change
- Montreal Protocol on Substances that Deplete the Ozone Layer
- UN Convention on Biological Diversity (Rio Convention)
- Convention for the Protection of the Marine Environment of the North-East Atlantic

Business ethics and anti-corruption

- UN Convention against Corruption
- OECD Convention against Corruption

Weapons

- Convention on the Prohibition of Anti-Personnel Mines
- UN Convention on the Prohibition of Biological and Toxin Weapons
- UN Convention on Chemical Weapons
- Treaty on the Non-Proliferation of Nuclear Weapons
- UN Convention on Cluster Munitions