The Norwegian Government Pension Fund and Coal: Time to Take the Next Step
The Norwegian Government Pension Fund and Coal:
Time to Take the Next Step

In June 2015, the Storting took a decision to pull the Government Pension Fund Global (GPFG) out of coal. In its recommendation, the Storting suggested a threshold of 30% (coal share of activity or coal share of revenue) to determine which companies should be excluded from the pension fund’s investment universe.

At the time, this policy was a major break-through. It led to the exclusion of 69 companies from the GPFG and set a template, which was replicated by many other investors. In the meantime, however, many European finance institutions and investors have gone further and adopted stronger criteria for coal divestment. France’s central bank, for example, adopted a coal exclusion threshold of 20% and two of Europe’s largest insurance companies, AXA and Generali, not only replicated the 30% threshold, but added two additional criteria.¹² Both insurers now also exclude:

- companies producing over 20 million tons of coal per year, and
- companies planning new coal facilities or power plants.³

Norway’s largest private pension fund, Storebrand, also strengthened its coal criteria and now excludes companies planning over 1,000 MW of new coal-fired capacity. And the world’s largest insurance company, Allianz, recently decided to ban companies planning over 500 MW of new coal capacity from its portfolio.

In 2015, the GPFG’s divestment was considered a “gold standard”, but now the bar has risen. The rapid development of new coal divestment actions by other long-term investors suggests it is time for the Storting to evaluate how its 2015 coal divestment decision has been implemented and to take next steps to strengthen the coal criteria.

Investments in Coal Plant Developers Must be Stopped

The implementation of the current coal criteria include a forward-looking assessment, that allows the GPFG to retain companies in the portfolio, that have plans in place to meet the 30% threshold in the near future. The criteria, however, do not specify how the GPFG should deal with companies which are planning new coal plants or new coal mines. The GPFG currently holds investments of almost 13 billion NOK in 18 companies that are planning to build new coal plants of 1000 MW or more. Collectively, these 18 companies plan to build more coal plants than Germany currently operates. Storebrand has decided to divest companies building coal plants with 1,000 MW or more of installed capacity. There are, however, solid arguments for following the lead of Allianz and Generali and setting this threshold even lower. In many developing countries, the typical size for a new coal power station is 600 MW.

² “Generali approves climate change strategy”, Press release, Feb. 21, 2018
³ In order to implement their new policies, AXA and Generali are both using the “Global Coal Exit List” (GCEL), a comprehensive database that provides key statistics on over 770 companies operating along the thermal coal value chain. The analysis presented in this paper is also based on the GCEL.
The UN 2017 Emissions Gap Report warns that there is no room for new coal plants if we wish to meet the Paris Agreement climate goals of limiting global warming to well below 2°C. Yet currently, over 1,300 new coal plants are planned or under development in 60 countries. If built these projects would add 656,000 MW to the global coal plant fleet – an increase of 33%. As Bill Hare, CEO of Climate Analytics and lead author of the 4th IPCC Assessment report says: “These new coal plants would put us on a fast track towards a 4°C temperature rise. They must be halted at all costs.”

More and more financial institutions are taking action on this issue. 13 of Europe’s largest banks have adopted policies excluding financing of new coal power plants. During the 2017 UN Climate Summit, Storebrand announced a strengthening of its divestment policy, saying “This is meant as a warning to coal plant developers: Companies that build new plants will have to forgo our capital.” Just one month later, the umbrella organization of French insurers reported that its members will no longer invest in coal plant developers. And in 2018, Italy’s and Germany’s largest insurance companies announced that they will divest from companies planning new coal-fired capacity.

While there are variations between the thresholds these investors apply, they are all aiming at the same goal: to stop investments which would lead to a failure of the Paris climate goals. The Storting should follow their example and use this year’s deliberation on the GPFG to send a clear signal to the world: It is time to stop investments in new coal.

We suggest that the Storting adopts the following wording:

→ **Companies planning to build new coal power plants, coal mines or other coal infrastructure shall be excluded from the fund.**

Strengthening the GPFG’s policy through forward-looking criteria that address the expansion of the coal industry could play an important role in convincing companies to change course. A case in point is Japan’s Marubeni. Marubeni is a highly diversified company that does not fall under the 30% threshold, but is nonetheless planning to build new coal plants in 9 different countries. And many of these projects are sited in countries that have little or no coal capacity up to now. Building new coal plants instead of renewable projects will lock these “frontier countries” into a cycle of coal dependency for decades to come. The GPFG currently hold investments of 1.2 billion NOK in Marubeni and is the 9th largest investor in this company.

**Still Homework to be Done on the Current Coal Criteria**

All in all, 69 companies were excluded from the GPFG due to the coal criteria. However, many companies with coal-based business models remain in the Fund – a fact that contradicts the spirit and intention of the Storting’s 2015 divestment decision. A deep dive into the portfolio shows that the oil fund still holds investments of over 15 billion

---

5 „Summary Statistics”, Global Coal Plant Tracker
6 Own translation. Quoted from „Storebrand hofft auf Dominoeffekt“, Börsenzeitung, Nov. 18, 2017
NOK in 32 companies, whose business models are coal-based. 14 of these companies are classified as utilities and they account for 2/3 of said investments.

The GPFG, for example, still holds investments of over 1.38 billion NOK in the German utility RWE. RWE is Europe’s largest CO₂ emitter, with reported CO₂ emissions of 148 million tons in 2016, an amount almost 3 times as high as Norway’s total annual greenhouse gas emissions. 54% of RWE’s current power generation is coal-fired and the utility operates more coal power stations than any other company in Europe. It seems bizarre that the GPFG continues to invest in a company which poses the single greatest stumbling block for the achievement of the EU’s climate goals.

Aside from the utilities, the GPFG is invested in 18 companies, whose main business is providing services to the coal industry. Among these is for example, Harbin Electric, the world's largest manufacturer of coal plants. Harbin Electric's coal plant business accounted for 56% of its revenues in 2016. NBIM's refusal to apply the 30% threshold to coal plant manufacturers, coal transporters and other coal service companies is not only at odds with the intention of the Storting’s 2015 decision, but also financially unsound as these companies’ business models are increasingly at risk as the energy transition gains momentum. Other major investors like AXA, Allianz and Generali also apply the 30% threshold to these coal service companies and have thus made them part of their divestment actions.

We recommend that the Storting addresses this situation by tightening the coal criteria with the following additions:
Power companies with 30% or more coal power in their electricity mix shall be excluded from the Fund. The 30% coal share of revenue threshold shall also be applied to coal service companies.

The new climate goals set out in the Paris Climate Agreement require an accelerated phase-out of the coal industry. This in turn means that the GPFG’s 30% threshold must be further tightened over time. To allow companies enough lead-time to make the necessary adjustments, we believe NBIM should soon announce a suitable timeframe for further lowering of the coal threshold. The Dutch bank ING, for example, recently announced that by the end of 2025, it will no longer finance clients in the utilities sector, that have more than 5% coal-fired power in their energy mix. In his statement, ING’s Vice Chairman Koos Timmermanns says: “We realize that contributing to the Paris Agreement targets is also about making clear choices in what we’ll no longer finance. We are taking this decisive step as part of our overall ambition to support the energy transition.”

Adding an Absolute Threshold to the Coal Criteria

To bring its portfolio in line with the Paris targets, the GPFG should also adopt an absolute threshold excluding the largest coal producers and largest coal plant operators. If this threshold were set at 20 million tons of coal production or coal consumption, it would lead to the exclusion of 7 companies from the GPFG’s portfolio. Since the coal criteria were adopted, the Fund actually increased its holdings in these 7 companies from 36.9 billion NOK to 48.9 billion NOK.

One of the companies that would fall under this divestment is, for example, the multinational miner Glencore. Although coal only accounts for 20% of Glencore’s revenues, the company is the world’s 8th largest coal producer (125 million tons), the world’s largest exporter of seaborne thermal coal and a key player in the World Coal Association. And it is intent on further expanding its coal business. Glencore only recently struck a deal to buy Rio Tinto’s thermal coal mines in Australia.

The insurance companies, AXA and Generali have recognized that percentage criteria are not sufficient as they only measure the relative importance of a company’s coal operations to its overall business. The impact a company has on our climate, however, depends on the absolute size of its coal operations. AXA and Generali have therefore both adopted an absolute threshold and now exclude all companies whose annual coal production exceeds 20 million tons. As AXA’s CEO, Thomas Buberl says: “Instead of supporting the past, let’s invest in a future that is well below 2°C.”

We believe that the Storting should follow this example by adding the following provision to the coal criteria:

The GPFG adopts an absolute threshold that excludes companies producing or consuming more than 20 million tons of coal annually.

7 https://www.ing.com/Newsroom/All-news/ING-further-sharpen-coal-policy-to-support-transition-to-low-carbon-economy.htm
8 Speech at the One Planet Summit, Dec. 12, 2018
Summary

By following the lead of investors such as AXA, Allianz and Generali, the Storting could send a powerful signal to investors worldwide and take an important step towards aligning the GPFG with the Paris climate goals. If the GPFG were to replicate their policies, the resulting divestment would equal around 80 billion NOK, which is approximately 1% of the Pension Fund's current portfolio.

Greenpeace activists demonstrate for a coal phase-out as the Immerather church is destroyed for the expansion of RWE’s open-pit lignite mine Garzweiler.

For further information, contact:

GREENPEACE
Halvard Raavand, Greenpeace Norway,
halvard.raavand@greenpeace.org, Tel: +47-94489874

urgewald
Heffa Schücking, urgewald,
heffa@urgewald.org, Tel: +49-160-96761436
## Appendix: Overview of the Norwegian Government Pension Fund’s Coal Investments

### Table 1

This table shows the GPFG’s investments per 31.12.2017 in companies building coal fired power plants with an installed capacity of 1000 MW or more. Some of the companies only have a share in the new coal power plants, such as JFE holdings. So while their prorated share is less than 1000 MW, they are part of building a plant with an installed capacity of 1000 MW.

<table>
<thead>
<tr>
<th>Company</th>
<th>ICB Sector</th>
<th>Investments 2016 NOK</th>
<th>Investments 2017 NOK</th>
<th>Country of HQ</th>
<th>Expansion plans coal power prorated* (MW)</th>
<th>Expansion plans coal power total (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayala Corporation (Ayala Corp)</td>
<td>Industrials</td>
<td>61 456 207</td>
<td>111 706 583</td>
<td>Philippines</td>
<td>985</td>
<td>1876</td>
</tr>
<tr>
<td>China Machinery Engineering Corp (CMEEC)</td>
<td>Industrials</td>
<td>62 144 371</td>
<td>71 073 867</td>
<td>China</td>
<td>1053</td>
<td>1810</td>
</tr>
<tr>
<td>Chubu Electric Power Co Inc</td>
<td>Utilities</td>
<td>1 153 934 415</td>
<td>420 018 566</td>
<td>Japan</td>
<td>2378</td>
<td>4020</td>
</tr>
<tr>
<td>Daewoo Engineering &amp; Construction Co Ltd</td>
<td>Industrials</td>
<td>107 579 467</td>
<td>187 322 488</td>
<td>South Korea</td>
<td>3610</td>
<td>4620</td>
</tr>
<tr>
<td>EL Sewedy Electric Company</td>
<td>Industrials</td>
<td>85 679 756</td>
<td>308 501 210</td>
<td>Egypt</td>
<td>2000</td>
<td>4000</td>
</tr>
<tr>
<td>Engie SA</td>
<td>Corporate Bonds</td>
<td>2 202 781 028</td>
<td>2 195 954 587</td>
<td>France</td>
<td>950</td>
<td>2211</td>
</tr>
<tr>
<td>Engie SA</td>
<td>Utilities</td>
<td>3 660 724 228</td>
<td>4 847 837 106</td>
<td>France</td>
<td>950</td>
<td>2211</td>
</tr>
<tr>
<td>Inter RAO UES PJSC</td>
<td>Utilities</td>
<td>607 050 597</td>
<td>330 812 891</td>
<td>Russia</td>
<td>4250</td>
<td>8500</td>
</tr>
<tr>
<td>JFE Holdings</td>
<td>Basic Materials</td>
<td>407 686 132</td>
<td>1 133 381 424</td>
<td>Japan</td>
<td>333</td>
<td>1000</td>
</tr>
<tr>
<td>JG Summit Holdings, Inc</td>
<td>Consumer Goods</td>
<td>314 032 771</td>
<td>54 062 953</td>
<td>Philippines</td>
<td>801</td>
<td>1270</td>
</tr>
<tr>
<td>Kansai Electric Power Co (KEPCO)</td>
<td>Utilities</td>
<td>861 913 027</td>
<td>683 822 063</td>
<td>Japan</td>
<td>1817</td>
<td>3522</td>
</tr>
<tr>
<td>Marubeni Corporation</td>
<td>Industrials</td>
<td>980 774 922</td>
<td>1 214 552 003</td>
<td>Japan</td>
<td>5865</td>
<td>13620</td>
</tr>
<tr>
<td>Orascom Construction</td>
<td>Industrials</td>
<td>137 967 689</td>
<td>194 711 588</td>
<td>United Arab Emirates</td>
<td>1980</td>
<td>3960</td>
</tr>
<tr>
<td>Osaka Gas Co., Ltd.</td>
<td>Utilities</td>
<td>788 239 312</td>
<td>640 310 384</td>
<td>Japan</td>
<td>622</td>
<td>1422</td>
</tr>
<tr>
<td>Polenergia</td>
<td>Utilities</td>
<td>19 199 762</td>
<td>20 508 737</td>
<td>Poland</td>
<td>1600</td>
<td>1600</td>
</tr>
<tr>
<td>Power Finance Corp Ltd</td>
<td>Corporate Bonds</td>
<td>46 358 508</td>
<td>46 100 405</td>
<td>India</td>
<td>16000</td>
<td>16000</td>
</tr>
<tr>
<td>Power Finance Corp Ltd</td>
<td>Financials</td>
<td>54 850 677</td>
<td>55 331 294</td>
<td>India</td>
<td>16000</td>
<td>16000</td>
</tr>
<tr>
<td>Samart Corp PCL</td>
<td>Technology</td>
<td>6 247 767</td>
<td>13 619 476</td>
<td>Thailand</td>
<td>1000</td>
<td>2000</td>
</tr>
<tr>
<td>Shanghai Electric Group Corp</td>
<td>Industrials</td>
<td>152 179 971</td>
<td>95 353 142</td>
<td>China</td>
<td>6945</td>
<td>7930</td>
</tr>
<tr>
<td>TTCL Public Company Limited (TTCL) (Formerly Toyo Thai)</td>
<td>Industrials</td>
<td>76 104 015</td>
<td>70 090 489</td>
<td>Thailand</td>
<td>1 200</td>
<td>1200</td>
</tr>
</tbody>
</table>

| Sub total                      | 11 786 904 642 | 12 695 070 756 | 53 389 | 98 772 |

20 investments in 18 companies

*Prorated share: Co-builders of coal fired power plants with a capacity bigger than 1000 MW
### Table 2

This table shows the GPFG’s investments per 31.12.2017 in companies that should have been divested if the current coal criteria were fully implemented. The Pension Fund still holds 21 investments in utilities with more than 30 percent coal share in their energy mix. An additional 17 investments are in coal service companies, such as coal equipment suppliers or coal transporters. The “30% of activity” criteria should also be applied to these coal service companies.

<table>
<thead>
<tr>
<th>Company*</th>
<th>ICB Sector**</th>
<th>Coal Industry sector</th>
<th>Investments 2016 NOK</th>
<th>Investments 2017 NOK</th>
<th>Country of HQ</th>
<th>Coal share of power production (red=capacity)</th>
<th>Coal share of revenue</th>
<th>Exclusion criteria***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adani Ports and Special Economic Zone Limited (APSEZ)</td>
<td>Industrials</td>
<td>Services</td>
<td>470 356 828</td>
<td>729 175 796</td>
<td>India</td>
<td>cspp, csr</td>
<td>473 144 015</td>
<td>Basic Materials</td>
</tr>
<tr>
<td>Pacificorp</td>
<td>Corporate Bonds</td>
<td>Power</td>
<td>1 369 382 989</td>
<td>1 055 180 223</td>
<td>USA</td>
<td>56%</td>
<td>cspp</td>
<td></td>
</tr>
<tr>
<td>MidAmerican Funding LLC</td>
<td>Corporate Bonds</td>
<td>Power</td>
<td>302 038 818</td>
<td>52 765 562</td>
<td>USA</td>
<td>39%</td>
<td>cspp</td>
<td></td>
</tr>
<tr>
<td>Berkshire Hathaway Energy Co</td>
<td>Corporate Bonds</td>
<td>Power</td>
<td>1 124 250 180</td>
<td>1 340 149 671</td>
<td>USA</td>
<td>46%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>COG New Energy Holdings Co Ltd</td>
<td>Utilities</td>
<td>Power, Services</td>
<td>49 034 216</td>
<td>46 774 418</td>
<td>China (Bermuda)</td>
<td>59%</td>
<td>16%</td>
<td>cspp</td>
</tr>
<tr>
<td>CITIC Limited (joint venture)</td>
<td>Industrials</td>
<td>Power, Mining</td>
<td>702 374 400</td>
<td>18 671 666</td>
<td>China (Hong Kong)</td>
<td>2%</td>
<td>cspp</td>
<td></td>
</tr>
<tr>
<td>CMS Energy Corp</td>
<td>Corporate Bonds</td>
<td>Power</td>
<td>193 558 566</td>
<td>193 834 006</td>
<td>USA</td>
<td>58%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>CMS Energy Corp</td>
<td>Utilities</td>
<td>Power</td>
<td>755 560 916</td>
<td>508 246 211</td>
<td>USA</td>
<td>58%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Consumers Energy Company</td>
<td>Corporate Bonds</td>
<td>Power</td>
<td>596 747 352</td>
<td>455 863 586</td>
<td>USA</td>
<td>78%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>CSPI - Energias do Brasil SA</td>
<td>Utilities</td>
<td>Power</td>
<td>436 651 819</td>
<td>473 184 015</td>
<td>Brazil</td>
<td>54%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>EVN AG</td>
<td>Utilities</td>
<td>Power</td>
<td>108 818 648</td>
<td>208 571 235</td>
<td>Austria</td>
<td>48%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Kobe Steel Ltd</td>
<td>Basic Materials</td>
<td>Power, Services</td>
<td>295 210 060</td>
<td>166 805 980</td>
<td>Japan</td>
<td>100%</td>
<td>4%</td>
<td>cspp</td>
</tr>
<tr>
<td>Kawasaki Electric Power Co Inc</td>
<td>Utilities</td>
<td>Power, Services</td>
<td>327 596 995</td>
<td>322 291 634</td>
<td>Japan</td>
<td>31%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>National Aluminium Co. Ltd. (NALCO)</td>
<td>Basic Materials</td>
<td>Power, Services</td>
<td>47 292 864</td>
<td>375 262 742</td>
<td>India</td>
<td>92%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>DGE Energy Corp</td>
<td>Oil &amp; Gas</td>
<td>Power</td>
<td>506 235 396</td>
<td>581 062 475</td>
<td>USA</td>
<td>48%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Origin Energy Limited</td>
<td>Utilities</td>
<td>Power</td>
<td>753 048 230</td>
<td>192 732 626</td>
<td>Australia</td>
<td>67%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>PPL Corporation</td>
<td>Utilities</td>
<td>Power</td>
<td>1 363 322 167</td>
<td>1 123 901 160</td>
<td>USA</td>
<td>81%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>SCANA Corporation</td>
<td>Utilities</td>
<td>Power</td>
<td>461 944 169</td>
<td>218 524 146</td>
<td>USA</td>
<td>37%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Semcorp Industries Ltd</td>
<td>Oil &amp; Gas</td>
<td>Power, Services</td>
<td>350 443 664</td>
<td>362 755 863</td>
<td>Singapore</td>
<td>39%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Alabama Power Co</td>
<td>Corporate Bonds</td>
<td>Power</td>
<td>131 331 420</td>
<td>134 667 009</td>
<td>USA</td>
<td>54%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Georgia Power Co</td>
<td>Corporate Bonds</td>
<td>Power</td>
<td>185 128 878</td>
<td>184 770 664</td>
<td>USA</td>
<td>41%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Tohoku Electric Power Co Inc</td>
<td>Utilities</td>
<td>Power, Services</td>
<td>632 388 520</td>
<td>412 799 215</td>
<td>Japan</td>
<td>40%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Ube Industries</td>
<td>Basic Materials</td>
<td>Services, Power</td>
<td>308 756 628</td>
<td>412 185 509</td>
<td>Japan</td>
<td>54%</td>
<td>&lt;30%</td>
<td>cspp</td>
</tr>
<tr>
<td>Uniper SE</td>
<td>Utilities</td>
<td>Power</td>
<td>411 886 873</td>
<td>761 369 708</td>
<td>Germany</td>
<td>32%</td>
<td>&lt;30%</td>
<td>cspp</td>
</tr>
<tr>
<td>AGI Energy Ltd</td>
<td>Utilities</td>
<td>Mining, Power</td>
<td>1 156 962 167</td>
<td>1 072 984 466</td>
<td>Australia</td>
<td>85%</td>
<td>44%</td>
<td>cspp, csr</td>
</tr>
<tr>
<td>Huadian Xinxi Energy Corp Ltd</td>
<td>Utilities</td>
<td>Power</td>
<td>11 356 212</td>
<td>12 062 702</td>
<td>China</td>
<td>42%</td>
<td>34%</td>
<td>cspp, cssr</td>
</tr>
<tr>
<td>RWE AG</td>
<td>Utilities</td>
<td>Mining, Power</td>
<td>959 158 084</td>
<td>1 384 982 777</td>
<td>Germany</td>
<td>54%</td>
<td>41%</td>
<td>cspp, cssr</td>
</tr>
<tr>
<td>Vectren Corporation</td>
<td>Utilities</td>
<td>Power</td>
<td>355 390 137</td>
<td>348 315 853</td>
<td>USA</td>
<td>80%</td>
<td>35%</td>
<td>cspp</td>
</tr>
<tr>
<td>Alcoa Group Ltd</td>
<td>Industrials</td>
<td>Services</td>
<td>1 1 741 970</td>
<td>31 731 570</td>
<td>Australia</td>
<td>&gt;50%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Auton Holdings Ltd</td>
<td>Industrials</td>
<td>Services</td>
<td>908 816 952</td>
<td>929 792 140</td>
<td>Australia</td>
<td>60%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Dongfeng Electric Corporation Ltd</td>
<td>Industrials</td>
<td>Services</td>
<td>40 140 738</td>
<td>35 400 214</td>
<td>China</td>
<td>&gt;30%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Fumar SA</td>
<td>Industrials</td>
<td>Services</td>
<td>3 277 810</td>
<td>56 520 656</td>
<td>Poland</td>
<td>&gt;30%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Herbin Electric Corp</td>
<td>Industrials</td>
<td>Services</td>
<td>23 189 603</td>
<td>19 741 747</td>
<td>China</td>
<td>56%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Mongolia Energy Corp Ltd</td>
<td>Basic Materials</td>
<td>Mining</td>
<td>17 092</td>
<td>11 079</td>
<td>China (Hong Kong)</td>
<td>100%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Petrolgas SA</td>
<td>Industrials</td>
<td>Services</td>
<td>86 614 287</td>
<td>48 573 006</td>
<td>Poland</td>
<td>&gt;30%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Teck Resources Ltd</td>
<td>Corporate Bonds</td>
<td>Mining</td>
<td>94 207 907</td>
<td>80 625 655</td>
<td>Canada</td>
<td>45%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Teck Resources Ltd</td>
<td>Basic Materials</td>
<td>Mining</td>
<td>866 976 652</td>
<td>946 286 955</td>
<td>Canada</td>
<td>45%</td>
<td>NA</td>
<td>cspp</td>
</tr>
<tr>
<td>Westshore Terminals Investment Corp</td>
<td>Industrials</td>
<td>Services</td>
<td>159 790 151</td>
<td>231 485 963</td>
<td>Canada</td>
<td>89%</td>
<td>NA</td>
<td>cspp</td>
</tr>
</tbody>
</table>

88 investments (32 companies)

**See appendix for explanation of coal related business models for companies not listed as utilities****

---

**CSSP = coal share of power production, CSR = coal share of revenue**
### Explanation of companies not listed as utilities and their business models

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PKP Cargo SA, ICB sector: Industrials</td>
<td>Large diversified group, but installed coal capacity is very large and coal share of power production is 39%</td>
</tr>
<tr>
<td>OGE Energy, ICB sector: Oil&amp;Gas</td>
<td>Is an energy producing utility, mainly producing natural gas, but also producing power with a coal share of power production of 39%</td>
</tr>
<tr>
<td>Sembcorp, ICB sector Oil&amp;Gas</td>
<td>Large diversified group, but installed coal capacity is very large and coal share of power production is 39%</td>
</tr>
<tr>
<td>Lucas Group, ICB sector: industrials</td>
<td>Lucas is the leading provider of drilling services to the Australian coal industry</td>
</tr>
<tr>
<td>Aurizon Holdings Ltd, ICB sector: Industrial</td>
<td>Australian coal transport company. Its coal share of revenue is 60%. Aurizon owns and operates one of the world’s largest coal plants</td>
</tr>
<tr>
<td>Famur SA, ICB sector: Industrials</td>
<td>FAMUR Group is a manufacturer of mining machinery and equipment. It focuses on complete automation of longwall systems</td>
</tr>
<tr>
<td>Harbin Electric Corp, ICB sector: Industrials</td>
<td>The world’s largest coal plant manufacturer. Its coal share of revenue is 56%</td>
</tr>
<tr>
<td>Dongfang Electric Corporation, ICB sector: Industrials</td>
<td>Dongfang Electric Corporation’s is one of the world’s largest manufacturers of generators for coal plants and it is also a coal power company (installed capacity). Its coal share of power production is 60%</td>
</tr>
<tr>
<td>PKP Cargo SA, ICB sector: Industrials</td>
<td>PKP Cargo Spółka Akcyjna provides rail freight transportation of various goods, but over 30% of its revenue stems from coal</td>
</tr>
<tr>
<td>Westshore Terminals, ICB sector: Industrials</td>
<td>Westshore Terminals’ core business is the operation of a coal harbor in Canada</td>
</tr>
<tr>
<td>Adani Ports and Special Economic Zone Limited (APSEZ), ICB sector: Industrials</td>
<td>Subsidiary of Adani with coal domestic business, operates several coal harbors but also other port facilities</td>
</tr>
</tbody>
</table>

---
This table shows the GPFG’s investments per 31.12.2017 in companies that produce or consume more than 20 million tons of coal annually. The current coal criteria should be supplemented by an absolute threshold that excludes the largest coal producers and consumers.

### Table 3

Companies where new exclusion criteria need to be implemented: >20mt of annual coal production/>10GW of installed coal capacity

<table>
<thead>
<tr>
<th>Company*</th>
<th>ICB Sector</th>
<th>Investments 2016 NOK</th>
<th>Investments 2017 NOK</th>
<th>Country of HQ</th>
<th>Installed Coal Power Capacity (MW)</th>
<th>Annual Coal Production (in million metric tons)</th>
<th>Coal Share of Power Production (red=capacity)</th>
<th>Coal Share of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo American PLC</td>
<td>Basic Materials</td>
<td>1,239,156,972</td>
<td>1,621,737,554</td>
<td>United Kingdom</td>
<td>95</td>
<td>&lt;4%</td>
<td>NA</td>
<td>23 %</td>
</tr>
<tr>
<td>BHP Billiton Ltd</td>
<td>Basic Materials</td>
<td>3,799,070,324</td>
<td>3,697,929,965</td>
<td>Australia</td>
<td>77</td>
<td>&lt;4%</td>
<td>NA</td>
<td>15 %</td>
</tr>
<tr>
<td>BHP Billiton PLC</td>
<td>Basic Materials</td>
<td>5,155,056,830</td>
<td>8,830,618,743</td>
<td>United Kingdom</td>
<td>77</td>
<td>&lt;4%</td>
<td>NA</td>
<td>15 %</td>
</tr>
<tr>
<td>BHP Billiton Finance Ltd</td>
<td>Corporate Bonds</td>
<td>429,940,802</td>
<td>454,323,608</td>
<td>Australia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BHP Billiton Finance USA Ltd</td>
<td>Corporate Bonds</td>
<td>562,639,214</td>
<td>20,263,645</td>
<td>Australia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evraz PLC</td>
<td>Basic Materials</td>
<td>756,734,580</td>
<td>1,001,415,855</td>
<td>United Kingdom</td>
<td>22</td>
<td>&lt;4%</td>
<td>NA</td>
<td>17 %</td>
</tr>
<tr>
<td>Glencore PLC</td>
<td>Basic Materials</td>
<td>13,025,522,830</td>
<td>15,336,868,574</td>
<td>Switzerland</td>
<td>125</td>
<td>&lt;4%</td>
<td>NA</td>
<td>21 %</td>
</tr>
<tr>
<td>Electricité de France SA (EDF)</td>
<td>Government Related Bonds</td>
<td>2,543,942,280</td>
<td>2,114,297,783</td>
<td>France</td>
<td>1,0600</td>
<td>&lt;4%</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Electricité de France SA (EDF)</td>
<td>Utilities</td>
<td>791,437,920</td>
<td>455,800,130</td>
<td>France</td>
<td>1,0600</td>
<td>&lt;4%</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Enel SpA</td>
<td>Corporate Bonds</td>
<td>635,057,737</td>
<td>310,521,350</td>
<td>Italy</td>
<td>16103</td>
<td>28 %</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Enel SpA</td>
<td>Utilities</td>
<td>4,862,953,708</td>
<td>9,454,720,476</td>
<td>Italy</td>
<td>16103</td>
<td>28 %</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Enel Finance International NV</td>
<td>Corporate Bonds</td>
<td>1,941,889,628</td>
<td>3,089,360,994</td>
<td>Netherlands</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South32 Ltd</td>
<td>Basic Materials</td>
<td>1,254,662,873</td>
<td>2,569,316,130</td>
<td>Australia</td>
<td>39</td>
<td>&lt;4%</td>
<td>NA</td>
<td>28 %</td>
</tr>
<tr>
<td><strong>13 investments (7 companies)</strong></td>
<td></td>
<td>50,929,888,528</td>
<td>42,957,174,697</td>
<td></td>
<td>26,709</td>
<td>358</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>