

«The revision of the ethical guidelines for the Norwegian pension fund»

-An update for the ENNAT congress 30th of May 2009

**By Alexander Harang
Norwegian Peace Association**

Last ENAAT congress, in Oslo in May 2008, we discussed the ethical guidelines of the Norwegian pension fund. As you know, this is one of the biggest funds in the world, fully owned by the Norwegian government. As we talked about last meeting the ethical guidelines for the fund has been revised in 2008 and 2009. This has also had implications for arms trade issues. I will present these implications in the following:

The basic point of departure is that companies may be excluded from the Fund pursuant to the ethical guidelines for the Government Pension Fund – Global through:

- a) negative screening to identify companies producing weapons that violate fundamental humanitarian principles in their normal use, or that sell weapons or military material to states mentioned in the supplementary guidelines for management of the Fund, and
- b) exclusion of companies if an investment entails an unacceptable risk of contributing to actions or omissions that must be deemed grossly unethical

In 2008, the screening criteria were extended, so that companies will be excluded if they sell weapons or weapon technology to regimes on the list of nations whose government bonds the Fund is prohibited from investing in. At present, this means that the Fund must not invest in companies that sell weapons to Burma. So far, this has led to one company being excluded from the Fund. The company is Dongfeng Motor Group Co Ltd, and the exclusion was done on the 28th of February 2009.

The Revised National Budget for 2004 provides an exhaustive list of weapons that are currently classified as screening criteria: chemical weapons, biological weapons, anti-personnel mines, undetectable fragmentation weapons, incendiary weapons, blinding laser weapons, cluster munitions and nuclear arms. The Fund shall not invest in companies that develop or produce key components for these types of weapons.

In Report no. 16 (2007–2008) to the Storting, the Government ruled that the Government Pension Fund – Global shall not invest in companies that sell weapons or weapon technology to regimes on the list of nations whose government bonds the Fund is prohibited from investing in. This means that the Fund must not invest in companies that sell weapons to Burma. The Ministry of Finance has excluded 22 companies from the Fund under the screening criteria. One of these companies sells military material to Burma.

So far 32 companies have been excluded from the investment universe of the Fund. Of these, 22 were excluded because they contribute to the production of inhumane types of weapons.

This update was presented by Alexander Harang, leader of the Norwegian Peace Associations arms trade group at the ENAAT congress in Barcelona, 30th of May 2009.