

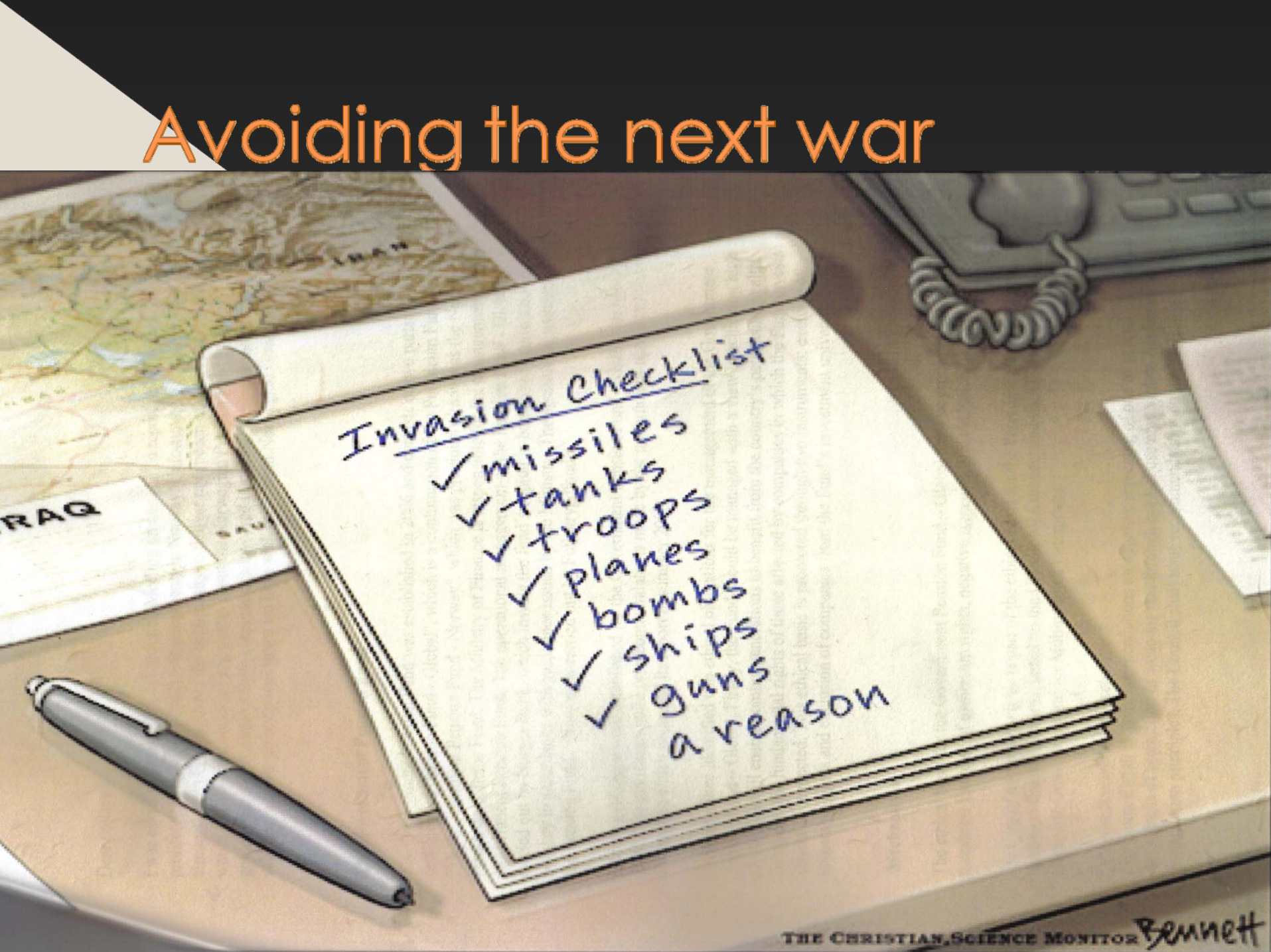
"Disinvesting in nuclear arms"

The Norwegian pension fund



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Avoiding the next war



Invasion Checklist

- ✓ missiles
- ✓ tanks
- ✓ troops
- ✓ planes
- ✓ bombs
- ✓ ships
- ✓ guns
- a reason

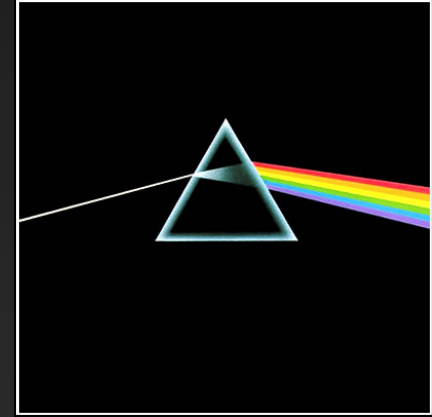
The ethics within the pension fund management

- ◉ Ethical guidelines for the Government Pension Fund – Global – since November 2004.
- ◉ Prohibits investments which constitute an unacceptable risk that the Fund may contribute to unethical acts or omissions, such as violations of fundamental humanitarian principles, serious violations of human rights, gross corruption or severe environmental damages.
- ◉ Managing bodies: The Ministry of Finance, the national bank and the council for ethics.

The funds mechanisms for ethical investments and divestments:

- The ethical basis for the Government Pension Fund – Global is promoted through the following three measures:
 - A. Exercise of ownership
 - B. Negative screening of companies
 - C. Exclusion of companies from the investment universe where there is considered to be an unacceptable risk of contributing to:
 - › Serious or systematic human rights violations, such as murder, torture, deprivation of liberty, forced labour, the worst forms of child labour and other child exploitation
 - › Serious violations of individuals' rights in situations of war or conflict
 - › Severe environmental damages
 - › Gross corruption
 - › Other particularly serious violations of fundamental ethical norms

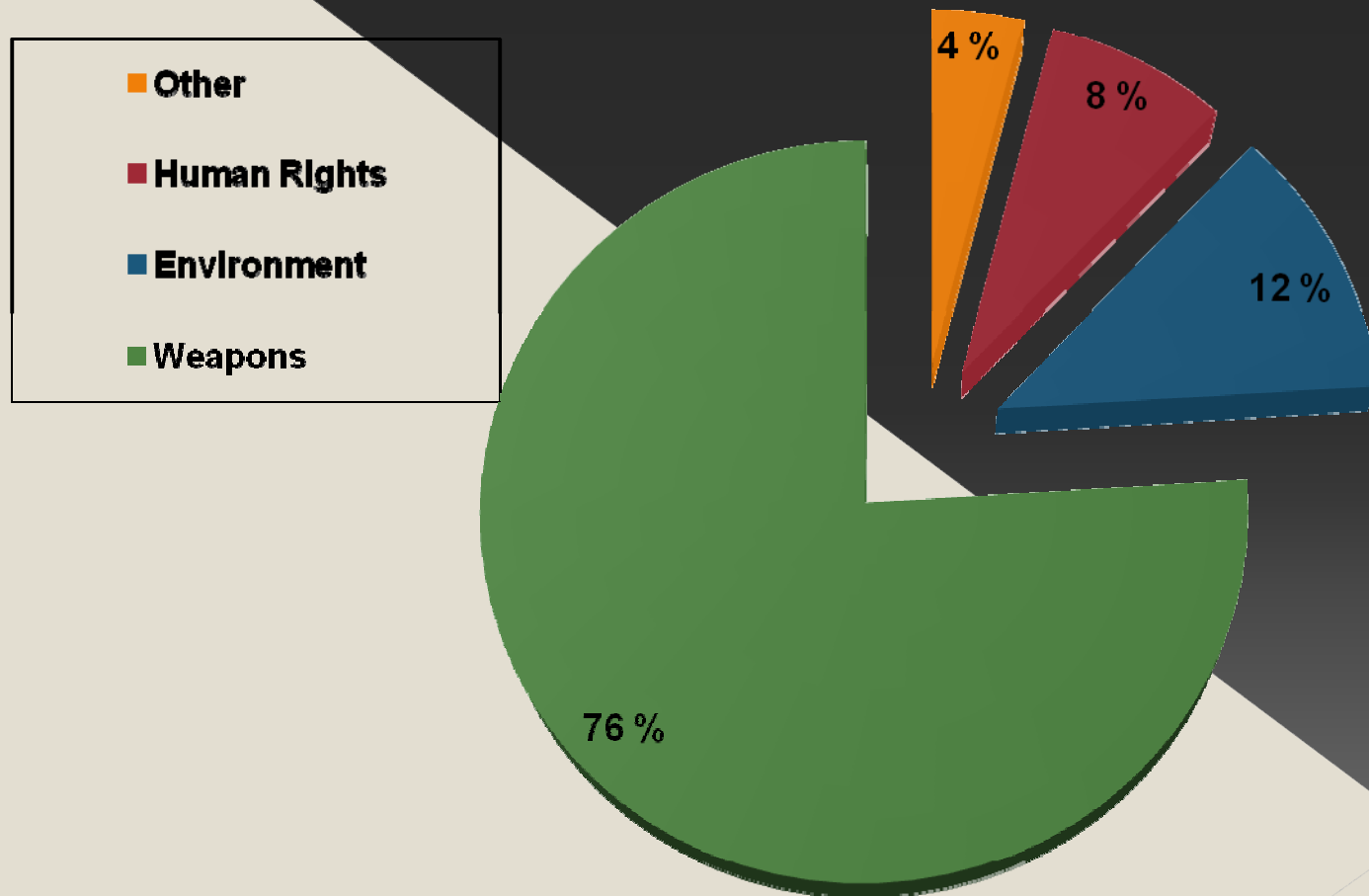
The disinvestments



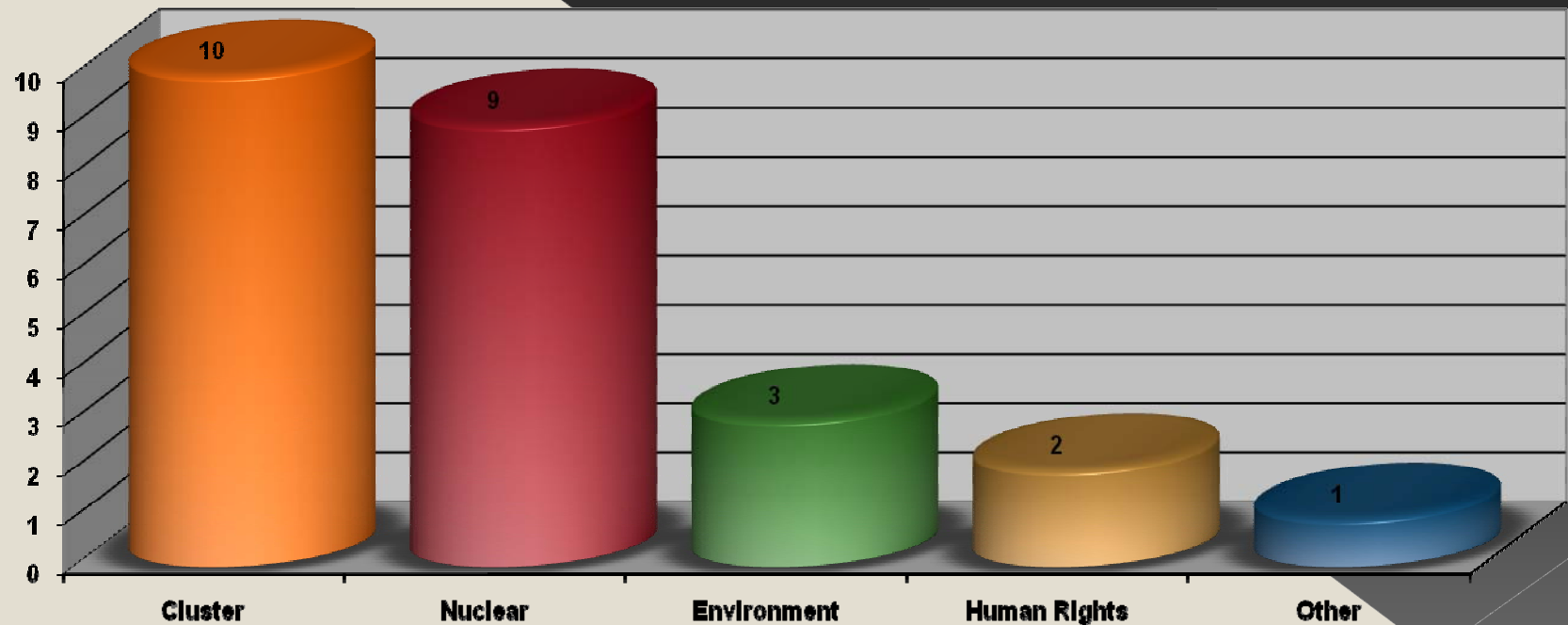
- ◉ Since april 2005, the Council has recommended divestment in companies in thirteen occations.
- ◉ In total these recommendations recommended divestment in 24 companies.
- ◉ Three of these recommendations has later been reversed.

Reasoning behind withdraw	Company name	Decision reversed
unacceptable risk of complicity in severe environmental damage and systematic human rights violations.	Vedanta Resources Plc	NO
unacceptable risk of complicity in present or future severe environmental damage	DRD Gold Ltd.	NO
other particularly serious violations of fundamental ethical norms	KerrMcGee Corporation	Yes – May 2006
unacceptable risk of complicity in present and future severe environmental damage	Freeport McMoRan Copper & Gold Inc	NO
unacceptable risk of complicity in serious or systematic violations of human rights	Wal-Mart	NO
involvement in the production of nuclear weapons.	EADS	NO
involvement in the production of nuclear weapons.	Honeywell International Inc.	NO
involvement in the production of nuclear weapons.	BAE Systems Plc	NO
involvement in the production of nuclear weapons.	Safran SA	NO
involvement in the production of nuclear weapons.	Northrop Grumman	NO
involvement in the production of nuclear weapons.	Boeing Company	NO
production of key components for nuclear weapons	GenCorp Inc	NO
involvement in the production of nuclear weapons.	Serco Group Plc.	NO
involvement in the production of nuclear weapons.	United Technologies Corp.	NO
involvement in production of cluster munitions	General Dynamics Corporation	NO
involvement in production of cluster munitions	Thales SA	NO
involvement in production of cluster munitions	Alliant Techsystems Inc	NO
involvement in production of cluster munitions	Lockheed Martin Corporation	NO
involvement in production of cluster munitions	Raytheon Company	NO
involvement in production of cluster munitions	L3 Communications	NO
involvement in production of cluster munitions	EADS	Yes- April 2006
involvement in production of cluster munitions	Rheinmetall AG	Yes – sept 2007
involvement in production of cluster munitions	Poongsan Corp.	NO
involvement in production of cluster munitions	Hanwha Corp	NO

It's easier to withdraw from arms manufacturers...



Disinvestments 2005 - 2008

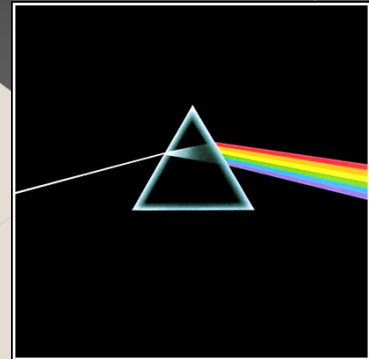


Excluded nuclear companies

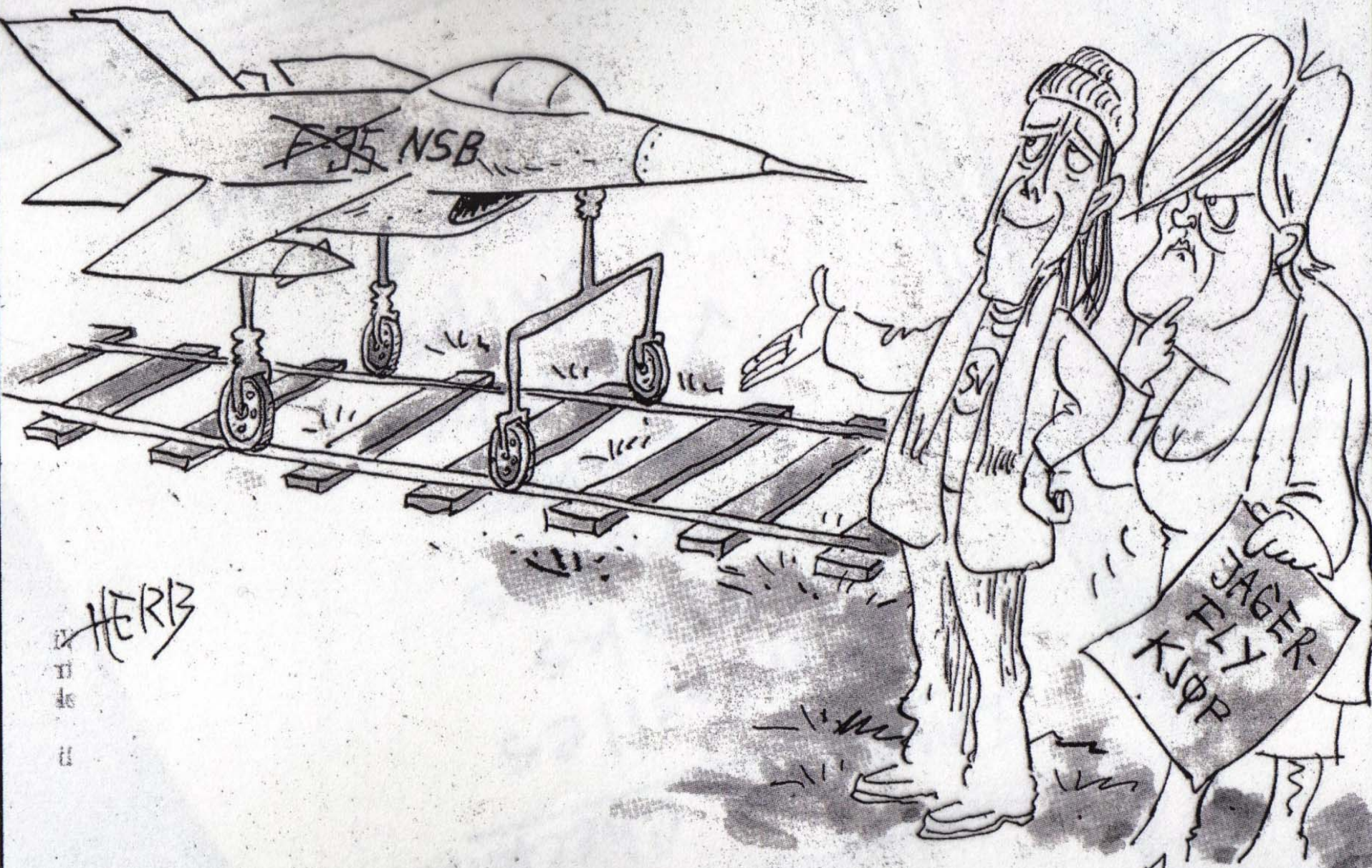
Reasoning behind withdraw	Company name	Decision reversed?
involvement in the production of nuclear weapons.	EADS	NO
involvement in the production of nuclear weapons.	Honeywell International Inc.	NO
involvement in the production of nuclear weapons.	BAE Systems Plc	NO
involvement in the production of nuclear weapons.	Safran SA	NO
involvement in the production of nuclear weapons.	Northrop Grumman	NO
involvement in the production of nuclear weapons.	Boeing Company	NO
production of key components for nuclear weapons	GenCorp Inc	NO
involvement in the production of nuclear weapons.	Serco Group Plc.	NO
involvement in the production of nuclear weapons.	United Technologies Corp.	NO

Room for improvements?

- "Key components" covers only Guidance system, motors and warheads
- Banks have been considered, but not excluded
- Consistency – Norwegian defense spending and buy back schemes



Consistency



Divesting from "controversial weapons" – The broader picture

◉ Netwerk Vlaanderen

- › Early 2004 report into the links between five major Belgian bank groups and producers of controversial weapon systems.

◉ KBC

- › Early 2004 negative investment criteria extended to 'companies that manufacture or trade in weapons that are not prohibited by law, but are internationally recognized as having led to disproportionate suffering among civilians in the last fifty years'.
- › KBC's example followed by other banks, e.g. ING, Dexia and Fortis.

◉ Norwegian Government Pension Fund – Global

- › Norwegian Government Pension Fund's example followed by other investors, particularly in the Nordic markets.

◉ Zembla (March 2007)

- › ABP
- › PGGM (covers also depleted uranium ammunition)

For further dicussions

- ◉ How can we measure the effects of these Norwegian disinvestments?
- ◉ Nuclear weapons are "controversial weapons" but aren't all arms production "controversial"?
- ◉ Revising the guidelines – all your interventions are welcome



CHARGE!!

OVERCHARGE!!

