

# Exclusion of companies

The Ministry of Finance's ethical guidelines are to be implemented through the use of three instruments. One of these instruments is the exercise of ownership rights, which is the responsibility of Norges Bank. The other two instruments are the responsibility of the Ministry of Finance. One is the exclusion of companies on the basis of their products (negative screening of companies involved in the production of certain types of weapon). The other is the exclusion of companies on the basis of their behaviour (ad hoc exclusion of individual companies which contravene fundamental ethical norms – for example, through involvement in serious environmental degradation or serious violations of human rights).

The government has appointed a Council on Ethics to advise the Ministry of Finance on negative screening and company exclusions. The Ministry takes the final decision and instructs Norges Bank to sell out of the company.

The Ministry of Finance decided to exclude a total of three companies from the investment universe in 2008. The combined value of the fund's investments in these companies at the time of the decision to exclude them was approximately NOK 6.3 billion. These decisions were based on recommendations from the Council on Ethics. The background to the exclusions is discussed in greater detail in press releases\* from the Ministry of Finance. The Council's recommendations are available on the Ministry of Finance's website.

Companies excluded from the investment universe by the Ministry of Finance per 31. December 2008 \*

Reason	Date	Company	
Anti-personnel landmines	26 April 2002	Singapore Technologies Engineering Ltd, Singapore	
Cluster munitions	31 August 2005	Alliant Techsystems Inc, USA	
		General Dynamics Corporation, US	
		L-3 Communications Holdings Inc, US	
		Lockheed Martin Corporation, US	
		Raytheon Company, US	
		Thales SA, France	
		30 November 2006	Poongsan Corporation, South Korea
		31 December 2007	Hanwha Corporation, South Korea
		31 December 2008	Textron Inc, US
		31 December 2005	BAE Systems plc, UK
			Boeing Company, US
			Finmeccanica SpA, Italy
Honeywell International Inc, US			
		Northrop Grumman Corp, US	
		Safran SA, France	
		United Technologies Corp, US	
		10 May 2006	EADS Co, Netherlands**
	31 December 2007	GenCorp Inc, US	
		Serco Group plc, UK	
Breaches of human rights	31 May 2006	Wal-Mart Stores Inc, US Wal-Mart de Mexico SA, Mexico	
Environmental damage	31 May 2006	Freeport McMoRan Copper and Gold Inc, US	
	31 March 2007	DRDGOLD Ltd, South Africa	
	30 June 2008	Rio Tinto plc, UK / Rio Tinto Ltd, Australia	
	30 November 2008	Barrick Gold Corporation, Canada	
Environmental damage and breaches of human rights	31 October 2007	Vedanta Resources plc, UK Sterlite Industries Ltd, India Madras Aluminium Company, India	

\* The company Kerr-McGee Corporation was excluded on 31 May 2005 because the company was active in Western Sahara. These activities ceased in spring 2006, and the company (subsequently merged with Anadarko Petroleum) was included again from 30 June 2006.

\*\* EADS was originally excluded on 31 August 2005 because the company was involved in the production of cluster munitions. EADS no longer produces cluster munitions. However, EADS is involved in the production of nuclear weapons, and the Ministry of Finance therefore renewed its exclusion on 10 May 2006.