

Norges Bank Investment Management (NBIM)'s response to the Fair Finance International Report

Norges Bank Investment Management (NBIM) manages the Norwegian Government Pension Fund Global and works to safeguard the long-term financial wealth for future generations. The fund is invested in more than 9,000 companies in more than 70 countries globally. Responsible investment is a part of our mandate. To support our work on responsible investment, we have formulated a set of clear [expectations](#) to our investee companies that are based on international principles and standards, such as the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

We expect companies to respect human rights, including labour rights, and to integrate salient human rights into their policies, strategies, and risk management. Aligned with the UN Guiding Principles on Business and Human Rights, we expect companies to undertake enhanced human rights due diligence in high-risk settings. We continuously monitor and review our investee companies against our expectations, and follow up as an owner through dialogue and voting.

In addition, the Norwegian Ministry of Finance has issued ethical guidelines for observation and exclusion of companies from the fund. A separate and independent Council on Ethics monitors the portfolio and can make recommendations to Norge Bank in cases where there is unacceptable risk that the company contributes to or is responsible for serious and systematic human rights violations. This includes breaches of labour rights.

The “No questions asked: Profiting from the construction and hotel boom in Qatar” report sheds light on labour exploitation and abuses associated with the World Cup in Qatar 2022. This is an important issue that we have monitored and on which we have followed up over several years. Sectors and companies that have a heightened risk exposure, as well as specific incidents, have appeared on our risk screens, including on our annual due diligence review and our regular incident analyses. Accordingly, we have engaged with relevant investee companies to ensure they have sufficient due diligence systems in place and are taking steps to mitigate the risk of labour abuse in Qatar.

For example, we have had multiple meetings with Vinci to discuss how the company is undertaking due diligence and taking measures to ensure the protection of labour rights connected to its projects in Qatar. Similarly, we have engaged with Hilton on how they meet their commitments to perform enhanced due diligence in high-risk settings.

In conjunction with NBIM's ownership activities, the Council on Ethics has actively reviewed the issue of labour conditions in Qatar. In 2019, based on the council's recommendation, the company G4S was excluded from the fund's portfolio due to an unacceptable risk of violation of labour rights in Qatar.

Earlier this year, we released a [new expectation document on human capital management](#), supplementing our existing expectations on human rights, to strengthen our ownership activities on social topics. We expect companies to effectively manage their human resources and to uphold labour standards across operations and supply chains. Moving forward, we will continue our engagement with companies that rely on contract workers, temporary workers, migrant workers, and other non-traditional workers, for which the risks of labour exploitation are particularly heightened.

Although we disagree with the criticism directed towards NBIM's work on this issue, we appreciate that the report brings attention to this important issue.