

**To Norges Bank**

22 April 2016

**Recommendation to exclude AECOM from the Government Pension Fund  
Global (GPFG)**

# 1 Introduction

The Council on Ethics recommends excluding AECOM<sup>1</sup> from the Government Pension Fund Global (GPF) due to this company's involvement in the production of key components of nuclear weapons.

At the end of 2015, the GPF owned shares in the company worth NOK 287 million, equivalent to an ownership share of 0.71 per cent.

## 1.1 What the Council has considered

The Council has assessed the Fund's investments in AECOM on the basis of section 2(a) of the Guidelines for Observation and Exclusion from the Government Pension Fund Global, which authorises the exclusion of companies which produce weapons that violate fundamental humanitarian principles through their normal use.<sup>2</sup> Nuclear weapons are among the weapons types that are covered by this.

# 2 Background

The USA's nuclear weapons are developed, tested, maintained and stored at state-owned facilities. AECOM states on its website that it is responsible for managing and operating several of these:

### *Los Alamos National Laboratory*

*"AECOM is part of a team that manages and operates Los Alamos National Laboratory (LANL) in northern New Mexico. [...] The Laboratory enhances national security by ensuring the safety and reliability of the U.S. nuclear stockpile, [...] AECOM's primary role in the \$14-billion contract is to safely manage the lab's nuclear and other technically complex operations to support the advancement of science and the safety and security of the country. [...] AECOM's primary role at the laboratory is to safely manage its nuclear and other technically complex operations in support of the advancement of science and the safety and security of the United States."*<sup>3</sup>

### *Lawrence Livermore National Laboratory*

*"AECOM is part of the team managing and operating the Lawrence Livermore National Laboratory (LLNL) for the DOE's National Nuclear Security Administration (NNSA). Located in Livermore, California, LLNL was founded in 1952 to enhance the security of the United States by advancing nuclear weapons science and technology. The Laboratory's mission is to develop and apply science*

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<sup>1</sup> Issuer ID: 901257

<sup>2</sup> Guidelines for Observation and Exclusion from the Government Pension Fund Global:

<https://lovdata.no/dokument/INS/forskrift/2014-12-18-1793?q=retningslinjer+++pensjonsfond+++utland>.

<sup>3</sup> AECOM: <http://www.aecom.com/projects/los-alamos-national-laboratory/>.

*and technology to ensure the safety, security, and reliability of the U.S. nuclear deterrent; [...]"<sup>4</sup>*

#### *Nevada National Security Site*

*"Nevada National Security Site (NNSS) was originally called the Nevada Test Site, and was the primary location for nuclear weapons testing during the Cold War (1951-1992), with 928 nuclear tests occurring there. Nuclear testing is no longer performed on the site; instead, the facility is crucial in implementing U.S. Department of Energy (DOE) initiatives in homeland security, nuclear stockpile stewardship, [...]. AECOM has played a critical role in maintaining the NNSS from its inception 63 years ago to the present day. Currently, AECOM is part of a \$3.1-billion joint venture responsible for managing and operating facilities and laboratories along with their associated infrastructure, [...]"<sup>5</sup>*

The websites of two of the state-owned facilities also refer to AECOM's role as the operator and party responsible for operations.<sup>6 7</sup>

### **3 Information from the company**

The Council has written to the company to ask for information on its activities relating to the production of nuclear weapons.<sup>8</sup> The company has not replied to the Council's inquiries. The Council therefore bases this recommendation on the information available on the company's website.

### **4 The Council's assessment**

The Council does not have detailed knowledge of AECOM's activities at the abovementioned facilities. The information published on the company's and the state-owned facilities' websites shows that the facilities' activities include the development, testing, maintenance and storage of nuclear warheads and that AECOM plays a key role in this activity in that it is responsible for the management and operations. In the past, the Council has decided that such activity must be regarded as the *production of nuclear weapons* and has recommended excluding companies with similar activities.<sup>9</sup>

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<sup>4</sup> AECOM: <http://www.aecom.com/projects/lawrence-livermore-laboratory/>.

<sup>5</sup> AECOM: <http://www.aecom.com/projects/nevada-national-security-site/>.

<sup>6</sup> "Los Alamos National Laboratory is managed and operated by Los Alamos National Security, LLC (LANS), under contract to the Department of Energy's National Nuclear Security Administration (NNSA). LANS comprises four top U.S. organizations that are partnering to support delivery of NNSA's mission at LANL: Bechtel National, Inc. BWXT Government Group, Inc. University of California, URS, an AECOM company", <http://www.lansllc.com/about-us.html>.

<sup>7</sup> "Lawrence Livermore National Security (LLNS) is a limited liability company (LLC) that assumed management of the Laboratory on October 1, 2007. The LLNS management team includes Bechtel National, University of California, Babcock and Wilcox, Washington Division of URS Corporation, and Battelle.", <https://www.llnl.gov/about/management-and-sponsors>. (URS was acquired by AECOM in 2014.)

<sup>8</sup> Letters from the Council to AECOM dated 27 January and 21 March 2016.

<sup>9</sup> The Council's recommendation to exclude BWX Tech Inc. (formerly The Babcock & Wilcox Co, 2012: [http://etikkradet.no/files/2014/12/babcock\\_wilcox\\_jacobs.pdf](http://etikkradet.no/files/2014/12/babcock_wilcox_jacobs.pdf).

## 5 Recommendation

The Council recommends excluding AECOM from the Government Pension Fund Global due to the company's production of key components for nuclear weapons.

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