

**To Norges Bank**

25.11.2020

Unofficial English translation

**Recommendation to revoke the exclusion of Atal SA/Poland from investment  
by the Government Pension Fund Global**

# 1 Introduction

On 25 August 2017, the Council on Ethics recommended that Atal SA/Poland (Atal) be excluded from investment by the Government Pension Fund Global (GPF) due to an unacceptable risk that the company was contributing to serious human rights abuses.<sup>1</sup> Atal is a Polish property development company, and the recommendation related to the use of North Korean labourers at its building sites in Poland. Norges Bank followed the recommendation and its decision to exclude the company was published on 16 January 2018.

Pursuant to section 5(5) of the Guidelines for Observation and Exclusion from the GPF, the Council on Ethics must regularly review whether the grounds for exclusion still exist. On the basis of new information received, the Council may recommend to Norges Bank that exclusion from the GPF be revoked.<sup>2</sup> The Council is now recommending that Atal's exclusion be revoked.

## 2 The Council's recommendation from 2017

The Council rested its recommendation on the fact that North Korean labourers were working at Atal's building sites. The labourers were employed via two tiers of subcontractors. The Council relied on several reports showing that the situation for North Korean labourers abroad qualified as forced labour. The workers concerned were unable to terminate their employment and had their passports and mobile phones confiscated. They were also under constant surveillance and worked under threat of reprisal against family members back in North Korea. Atal confirmed that there were North Korean labourers at its building sites, but said that they were not employed by Atal and that they, in any case, enjoyed good working conditions.

The Council found that Atal had a responsibility for all those working at its building sites, including those employed by its subcontractors. In the Council's view, Atal was contributing to serious human rights abuses by accepting the use of North Korean labourers. The Council also found that the use of these labourers formed part of Atal's general business practice, which made the future risk of serious human rights abuses unacceptably high.

## 3 North Korean labourers in the EU

In 2018, the EU transposed a UN Security Council resolution demanding that all workers from North Korea be repatriated by 2020 into EU law.<sup>3</sup> In December 2019, Poland reported to the Security Council that there were no longer any North Korean workers in the country.<sup>4</sup>

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<sup>1</sup> Recommendation to exclude Atal SA from investment by the Government Pension Fund Global, <https://etikkradet.no/atal-sa-2/>.

<sup>2</sup> Guidelines for Observation and Exclusion from the Government Pension Fund Global, <https://nettsteder.regjeringen.no/etikkradet3/files/2019/12/guidelines-for-observation-and-exclusion-from-the-gpfg-01.09.2019.pdf>.

<sup>3</sup> Outcome of the Council of the European Union's meeting on foreign affairs, 26 February 2018, <https://www.consilium.europa.eu/media/32966/st06541-en18.pdf>.

<sup>4</sup> UN Security Council, *Security Council Committee established pursuant to resolution 1718 (2006), Note verbale dated 4 December 2019 from the Permanent Mission of Poland to the United Nations addressed to the Chair of the Committee*, [https://www.un.org/ga/search/view\\_doc.asp?symbol=S/AC.49/2019/51](https://www.un.org/ga/search/view_doc.asp?symbol=S/AC.49/2019/51).

## **4 Information provided by the company**

The Council on Ethics sent a letter to Atal on 15 October 2020. In reply, the company wrote that it no longer has any North Korean labourers working at its building sites.

## **5 The Council's assessment**

Since there are no longer any North Korean workers in Poland, the Council considers that the grounds for its 2017 recommendation no longer exist.

## **6 Recommendation**

The Council recommends that the exclusion of Atal from the Government Pension Fund Global be revoked.

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