



4 Human rights, war and conflict

Section 4 of the guidelines states that “Companies may be excluded or placed under observation if there is an unacceptable risk that the company contributes to or is responsible for:

- a. serious or systematic human rights violations
- b. serious violations of the rights of individuals in situations of war or conflict [...]



In 2022, the Council worked on a wide range of human rights cases. Some related to issues which the Council has been working on for many years and which will always be an important aspect of its endeavours. This applies, for example, to serious or systematic labour rights abuses, including working conditions verging on forced labour. The Council has also embarked on more novel topics, such as infringement of the right to freedom of expression and human rights violations made possible by mass surveillance.

The Council continued to devote much time and resources to assessing enterprises that cooperate with companies owned or controlled by the armed forces in Myanmar. These assessments are performed under the criterion relating to war and conflict. Under this criterion, the Council has also continued to assess companies doing business in the West Bank.

4.1 Serious or systematic human rights abuses

Most of the human rights cases assessed by the Council in 2022 relate to labour rights abuses. Many became aware of the working conditions that migrant workers are frequently exposed to in connection with the 2022 FIFA World Cup in Qatar. Recruitment fees, the confiscation of identity papers and restrictions on their right to change jobs can place workers in a situation where they are compelled to accept pay and working conditions that are less favourable than they were led to expect, and that could put their life and health at risk. For several years, the Council has examined the working conditions of migrant workers, not only at companies operating in Qatar, but also in other countries with a large contingent of migrant workers.

In 2021 and 2022, the Council focused on the rubber glove industry in Malaysia, which produces 65 per cent of the world's rubber gloves. The world's largest producers are Malaysian or have factories there. In the past few years, working conditions verging on forced labour have been reported at several of these companies.

In 2022, the Council recommended the exclusion of the Malaysian company Supermax Corp Bhd, because migrant workers had paid high recruitment fees and were subjected to an extensive system of punishments and fines, extremely long working hours and restrictions on their freedom of movement. Nor did the company contribute meaningfully to the Council's assessment process. In the Council's view,

this indicated that the risk of systematic labour rights abuses was likely to persist. Because the company had announced that it would implement improvements, Norges Bank decided to place it under observation. Another rubber glove company that the Council looked into had compensated workers for the recruitment fees they had paid, improved working conditions and established procedures to avoid workers having to pay recruitment fees in the future. The Council therefore considered the risk of forced labour at this company to be small. So far, the Council has assessed five rubber glove manufacturers.

The working conditions experienced by migrant workers in this business sector have attracted significant international attention. Civil society has taken action, certain countries have imposed import restrictions on some companies, and the media have reported on them. This seems to have led to improvements in working conditions. However, migrant workers are also subjected to working conditions verging on forced labour in other business sectors and countries. The Council will continue to investigate GPFG-invested companies where the risk of such labour rights abuses is high.

In 2019, the Council began a process to identify GPFG-invested companies which contribute to serious human rights abuses through the development and sale of mass surveillance technology. The assessment focuses on companies where information obtained by means of their systems has facilitated extremely serious norm violations, such as murder, torture and arbitrary detention.

In 2022, the Israeli company Cognyte Software Ltd was excluded from investment by the GPFG. Several of the countries alleged to be among the company's customers stand accused of extremely serious human rights violations, such as kidnap, torture and other forms of abuse targeting vulnerable groups, including sexual minorities. The Council concluded that this must have been known to the company, and that the surveillance of political opponents and minorities was a foreseeable risk, given the products and services that the company supplies.

Since 2020, the Council has examined the risk that GPFG-invested companies are contributing to human rights abuses being perpetrated against the Uyghur minority in China. The Report to the Storting (White Paper) on the Government Pension Fund 2021, Meld. St. 24 (20–21), discusses companies deemed to represent a high risk of contributing to extremely



serious norm violations while access to information thereon is limited. Where there is little company-specific information and a significant risk of serious norm violations, the Council is permitted to attach importance to risk assessments at the country and business sector level. A lack of information may contribute to an unacceptable risk, particularly if a company demonstrates a lack of willingness to respond to the Council's inquiries. At the same time, every company shall be assessed individually and in detail.¹

Since it is difficult for the Council to make its own inquiries into companies' contributions to human rights abuses in China, assessments here must be based on publicly available information combined with risk assessments.

In August 2022, the UN High Commissioner for Human Rights published a report establishing that Uyghurs have suffered serious human rights violations linked to what the Chinese authorities describe as an "anti-extremist strategy" and the "poverty alleviation".² The report confirmed what civil society and testimony from Uyghurs had already pointed to: forced labour, the suppression of minorities, arbitrary detention, torture and persecution. Publicly available information identified several companies which are highly likely to have been involved in such norm violations. In 2022, the Chinese company Li-Ning was excluded from investment by the GPFG due to the risk of contributing to forced labour.

A new type of case for the Council in 2022 related to companies' contribution to the infringement of freedom of expression. In February 2023, the state-controlled Polish energy company Polski Koncern Naftowy Orlen SA (Orlen) was placed under observation following a recommendation issued by the Council in 2022. In 2020, the company acquired the newspaper publisher Polska Press. The acquisition gave Orlen control of the majority of Poland's regional newspapers, in addition to a large number of local media houses and online portals. The recommendation rests on the risk that Orlen, through its acquisition of Polska Press, is helping to restrict freedom of the press, and thereby freedom of expression, in Poland. Democracy and press freedom are further discussed in Chapter 6.

In 2022, once again human rights cases constituted the majority of the cases identified through the portfolio monitoring process. Topics on which the Council worked in 2022, but which have so far not resulted in a recommendation to exclude a company or place it under observation, include violation of the rights of indigenous people in connection with the extraction of natural resources, sexual harassment in the workplace and security service's use of violence in connection with conflicts over the control of land.

4.2 Serious violation of the rights of individuals in situations of war or conflict

There has been a sharp increase in the number of cases being assessed under this criterion in the past couple of years. This is due to the heightening of several conflicts. The number of cases the Council must assess fluctuates primarily when the situation in areas in which many companies in the GPFGs portfolio operate deteriorates, and when the abuses perpetrated against the civilian population are particularly egregious.

In 2022, the majority of these cases related to companies with links to the military junta in Myanmar. In addition to two companies which were excluded for selling weapons to the regime, three recommendations related to this issue. Further details of the Council's efforts and assessments are presented below.

The Council has also continued to investigate companies with links to the West Bank. Here, the issue is whether companies contribute to the occupation of territory in violation of international law.

So far, the Council has not assessed any companies in relation to their potential contribution to the violation of international law in Ukraine. This is partly because Russian companies will be divested from the GPFG as soon as practically possible. There is therefore no point in the Council assessing Russian companies.

1 Report to the Storting (White Paper) on the Government Pension Fund 2021, Meld. St. 24 (20–21), pp. 139-140, <https://www.regjeringen.no/no/no/dokumenter/meld.-st.-24-20202021/id2843255/>

2 United Nations Office of the High Commissioner, "OHCHR Assessment of Human Rights Concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China" (31 August 2022).