

To Norges Bank

29.11.2022

UNOFFICIAL ENGLISH TRANSLATION

**Recommendation to exclude GAIL India
Ltd from investment by the
Government Pension Fund Global**

Summary

The Council on Ethics recommends that GAIL (India) Ltd (GAIL) be excluded from investment by the Norwegian Government Pension Fund Global (GPF) due to an unacceptable risk that the company is contributing to serious violations of the rights of individuals in situations of war or conflict. The recommendation relates to the company's business activities in Myanmar.

At the close of 2021, the GPF owned 1.15 per cent of the company's shares, worth USD 89.1 million. GAIL is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India.

GAIL is an integrated natural gas company engaged in the exploration, production, distribution and sales of natural gas. GAIL is a partner in a joint venture with the state-owned oil company Myanma Oil and Gas Enterprise (MOGE) in the Shwe project, a gas field off the coast of Myanmar. GAIL has a minority share in the project. MOGE is controlled by Myanmar's armed forces (Tatmadaw) and is subject to sanctions by the EU and several other countries, including Norway.

In February 2021, the armed forces in Myanmar staged a coup d'état. Since then, armed conflicts within the country have intensified. The United Nations High Commissioner for Human Rights has asserted that the Tatmadaw's actions could qualify as crimes against humanity and war crimes. The abuse of the civilian population is ongoing and there is a considerable risk of further extremely serious abuses being perpetrated by the military in Myanmar.

As in previous recommendations, the Council has attached importance to whether the company's business operations in Myanmar help to strengthen the Tatmadaw's financial capacity. The Council also takes the position that any business partnership with entities controlled by the armed forces constitutes a particularly high risk of contributing to abuses perpetrated by the Tatmadaw. A material factor for the Council is that the UN High Commissioner for Human Rights advises against any economic cooperation with military-owned entities, that sanctions were imposed on MOGE precisely because revenues from such companies boost the Tatmadaw's ability to commit serious norm violations, and that GAIL cannot point to any measures that reduce this risk. Since the military coup in 2021, revenues from the oil and gas industry have been the Tatmadaw's largest source of income.

The Council on Ethics presumes that the company is unlikely to have sufficient influence to enable it to prevent new abuses, as long as the Tatmadaw holds power in the country. In the Council's opinion, the company will therefore have no other options but to withdraw from its partnership with MOGE, if it is to avoid contributing to norm violations. GAIL has given no indication of its intention to

do so. On the contrary, the company indicates that it will seek additional business opportunities in Myanmar. This leads the Council to presume that the company will remain in the country and that it will continue to generate substantial revenues for the junta. The Council therefore concludes that the risk of contributing to the violations of the rights of individuals in situations of war or conflict is unacceptable and recommends that the company be excluded from investment by the GPF.

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1 Introduction

The Council on Ethics for the Norwegian Government Pension Fund Global (GPF) has assessed the Fund's investments in GAIL (India) Ltd¹ (GAIL) against the war and conflict criterion in the Guidelines for Observation and Exclusion of Companies from the GPF (the ethical guidelines).² The recommendation relates to the company's business partnership with the state owned oil company Myanmar Oil and Gas Enterprise (MOGE) which is controlled by the armed forces in Myanmar.

GAIL is an integrated natural gas company engaged in the exploration, production, distribution and trading of natural gas. The company is India's largest gas provider and controlled by the Indian government which holds a 52 per cent stake in the company. Outside India, GAIL has participating interest in two offshore gas blocks in Myanmar and in a shale gas joint venture in Texas, USA.³ The company has around 4,750 employees.

GAIL is headquartered in New Dehli and listed on the Bombay Stock Exchange and the National Stock Exchange of India. At the close of 2021, the GPF owned 1.15 per cent of the shares in GAIL, worth USD 89.1 million.

1.1 Matters considered by the Council

The Council has assessed the GPF's investment in GAIL against section 4(b) of the ethical guidelines "Companies may be excluded or placed under observation if there is an unacceptable risk that the company contributes to or is responsible for [...] serious violations of the rights of individuals in situations of war or conflict."

Due to the risk of contributing to extremely grave violations in situations of armed conflicts, the Council expects companies operating in such contexts to exercise particular care and due diligence. This heightened duty of care follows

¹ Issuer ID 253334

² Guidelines for Observation and Exclusion of Companies from the Norwegian Government Pension Fund Global (GPF), <https://files.nettsteder.regjeringen.no/wpuploads01/sites/275/2021/11/Guidelines-for-Observation-and-Exclusion-GPF-29-November-2021.pdf>

³ GAIL, Synergy for Green Energy Annual Report 2021-2022 <https://www.gailonline.com/pdf/InvestorsZone/AnnualReports/GAILAnnualReport202122Final.pdf>

from international guidelines⁴ and is confirmed in the 2021 white paper submitted to the Norwegian Parliament (*Storting*) on the Government Pension Funds.⁵ It has also formed the basis for previous recommendations under this criterion.⁶

When assessing what constitutes serious violations of the rights of individuals in situations of war or conflict, the Council relies on internationally recognised conventions and authoritative interpretations thereof. Of particular importance is the common Article 3 of the Geneva conventions, which regulates the protection of victims of war in conflicts not of an international character. Human rights law applies regardless of whether there is an ongoing armed conflict. Relevant provisions include, for example, articles 6, 7, 9, 21 and 22 of the International Covenant on Civil and Political Rights, protecting the right to life, liberty and security, as well as freedom from torture and freedom of assembly and expression.⁷

When assessing a company's contribution to abuses, the Council emphasises that there must be a tangible link between the company's operations and the abuses concerned. Furthermore, the company must either have contributed actively to the norm violations or known about them but made no adequate attempt to prevent them. In the Council's opinion, if it is not possible to prevent the norm violations the company must in general seek to withdraw from the business. According to NOU 2020:7 Values and Responsibility, an official report on the GPF's ethical framework that was submitted to the Norwegian Parliament (*Storting*), the ethical guidelines are "intended to cover contribution to serious abuses perpetrated by parties other than the company. Companies may

⁴ See, for example, Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises, Business, human rights and conflict-affected regions: towards heightened action, <https://undocs.org/en/A/75/212> and Global Compact/PRIs Guidance on Responsible Business in Conflict Affected and High-Risk Areas: A Resource for Companies and Investors, https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2FPeace_and_Business%2FGuidance_RB.pdf.

⁵ St. meld 24 (2020-2021) The Government Pension Fund 2021, Report to the Storting (White paper), <https://www.regjeringen.no/en/dokumenter/meld.-st.-24-20202021/id2843255/>

⁶ See the Council on Ethics' recommendations with respect to Kirin Holdings and Adani Ports & Special Economic Zone Ltd, <https://etikkradet.no/tilradninger/alvorlige-krenkelses-av-individers-rettigheter-i-krig-og-konflikt/>

⁷ ICRC, Treaties, States Parties and Commentaries, <https://ihl-databases.icrc.org/en/ihl-treaties/geneva-conventions-1949additional-protocols-and-their-commentaries>

be said to contribute to abuses by, for example, supplying goods or services to or entering into business relations with parties in a conflict which perpetrate serious abuses.”⁸ In line with the Council’s practice, all shareholders in joint ventures will normally be assessed in the same way, irrespective of the size of their shareholding.

Finally, the ethical guidelines are forward-looking and norm violations must therefore be ongoing or there must be an unacceptable risk that abuses may occur in the future. When assessing the risk of new abuses, previous norm violations may give an indication of future patterns of behaviour.

1.2 Sources

The Council on Ethics has relied on publicly available information from sources such as international courts, UN bodies, the media, civil society and public authorities, as well as information provided by GAIL.

2 Background

2.1 The situation in Myanmar

On 1 February 2021, the armed forces in Myanmar (Tatmadaw) staged a coup d’état and announced that Commander-in-Chief Min Aung Hlaing and the State Administrative Council had taken power in the country. Afterwards, hundreds of thousands of civilians showed their opposition to the coup by means of boycotts, strikes and demonstrations nationwide. The armed forces responded to this opposition with extreme violence.⁹

In June 2022, the United Nations High Commissioner for Human Rights described the situation in Myanmar as follows in her report to the Human Rights Council:

“What we are witnessing today is the systematic and widespread use of tactics against civilians, in respect of which there are reasonable grounds to believe the commission of crimes against humanity and war crimes. Since February 2021, at least 1,900 killings by the military have been reported. The

⁸ Values and Responsibility The Ethical Framework for the Norwegian Government Pension Fund Global, <https://www.regjeringen.no/en/dokumenter/meld.-st.-24-20202021/id2843255/>

⁹ UN High Commissioner for Human Rights, *Myanmar: UN report calls for urgent action to end human rights catastrophe*, 23 September 2021, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=27521&LangID=E>

humanitarian situation is dire. One million individuals have been registered by the UN as internally displaced while some 14 million remain in urgent need of humanitarian assistance. [...] more than 13,500 people, including politicians, media professionals, lawyers, civil society leaders and other members of civil society, have reportedly been arrested for opposing the Tatmadaw's purported seizure of power. More than 10,500 remain in detention."¹⁰

The High Commissioner also described the horrifying situation experienced by the Rohingya Muslim community, where the military has continued "to threaten and marginalize the Rohingya and to implement strict discriminatory limitations on their movement. In the past weeks, over 300 Rohingya have been arrested for traveling, what they call, 'illegally' outside their communities. Hundreds have been prosecuted and sentenced to prison terms up to two years for exercising their basic right to freedom of movement."¹¹

Many of those detained have been subjected to torture.¹² Findings by the UN Independent Investigative Mechanism for Myanmar indicate that also children "have been tortured, conscripted and arbitrarily detained, including as proxies for their parents."¹³ Other atrocities perpetrated by the security forces and armed groups include gang rape and other forms of sexual violence against women, and the torching of entire villages. A great many of the victims belong to the Rohingya minority.¹⁴ In October 2022, the UN Special Rapporteur on the situation of human rights in Myanmar reported that the armed forces had systematically bombed, burnt and massacred civilians, including children during

¹⁰ UN High Commissioner for Human Rights, 50th Session of the Human Rights Council Oral update on Myanmar, 14 June 2022, <https://www.ohchr.org/en/statements/2022/06/50th-session-human-rights-council-oral-update-myanmar>

¹¹ See footnote 10.

¹² See footnote 10 and UN Special Rapporteur on the situation of human rights in Myanmar, *Losing a generation: how the military junta is devastating Myanmar's children and undermining Myanmar's future*, Human Rights Council, 50th session, 14 June 2022, A/HRC/50/CRP.1, <https://www.ohchr.org/en/documents/thematic-reports/ahrc50crp1-conference-room-paper-special-rapporteur-losing-generation>

¹³ UN News, Myanmar: Crimes against humanity committed systematically, says UN report, 9 August 2022, <https://news.un.org/en/story/2022/08/1124302> and UN Special Rapporteur on the situation of human rights in Myanmar, A/HRC/50/CRP.1

¹⁴ UN Human Rights Council, Report of the independent international fact-finding mission on Myanmar, 12 September 2018, <https://undocs.org/en/A/HRC/39/64>.

the past months: “These forces have killed thousands and displaced nearly one million people since the coup.”¹⁵

In July, four democracy activists were executed by Myanmar’s armed forces in spite of repeated calls by the United Nations and the international community not to carry out death sentences.¹⁶ Furthermore, 84 political prisoners have been sentenced to death and are at risk of imminent execution.¹⁷

The High Commissioner has repeatedly called on “businesses that operate in Myanmar to cease working with entities owned by or affiliated with the military, [...] and ensure that such businesses are not involved in joint ventures or other revenue-sharing arrangements with the military of Myanmar or businesses under their influence.”¹⁸ In her update to the Human Rights Council in June 2022, she also called for intensified actions against the junta, including “placing increased restrictions targeting military-controlled financial holdings and business interests, and limiting their access to foreign currencies to restrict their ability to purchase military equipment and supplies.”¹⁹ Likewise, the UN Special Rapporteur on the situation of human rights in Myanmar recommends to degrade the military’s financial capacity “by sanctioning the Myanmar Foreign Trade Bank, Myanma Oil and Gas Enterprise, and other key sources of revenue.”²⁰

For years, the armed forces in Myanmar have committed acts of extreme brutality against the country’s civilian population. Pursuant to these abuses, legal

¹⁵ UN General Assembly, Report of the Special Rapporteur on the situation of human right in Myanmar, 12. October 2022, A/77/2955, https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.ohchr.org%2Fsites%2Fdefault%2Ffiles%2F2022-10%2FA-77-2955-UNSR-Myanmar-AUV_0.docx&wdOrigin=BROWSELINK

¹⁶ UN High Commissioner for Human Rights, Myanmar: Bachelet condemns executions, calls for release of all political prisoners, Press release, 25 July 2022, <https://www.ohchr.org/en/press-releases/2022/07/myanmar-bachelet-condemns-executions-calls-release-all-political-prisoners>

¹⁷ See footnote 15.

¹⁸ Human Rights Council, *Situation of human rights in Myanmar since 1 February 2021, Report of the United Nations High Commissioner for Human Rights*, A/HRC/49/72, para 76e.

¹⁹ UN High Commissioner for Human Rights, 50th Session of the Human Rights Council Oral update on Myanmar, 14 June 2022, <https://www.ohchr.org/en/statements/2022/06/50th-session-human-rights-council-oral-update-myanmar>

²⁰ UN General Assembly, *Report of the Special Rapporteur on the situation of human right in Myanmar*, 12 October 2022, A/77/2955.

proceedings are underway before the International Criminal Court²¹ for war crimes and the International Court of Justice for crimes against humanity.²²

2.2 Myanmar Oil and Gas Enterprise (MOGE)

Myanmar's state-owned oil and gas company is the largest source of revenue for the Myanmar government. Since the coup, MOGE has been controlled by the Tatmadaw. MOGE participates in joint ventures with foreign companies which produce oil and gas in Myanmar. MOGE's revenues derive from the sale of oil and gas as well as royalties that the joint venture partners must pay.

According to the Extractive Industries Transparency Initiative (EITI), Myanmar's oil and gas sector generated total revenues of almost USD 727 million in the 2017–2018 fiscal year. This corresponded to 72 per cent of government revenues from the resource extraction sector. At the close of the same fiscal year, MOGE had USD 4.6 billion in separate bank accounts that were kept out of the national budget.²³ Most of the revenues derive from gas exports, which account for around 50 per cent of Myanmar's foreign currency earnings. In 2021–2022, the Ministry of Planning, Finance and Industry forecast that MOGE's revenues from offshore and pipeline projects would come to USD 1.5 billion.²⁴

The EU imposed sanctions on MOGE on 21 February 2022, on the grounds that MOGE "is controlled by and generates revenue for the Tatmadaw, therefore contributing to its capabilities to carry out activities undermining democracy and the rule of law in Myanmar/Burma."²⁵

²¹ International Court of Justice, *Application of the Convention on the Prevention and Punishment of the Crime of Genocide (The Gambia v. Myanmar)*, <https://www.icj-cij.org/en/case/178>

²² International Criminal Court, *Bangladesh/Myanmar, Situation in the People's Republic of Bangladesh/Republic of the Union of Myanmar*, <https://www.icc-cpi.int/bangladesh-myanmar>

²³ Extractive Industries Transparency Initiative (EITI), *EITI Myanmar, Report 2017-2018*, January 2019 https://eiti.org/files/documents/meiti_reconciliation_report_2017-2018_final_signed_31st_march_2020.pdf

²⁴ Publish What You Pay, Policy briefing: *Financing the Military in Myanmar: Analysis of Gas Revenues*, June 2021, <https://www.pwyp.org/wp-content/uploads/2021/06/Financing-the-Military-in-Myanmar.pdf>

²⁵ Council Implementing Regulation (EU) 2022/239 of 21 February 2022 implementing Regulation (EU) No 401/2013 concerning restrictive measures in view of the situation in Myanmar/Burma, <https://eur-lex.europa.eu/legal->

3 GAIL's business links with MOGE

The Shwe gas project includes natural gas fields located off the Rakhine coast in the Bay of Bengal. The gas field was discovered in 2004 and production started in 2013. The project, which includes the A1 & A3 blocks, is a joint venture in which GAIL holds an 8.5 per cent participating interest. POSCO Daewoo is the operator of the joint venture (51 per cent). The other partners are MOGE (15 per cent), ONGC Videsh (India) (17 per cent), and Korea Gas Corporation (KOGAS, 8.5 per cent).²⁶

The companies also have the same pro rata shareholdings in the "Shwe Offshore Pipeline" which transports gas from the offshore platform to an onshore gas terminal at Kyaukphyu in Rakhine State from where the gas enters the South East Asia Gas Pipeline (SEAGP) (consequently, GAIL's interest in the pipeline is 8.5 per cent).

SEAGP is an 800 km onshore pipeline which traverses Myanmar and terminates in Nanning, China. The pipeline was completed in 2013.²⁷ SEAGP is a consortium, in which the upstream investors in the Shwe project have interests. China National Petroleum Corporation (through CNPC-South East Asia Pipeline Company Limited) has a controlling interest (50.9 per cent) in SEAGP, while POSCO Daewoo owns 25.041 per cent, ONGC owns 8.347 per cent, GAIL and KOGAS own 4.1735 per cent each, and MOGE owns 7.4 per cent.²⁸

The further development of the Shwe gas project is ongoing, with the operator currently carrying out the second phase of the project. This includes drilling production wells which connect to the existing Shwe platform.²⁹ Production is scheduled to start in 2022. POSCO Daewoo reports that it is proceeding to drill

[content/EN/TXT/?uri=uriserv%3AOJ.L_.2022.040.01.0010.01.ENG&toc=OJ%3AL%3A2022%3A040%3ATOC](https://www.gail.com/content/EN/TXT/?uri=uriserv%3AOJ.L_.2022.040.01.0010.01.ENG&toc=OJ%3AL%3A2022%3A040%3ATOC)

²⁶ GAIL Annual Report 2021-2022.

²⁷ In 2011, the Council on Ethics recommended to exclude the companies POSCO, Daewoo International Corporation, ONGC Videsh, GAIL, and KOGAS due to the risk of contributing to human rights abuses in connection with the construction of the onshore SEAGP pipeline across Myanmar in 2011. The Ministry of Finance, which was responsible for deciding what action to take with respect to the Council's recommendation at that time, did not conclude in this case, <https://etikkradet.no/posco-daewoo-international-corporation-oil-and-natural-gas-corporation-ltd-ongc-gail-india-korea-gas-corporation-kogas-2/>

²⁸ GAIL Annual Report 2021-2022.

²⁹ NS Energy, Shwe Gas Project, Bay of Bengal, Myanmar, <https://www.nsenergybusiness.com/projects/shwe-gas-project/>

exploration wells in Block A-3 in the third phase of the project which also involves construction and installation of a gas compression platform.³⁰

Companies engaging in Myanmar's petroleum sector must enter into joint ventures with MOGE. The joint venture agreements in which GAIL is a participant have two parts: one part relating to upstream activities with a production-sharing agreement, and one part relating to the transport of gas via pipeline, which is performed through a limited company in which MOGE and the other joint venture partners are shareholders.³¹

The Shwe gas project is the country's second-largest source of gas revenues and was expected to produce 30 per cent of all gas from Myanmar in 2021–2022. About 80 per cent of the natural gas produced is sold to China, while 20 per cent is used domestically.³² In the 2018 fiscal year, the value of gas exports has been estimated at 930.7 million USD.³³ The revenue from the transport of gas through the SAEGP pipeline amounted to nearly 402 million USD in the same period.

MOGE's revenues derive from the sale of gas (in accordance with its percentage shareholding in the joint venture) and production fees (royalties) from the joint venture partners.³⁴ Based on data in EITI's latest report on Myanmar, the organisation Publish What You Pay has estimated that the Shwe gas project has contributed between 214 million USD and 471 million USD per year in payments to MOGE.³⁵ GAIL has not provided any information about its payments to MOGE.

While other oil and gas companies have announced their intention to withdraw from projects in Myanmar, neither GAIL nor its business partners seem to have published any such statements of intents.³⁶

³⁰ POSCO International, Myanmar Shwe project, <https://www.poscointl.com/eng/oilNgas.do> and Myanmar Now, POSCO continues development of Shwe gas project, 27 October 2021, <https://www.myanmar-now.org/en/news/posco-continues-development-of-shwe-gas-project>

³¹ EITI 2019 and Publish What You Pay 2021.

³² EITI 2019.

³³ EITI 2019 and Publish What You Pay 2021.

³⁴ Publish What You Pay 2021.

³⁵ Publish What You Pay 2021.

³⁶ On 21 January 2022, TotalEnergies and Chevron announced that they would withdraw from the Yadana field within six months because of the human rights situation in the country and stop paying revenues to the Myanmar state. TotalEnergies has now withdrawn from Myanmar, see Total Energies' press release, TotalEnergies Has Definitely Withdrawn from Myanmar, 20 July 2022,

4 Information from GAIL

The Council on Ethics contacted GAIL in July 2022 to request information about how the company has acted to avoid involvement in or association with human rights abuses through its operations in Myanmar. The company did not respond to the Council's request, but commented later on the draft recommendation to exclude the company.

The company does not seem to have published any statements or expressed any views concerning the situation in Myanmar after the coup in 2021. According to its human rights policy, "GAIL upholds a zero-tolerance policy towards any act that leads to the violation of human rights."³⁷ There are no details as to how the company implements its policy in Myanmar.

According to its 2021 Annual Report, which was published in August 2022, GAIL will seek further business opportunities in Myanmar and other countries in South East Asia "in the areas of the gas value chain and beyond."³⁸

In its comment on the draft recommendation to exclude the company, GAIL wrote that it is a "non-operating Partner with a minority share in the Myanmar Shwe gas project" and that it has a similar role in the SEAGP-project. Concerning human rights, the company stated that "GAIL upholds the sanctity of human rights, and has never been informed by POSCO and SEAGP about any human rights violations attributable to these projects in Myanmar." According to GAIL, the project has helped with energy supply to local communities, which also have benefitted from various CSR activities, including medical equipment and supplies during the pandemic. GAIL stated that the company had discussed the issue with POSCO and the CNPC-South East Asia Pipeline Company.³⁹

<https://totalenergies.com/media/news/press-releases/totalenergies-has-definitively-withdrawn-myanmar>.

³⁷ GAIL (India) Ltd online, Our People, <https://gailonline.com/OurPeople.html#:~:text=GAIL%20upholds%20a%20zero%2Dtolerance,at%20any%20of%20our%20operation>.

³⁸ GAIL Annual Report 2021.

³⁹ GAIL's letter to the Council on Ethics, 20. October 2022.

5 The Council's assessment

The Council on Ethics has assessed the GPFG's investment in GAIL against the ethical guidelines' criterion covering serious violations of the rights of individuals in situations of war or conflict.

The abuses perpetrated against the civilian population in Myanmar are well documented and constitute grievous violations of humanitarian law and human rights. Since the coup, many civilians have been killed and even more imprisoned. Rebellion and armed resistance to the coup has been met with intensified use of force and rights abuses, which have increased in both scale and severity. The Council considers that there is a high risk that the Tatmadaw will continue to perpetrate further, extremely serious abuses. Due to the risk of contributing to such serious norm violations, companies operating in Myanmar must demonstrate particular care and due diligence.

In keeping with previous recommendations, the Council attaches importance to whether the company's business operations help to strengthen the armed forces' financial capacity. The Council notes that the UN High Commissioner for Human Rights advises against partnerships with companies that are under military control and that generate income for the Tatmadaw. The Council further notes that the EU imposed sanctions on MOGE precisely because revenues from this company increase the armed forces' capacity to commit serious norm violations.

The Tatmadaw's largest source of income is the oil and gas industry, and the Shwe field generates substantial revenues. All the partners in the joint venture generate income for the armed forces. In this case, the GAIL's contribution relates to the revenue streams it generates through its participation in the Shwe consortium, which help to finance the Tatmadaw's operations and abuses. Given the serious nature of the abuses to which GAIL has contributed, the Council takes the view that no weight can be attached to the company's assertion that the project has been of benefit to the local community.

The Council on Ethics notes that GAIL does not seem to have addressed the human rights situation in Myanmar publicly, and that it has not provided information which indicates that the company has conducted any due diligence after the coup. The Council presumes that, in any case, the company will not have sufficient influence to enable it to prevent new abuses, as long as the armed forces are in power. In the Council's view, the company will therefore have no other option but to withdraw from Myanmar to avoid contributing to norm violations. The Council notes that several oil companies have announced their intention to do so.

GAIL has not given any indications that it will change or terminate its business partnership with MOGE. The company says that contractual terms prevent it from withdrawing from the joint venture. The fact that the company in August 2022, one and a half year after the coup, indicates that it will seek additional business opportunities in Myanmar, leads the Council presume that GAIL will remain in the country and continue to generate significant revenues for the armed forces. The Council therefore concludes that the risk of contributing to norm violations is unacceptable and recommends that the company be excluded from investment by the GPFG.

6 Recommendation

The Council on Ethics recommends that GAIL (India) Ltd be excluded from investment by the Government Pension Fund Global due to an unacceptable risk of the company contributing to the violation of the rights of individuals in situations of war or conflict.

Johan H. Andresen Leder	Svein Richard Brandtzæg	Cecilie Hellestveit	Vigdis Vandvik	Siv Helen Rygh Torstensen
(Sign.)	(Sign.)	(Sign.)	(Sign.)	(Sign.)