

To Norges Bank

UNOFFICIAL ENGLISH TRANSLATION

**Recommendation to revoke the
exclusion of Thoresen Thai Agencies
PCL from investment by the Norwegian
Government Pension Fund Global
(GPFGB)**

1 Introduction

The Council on Ethics recommends that the exclusion of Thoresen Thai Agencies PCL¹ (Thoresen Thai) from investment by the Norwegian Government Pension Fund Global (GPF) be revoked.

As per the Council's recommendation, Thoresen Thai has been excluded from investment by the GPF since 2018. The Council recommended exclusion because the company had disposed of decommissioned vessels for break up on beaches in Pakistan and Bangladesh, where environmental and working conditions were considered to be extremely poor.

The company has not disposed of further ships to be broken up for scrap since 2018. The Council therefore considers that grounds for exclusion no longer exist.

2 Background

On 29 June 2017, the Council recommended that Thoresen Thai be excluded from investment by the GPF.² Norges Bank published its decision to do so on 16 January 2018.

The Council's assessment was that Thoresen Thai had over a period of several years disposed of decommissioned vessels by sending them to be broken up for scrap on beaches in Pakistan and Bangladesh. The practice of beaching was considered seriously polluting and associated with extremely poor working conditions. In the Council's view, the company, by disposing of ships for beaching, could be seen as contributing to both serious human rights abuses and severe environmental damage.

In its recommendation, the Council suggested that the company's exclusion may be revoked if four years passed without it disposing of further vessels for breakup under unacceptable conditions, or sooner, if the company announced that such practice had ceased.

The Council continuously monitors information about vessels that are broken up in Pakistan and Bangladesh. It has found no information indicating that Thoresen Thai has disposed of any ships for breakup there or anywhere else since the company was excluded from investment by the GPF.

¹ Issuer ID: 178040

² Council's recommendation, 29 June 2017: <https://etikkradet.no/thoresen-thai-agencies-pcl-2/>

3 Information from the company

The Council has repeatedly contacted the company to obtain information about its policies and practices with respect to the disposal of decommissioned vessels. The company has not responded to the Council's queries.

4 The Council's assessment

Although the company has not responded to the Council's queries or in any other way indicated the adoption of new policies regarding the disposal of decommissioned vessels, over four years have passed without it having disposed of ships for breakup in an unacceptable manner. The set condition for revoking the company's exclusion has thus been met.

Based on the above, the Council recommends that the exclusion of Thoresen Thai Agencies PLC be revoked.

5 Recommendation

The Council recommends that the exclusion of Thoresen Thai Agencies PLC be revoked.

*

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