

UNOFFICIAL ENGLISH TRANSLATION

**To Norges Bank**

Date: April 28, 2026

# **Recommendation to end the observation of Pan Ocean Co Ltd**

# 1 Introduction

The Council on Ethics recommends ending the observation of Pan Ocean Co Ltd (Pan Ocean).

Following a recommendation from the Council on Ethics, Pan Ocean has been under observation since 2018. The background was that the company had disposed of several decommissioned vessels for scrapping in Bangladesh and Pakistan in 2017 and previous years. The company has not disposed of any additional vessels for scrapping there since 2021.

Pursuant to the Interim ethical guidelines for the Government Pension Fund Global section 5 (5), the Council on Ethics may recommend that the observation of companies be terminated.<sup>1</sup>

## 2 Background

On 29 June 2017, the Council on Ethics recommended placing Pan Ocean under observation.<sup>2</sup> Norges Bank made public its decision to place the company under observation on 16 January 2018.

The basis for the Council's assessment was that Pan Ocean, over several preceding years, had disposed of decommissioned vessels by sending them for beaching and dismantling in Bangladesh, where working conditions were considered very poor and environmental pollution significant. The Council considered that, by disposing of vessels for scrapping in this manner, the company could be said to contribute to serious human rights violations and severe environmental damage. In dialogue with the Council on Ethics, it emerged that the company was considering introducing a new policy in this area and changing its practices. The Council on Ethics therefore recommended observation of the company rather than exclusion.

As the Council on Ethics explained in a letter to Norges Bank in December 2022, it had become aware that the company had disposed of additional vessels for scrapping in Bangladesh during the observation period. In further dialogue with the Council on Ethics, the company stated that it was in the process of introducing a new policy for the disposal of decommissioned vessels. In light of

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<sup>1</sup> Interim guidelines: <https://www.regjeringen.no/en/documents/interim-ethical-guidelines-for-the-government-pension-fund-global/id3138527/>

<sup>2</sup> Council's recommendation: <https://etikkradet.no/pan-ocean-co-ltd-2/>

this, the Council on Ethics recommended that the observation period be extended by a further four years.

Since 2021, Pan Ocean has not disposed of any vessels for scrapping in Bangladesh or Pakistan.

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

Pan Ocean has written to the Council on Ethics<sup>3</sup> and informed it that the company has published its policy for Sustainable Vessel Recycling:

*"Pan Ocean has established a sustainable vessel recycling policy in accordance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC). Under this policy, the company exclusively selects Ship Recycling Facilities (SRFs) certified in accordance with the HKC by recognized organizations. Pan Ocean's Green Recycling Policy aims to prevent the uncontrolled release of hazardous substances such as asbestos, heavy metals, and waste oil during the dismantling process. Additionally, it ensures the safety, health, and human rights of workers involved in vessel recycling operations."*<sup>4</sup>

The policy covers the mapping of hazardous materials (Inventory of Hazardous Materials, IHM) in vessels prior to recycling, the selection of certified recycling yards, and third-party verification of the recycling process.

### **4 The Council on Ethics' assessment**

During the observation period, the company has introduced a policy for the disposal of decommissioned vessels intended to ensure that this takes place in a responsible manner. The policy is in line with best practice in this area.

Moreover, more than four years have passed since Pan Ocean last disposed of vessels for scrapping in Bangladesh or Pakistan. The Council on Ethics therefore considers that the conditions for ending the observation of the company have been met.

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<sup>3</sup> Email from Pan Ocean Co Ltd to Council on Ethics, August 18, 2025.

<sup>4</sup> Pan Ocean Sustainable Vessel Recycling Policy:  
<https://www.panocean.com/eng/Environmental04>

## 5 Recommendation

The Council on Ethics recommends ending the observation of Pan Ocean Co Ltd.

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