

31 August 2026

Svein Gjedrem
Chair, Committee on the Ethical Framework
for the Government Pension Fund Global
Norwegian Ministry of Finance,
Akersgata 40, 0030 Oslo, Norway

Dear Mr Gjedrem and members of the Committee,

Contribution to the review of the ethical framework for the Government Pension Fund Global

The Hydropower Sustainability Alliance (HSA) welcomes the Norwegian Government's review of the ethical framework for the Government Pension Fund Global and submits this letter to offer a contribution to its work.

HSA is a multi-stakeholder, non-profit organisation that governs the Hydropower Sustainability Standard (HSS), the only global standard and certification system designed specifically for the hydropower sector. Our governance structure brings together environmental and social civil society organisations (e.g. IUCN), governments (e.g. Switzerland), financial institutions (e.g. World Bank), and the hydropower industry (International Hydropower Association). Norway has been part of this work from the beginning. The Norwegian government was a founding participant in the multi-stakeholder forum that developed the Standard's predecessor tool in 2010, and NORAD has been one of HSA's principal long-term partners, including through representation on our Governance Committee and through sustained support for the deployment of the Standard in developing country markets.

Whilst we understand that the current review of the ethical framework focuses on the criteria concerning violations of human rights and the rights of individuals in war and conflict, it is our understanding that the Committee may also consider other issues of relevance for the future development of the ethical framework.

It is in this context that we write to recommend that future assessments under the conduct criteria, and exercise of active ownership by NBIM, take sector-specific, multistakeholder governed standards, such as the Hydropower Sustainability Standard, as their point of departure whenever these exist.

The background for this recommendation is that the Council on Ethics has to date excluded five companies from the GPFG on grounds directly connected to hydropower operations, in

India, Indonesia, Brazil, Tanzania and Egypt. In each case, the Council drew on general instruments such as the IFC Performance Standards, the UN Guiding Principles on Business and Human Rights, and World Bank Operational Policies. These are the right reference points, and the Council has applied them rigorously. The HSS builds on the same foundations but adds the sector-specific operational detail that general frameworks are not designed to provide, translating shared principles into the technical and governance realities specific to hydropower development and operation.

We note that the committee's mandate places particular emphasis on strengthening active ownership as a tool alongside exclusion, and on clarifying how conduct-based criteria are applied. The HSS is directly relevant to both. Where a hydropower company or project has been independently assessed against the Standard, that assessment provides structured, publicly available, third-party verified evidence of conduct across twelve environmental, social and governance topics. This provides a concrete basis for company engagement, and a measurable benchmark against which to track improvement over time. Equally, where a company operating in a sensitive context has not sought independent assessment, that absence is itself informative.

The committee's mandate also commits to involving civil society in its work. HSA welcomes that commitment and would be glad to contribute sector-specific expertise to any workshop, consultation or other process the committee organises, as well as to provide technical input to the secretariat on request.

HSA stands ready to engage in whatever way is most useful. We are also available to meet with committee members or the secretariat at their convenience.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'João Costa'.

João Costa
Executive Director
Hydropower Sustainability Alliance