

The Norwegian NCP not to proceed with two complaints against NBIM – upholds recommendations on implementation of the OECD Guidelines

The Norwegian Contact Point for the OECD Guidelines has considered two specific instances concerning Norges Bank Investment Management – NBIM. The complaints raise questions of principle concerning application of the OECD Guidelines in relation to financial institutions.

The complaints concerned are:

- United Steel Workers and Birlesik Metal IS concerning the Government Pension Fund Global's investments in the US company Crown Holdings Inc and its alleged violations of labour rights in its subsidiaries in Canada and Turkey.
- The Cotton Campaign, Anti-Slavery International and KTNC Watch concerning the Government Pension Fund Global's investments in the Korean companies Daewoo International and POSCO, and their alleged use of child and forced labour through a subsidiary in Uzbekistan's cotton industry.

Both complaints request that NBIM contact the company in which it is a minority shareholder, i.e. Crown Holdings, Daewoo International and POSCO, respectively, to put a stop to the companies' alleged undesirable activities.

The complaints raise questions about what type of due diligence can be expected of a minority shareholder, and questions of principle concerning application of the OECD Guidelines in relation to financial institutions. A process is ongoing in the OECD to specify expectations of the financial sector, including of minority shareholders.

Already in 2013, in connection with the Forum for Development and Environment's complaint against NBIM, the NCP issued recommendations for NBIM on how to comply with the OECD Guidelines.

'The NCP's task is to promote the OECD Guidelines. A new consideration of the same questions of principles concerning the financial sector's compliance with the Guidelines, so shortly after the last consideration and at the same time as the ongoing clarification process in the OECD, will not further the effectiveness of the Guidelines,' says Ola Mestad, NCP Chair.

On this basis, the NCP has decided to close the case without further examination.

For further information:

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About the OECD Guidelines and the Norwegian NCP:

<http://www.responsiblebusiness.no/>