



## The Council's work under the human rights criterion

Section 3 of the GPFG's guidelines states that "Companies may be put under observation or be excluded if there is an unacceptable risk that the company contributes to or is responsible for serious or systematic human rights violations."

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Over several years, the Council has worked systematically with some sectors where the risk of human rights violations seems particularly high. The Council's main thrust in 2018 was focused on the investigation of labour rights violations in the textiles industry in Southeast Asia, conditions akin to forced labour for migrant workers in the Gulf states, child labour in the seed production sector and hazardous working conditions in shipbreaking in Bangladesh and Pakistan. The Council's work with respect to textiles companies is presented in more detail on page 16. The Council also consecutively investigates cases identified through its portfolio monitoring efforts. In 2018, the Council spent a lot of time on cases where infrastructure projects have been in conflict with the rights of indigenous peoples.

### **Migrant workers in the Gulf states**

Since 2016, nine companies in the construction and service sectors in the Gulf states have been investigated to assess whether they contribute to migrant workers being placed in a situation akin to forced labour. The Council has focused particularly on the recruitment process, where workers often bear the bulk of the cost. At the same time, prior to leaving their homelands, they are told they will receive better wages and working conditions than are actually offered when they arrive at their workplace. Two of these companies have left the GPFG without the Council having issued any recommendation, while the assessment of one company has been shelved because the Council considered that it did not contribute to serious human rights violations. In 2018, the Council commissioned new investigations of three of the companies and held meetings with two of them. Investigating working conditions in these countries is difficult. It is also difficult to assess whether the companies in the GPFG are responsible for norm violations that could lead to exclusion. The investigations have also revealed other violations of labour rights, such as illegal overtime and harassment. In 2019, the Council will conclude its assessment of the companies where data has been collected. It will also decide how further to pursue this issue.

### **Child labour in seed production**

Since 2005, the Council has investigated child labour in seed production in India. Eight companies have been examined, and one company has been excluded as a result of this work. Norges Bank decided in 2018 to follow up one such company through the exercise of ownership rights, based on the Council's recommendation to place it under observation. Both the Council and Norges Bank are still engaged in this issue, which both organisations have worked on ever since the ethical guidelines were established. In 2018, the Council held meetings with five Indian seed companies. Since 2005, the occurrence of child labour in this industry has decreased considerably. Nevertheless, the number of children working to produce hybrid seed varieties remains substantial. The Council will continue to monitor developments in this area closely.

### **Beaching**

In 2017, the Council started investigating ship-owning companies which dispose of their vessels by sending them to be broken up on the beaches of Bangladesh and Pakistan. The environmental and working conditions associated with shipbreaking in these countries are extremely poor, and these cases are assessed against both the environment and human rights criteria. Four companies were excluded on these grounds in 2018, while one company was placed under observation. The Council will follow up this work in 2019 and will also assess companies that dispose of ships for breakup in India.

### **Infrastructure projects that impact indigenous peoples**

In recent years, the Council's portfolio monitoring efforts have picked up several media reports of infrastructure projects in areas where indigenous peoples are living, particularly in South America. The cases the Council has assessed in 2018 concern indigenous peoples' rights to land and natural resources, cultural rights and the right to self-determination. Work on such assessments will continue in 2019.