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Date: 12.07.2024

Submitted by email to ohchr-spbquickresponsedesk@un.org

Response to joint communication from UN Special Procedures

Thank you for your letter. We appreciate you sharing the information you have received relating to our investment in ThyssenKrupp. We are concerned about the allegations, and the ongoing humanitarian crisis in the wake of the 7 October 2023 attacks.

Norges Bank Investment Management (NBIM) manages the Norwegian Government Pension Fund Global. The aim of the fund is to ensure responsible and long-term management of the revenue from Norway's oil and gas resources to the benefit of current and future generations of Norwegians. The Norwegian parliament has laid down the formal governance framework for the fund, and the Ministry of Finance has issued the guidelines for its management. The fund is a minority investor in just under 9 000 companies worldwide, with an average ownership share of 1.5 per cent.

Responsible investment is an explicit part of the investment mandate issued by the Ministry of Finance, and NBIM seeks to generate the highest possible return in a responsible and transparent manner. We are committed to respecting human rights in our activities in alignment with the UN Guiding Principles on Business and Human Rights (UNGPs) and other relevant international standards. As a responsible investor, we have clearly formulated expectations of companies on how they should behave across a range of sustainability topics, including human rights. These expectations, available on our website, provide the basis for our ownership engagement and voting as well as our risk monitoring of companies. In our expectations on human rights, we stipulate how we expect companies to respect human rights and comply with the UNGPs. We also state how companies should integrate salient human rights issues into their policies, strategies, and risk management practices.

We use our leverage as a shareholder to encourage companies to take steps to identify and prevent, as well as to mitigate and remediate, adverse impacts from their operations. We conduct ongoing due diligence on environmental and social risks across our portfolio. Tracking our results and being as transparent as possible about our processes are integral to our work as a responsible investor. To support our ability to assess human rights risks in our portfolio, we have a variety of systems in place that monitor company alignment with our expectations, and that alert us to potential company misconduct. These include a quarterly screening of the portfolio seeking to identify portfolio companies' potential and actual adverse impacts across environmental and social topics, in addition to our systematic daily monitoring of ESG-related incidents. We may also do more thematic analysis. Once companies are flagged, we make an assessment of the appropriate response. Possible responses include direct dialogue, the use of voting rights, divestment, and referral to the independent Council on Ethics (as described further below). Beginning in 2021, we have also assessed all

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companies on ESG-related risks before those companies enter our investment index. In 2023, we abstained from investing in 54 companies as a result of this screening. Further information about our due diligence processes and work can be found on our webpages and in our annual Responsible Investment report.

We expect companies to conduct enhanced due diligence in contexts where human rights risks are heightened, such as situations of war and conflict. Aligned with the UNGP, we expect companies to have human rights management systems that are proportionate to the level of risk in the areas they operate. Since 2020, we have undertaken a targeted engagement with companies operating in conflict-affected and high-risk areas (CAHRAs). We enter these dialogues with clear criteria for how companies can enhance their due diligence, and we track their progress towards these criteria. Our overarching aim is to drive improvements in how companies govern, manage, and report on their human rights risks in CAHRAs. We share learning and advice, based on our dialogues with other companies, as well as published best practice guidance, including the UN Working Group on Business and Human Rights Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide, and other resources. Since its initiation, this targeted engagement has expanded and now covers 29 companies, including companies with operations or activities linked to the Occupied Palestinian Territories.

As part of our own enhanced due diligence, and in recognition of the increased geopolitical tension and conflict levels worldwide, we have taken additional steps to ensure that we continue to meet our human rights commitments in recent years. In 2022, we updated and strengthened our expectations of companies, including clearer language on the obligations of companies in conflict-affected areas. We articulate measures companies can take to meet their enhanced due diligence obligations, including conducting human rights impact assessments and undertaking conflict analyses. We also emphasise the importance of comprehensive stakeholder consultation and the protection of human rights defenders. Since the 7 October 2023 attacks, we have undertaken a mapping exercise on how companies we invest in may be exposed to or have operations in relation to the conflict. We have engaged with companies on their human rights due diligence and initiated bilateral dialogue with civil society and other relevant stakeholders.

In addition to our internal systems, civil society, human rights defenders, and other stakeholders, are important sources of information in our responsible investment work. At regular intervals throughout the year, we invite civil society organisations to our offices in Oslo and London to share information about our investments and provide feedback on our work on responsible investment, including organisations that focus on CAHRAs and the Occupied Palestinian Territories. We also interact with stakeholders bilaterally or in groups on a more topic or event-related basis. We encourage all stakeholders to contact us if they have information that could be relevant to our investments by emailing our ownership department. We affirm this, and make our email address available, on our webpage. We similarly expect all companies to have operational-level grievance mechanisms and to cooperate in remediation when required, in alignment with the OECD's Due Diligence Guidance for Responsible Business Conduct.

In addition to our ownership activities, the independent Council on Ethics for the Government Pension Fund Global ('the Council') assesses and makes recommendations on whether the fund's company investments are aligned with the fund's Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global ('the Guidelines'). The Guidelines are issued by the Norwegian Ministry of Finance and articulate criteria relating to both product-based and conduct-based

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observation and exclusion of companies. In accordance with these criteria, the fund shall not be invested in companies that develop or produce weapons or key components of weapons that violate fundamental humanitarian principles nor companies that sell weapons to states engaged in armed conflict that use the weapons in ways that constitute serious and systematic violations of the international rules on the conduct of hostilities. In addition, companies may be excluded from the fund where there is unacceptable risk of serious violations of the rights of individuals in situations of war or conflict, serious or systematic human rights violations or other serious violations of fundamental ethical norms. The Council monitors the portfolio on an ongoing basis for companies whose operations may be in breach of the Guidelines. Over the years, companies with business activities in the Occupied Palestinian Territories, as well as defence companies that produce weapons in breach of the Guidelines, have been excluded. A full list of exclusions and observations is publicly available on NBIM's webpage. The Council's recommendations are published on their webpage.

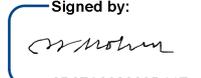
We thank you again for sharing the information about ThyssenKrupp. In alignment with our investment framework, human rights due diligence processes and commitments to the UNGP, we will consider the information and the tools we have at our disposal. The independent Council on Ethics of the Government Pension Fund Global is, furthermore, aware of the information. We also refer to the response letter from the Norwegian Ministry of Foreign Affairs to the joint letter from UN Special Procedures addressed to them on this matter.

Yours sincerely

Signed by:

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Carine Smith Ihenacho

Chief Governance and Compliance Officer

Signed by:

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Wilhelm Mohn

Global Head of Active Ownership