



The Minister

Permanent Mission of Norway to the United Nations
Office and other international organizations in Geneva

Att: Francesca Albanese, UN Special Rapporteur on
the situation of human rights in the Palestinian Territory
occupied since 1967

Your ref

Our ref
25/2960-

Date
30 May 2025

Dear Madame,

On behalf of the Norwegian Ministry of Finance, I would like to extend my sincere thanks for your letters dated 30 April and 20 May 2025. I appreciate your efforts in bringing to my attention the information and concerns you have regarding the Norwegian Government Pension Fund Global (GPFG or the Fund) and its investments. Your correspondence raises important issues, and I value the opportunity to revert to you on the matters you have outlined.

The Norwegian Government is deeply concerned by developments in Palestine, both in Gaza and in the West Bank. The number of civilians killed, and the unbearable humanitarian situation inflicted upon the civilian population since the beginning of the war in Gaza, is unacceptable. We have repeatedly condemned violations of international law, including the refusal to allow access to life-saving humanitarian aid into Gaza.

In the West Bank, the demolition of hundreds of Palestinian homes – particularly in refugee camps – and daily violence against innocent Palestinians by extremist settlers appear to be a pattern. The State of Palestine is being fragmented, the population is losing their homes, economic activity is being obstructed, and institutions along with education and healthcare services are disappearing.

The message from the Norwegian Government is unequivocal: The violence must cease, all hostages must be released without delay, and Israel must immediately facilitate the full and unhindered resumption of humanitarian aid into Gaza. The continued presence of Israel in the Occupied Palestinian Territory is unlawful and must come to an end.

Norway attaches great importance to the concerns expressed in your letters. I am grateful for the opportunity to provide clarification on the relevant facts and legal considerations, which I believe are essential to informing your perspective.

The Government is, on an ongoing basis, considering Norway's obligations under international law. This is the case in any context, but particularly in Palestine as a result of our deep concern at recent developments both in Gaza and on the West Bank. Based on thorough assessments, including of relevant legal issues, the Norwegian Government is confident that the GPFG's investments do not violate Norway's obligations under international law, in particular the obligations incumbent on all states arising from the unlawful presence of Israel in the Occupied Palestinian Territory.

In responding to your letter, I will provide a detailed presentation of the framework for the management of the GPFG and its governance system. The structure forms a coherent and recognised system for responsible investment practices including a mechanism for observation and exclusion of companies based on ethical criteria. I would like to bring to your attention that the GPFG is a financial investor invested in almost 9 000 listed companies as of end 2024. The companies are listed in close to 70 markets globally, with operations and value chains all over the world. The Fund is a minority shareholder in these companies owning on average 1.5% of the stocks. It should be noted that even if the Fund is large – both in value and looking at the global investments as a whole, its ownership in individual investee companies is relatively small. In practice, the Fund is managed as a large, global index fund.

I note from your letters that the concerns regarding GPFG may be reflected in your annual report to the UN Human Rights Council at its 59th Session that will take place from 16 June 2025 to 11 July 2025. I respectfully request that this letter be appended to your report.

In your letter of 30 April you request my observations on matters presented as five questions. I have organised my responses in the following manner: Firstly, under Section 1, in response to questions 3 and 5, I will provide an overview of Norwegian policy and measures in relation to Israel's unlawful presence in the Occupied Palestinian Territory. Section 2 concerns access to redress, relating to question 4. In response to question 2, section 3 provides a brief overview of the relationship between Norway's obligations under international law and the governance structure of the Fund. Finally, in section 4, I explain the governance structure of the Fund, the framework for responsible investment practises and how this is implemented through the operational management of the Fund covering activities related to conflict-affected and high-risk areas, such as the Occupied Palestinian Territory. Section 3 and 4 taken together answer your questions 1 and 2.

1. An overview of policy and measures taken by the Norwegian Government in relation to Israel's unlawful presence in the Occupied Palestinian Territory (questions 3 and 5)

Since 7 October 2023, the Norwegian Government has repeatedly and consistently called on the parties to respect their obligations under international law, including international humanitarian law. Norway was also among the first Western countries to call for a ceasefire and voted in favour of a ceasefire in the UN General Assembly in October 2023.

On 28 May 2024, Norway formally recognized Palestine as a state. The recognition affirms the inalienable right of the Palestinian people to self-determination under international law. Upholding this right is a fundamental step toward realizing the two-state solution, which remains the only viable path to achieving a just and lasting peace in the region.

Together with the EU and Saudi Arabia, Norway initiated the Global Alliance for the implementation of the two-state solution in September 2024. As chair of The Ad Hoc Liaison Committee (AHLC) Norway has for more than 30 years worked to strengthen the Palestinian Authority, state institutions, the Palestinian economy, and to support necessary reforms that lay the foundation for a future Palestinian state free from occupation.

The 19 July 2024 Advisory Opinion from the International Court of Justice (Advisory Opinion) regarding the “Legal Consequences arising from the Policies and Practices of Israel in the Occupied Palestinian Territory, including East Jerusalem” is an important ruling from the principal judicial organ of the United Nations. Norway argued along the same lines as the Court later did in its Advisory Opinion in our oral statement before the court during the public hearings.

Norway was also a co-sponsor of General Assembly resolution ES-10/25, adopted in September 2024, which seeks to ensure compliance with the Advisory Opinion of the ICJ by Israel and third States.

On 19 December 2024, the UN General Assembly adopted a resolution requesting the ICJ to provide an advisory opinion on the following question: What are Israel’s obligations under international law to allow and facilitate the presence of the United Nations, international organizations, and third States, including for the delivery of life-saving humanitarian assistance and essential services to Palestinians living under occupation? The UNGA resolution was based on a Norwegian initiative responding to the increasing pressure and obstructions exerted by Israel on the UN and humanitarian organizations. Norway also submitted a comprehensive written statement to the ICJ on 28 February this year and delivered an oral statement on 1 May, clearly conveying Norway’s position regarding Israel’s obligations to grant access to the UN and other humanitarian actors.

Norway has long maintained a policy of differentiation between Israel and the Occupied Palestinian Territory. In light of Norway’s recognition of Palestine and the finding of the ICJ in its Advisory Opinion that “all States are under an obligation not to recognize as legal the situation arising from the unlawful presence of Israel in the Occupied Palestinian Territory”, Norwegian authorities have undertaken a comprehensive review of all bilateral agreements

with Israel to ensure that our policy of differentiation is consistently applied across all agreements.

In 2022, the Norwegian Government decided to strengthen its requirement that Israeli products originating from the Occupied Palestinian Territory should be clearly labelled.

The Norwegian Transparency Act, which entered into force in 2022, places legal requirements on enterprises to carry out due diligence assessments in line with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGP), and to make the assessments public.

In addition, according to the white paper on ownership policy (Report No. 6 (2022–2023)), the Government expects companies with state ownership to conduct due diligence in line with the OECD Guidelines and the UNGP, to identify, prevent, and address negative impacts on people, society, and the environment. The white paper also emphasizes the State's expectation that companies operating in, trading with, or maintaining business ties to conflict-affected areas must respect international humanitarian law and ensure they do not contribute to or support violations of these laws. Extensive due diligence processes are required.

In March 2024, the Government advised Norwegian businesses not to engage in trade and activities that may enable the continued illegal occupation. This advice was further strengthened in October 2024, following the ICJ Advisory Opinion. The advice clearly expresses the Government's expectation that Norwegian companies act in a responsible manner and comply with the Norwegian Transparency Act, the UNGP and the OECD Guidelines. The advice refers to the ICJ opinion of 19 July 2024 and the corresponding risk for enterprises to be associated with serious violations of human rights and international law. The full text of the advice is here: [Do not engage in trade and business cooperation that serves to perpetuate Israel's occupation of Palestine - regjeringen.no](https://www.regjeringen.no/no/aktuelt/do-not-engage-in-trade-and-business-cooperation-that-serves-to-perpetuate-israel-s-occupation-of-palestine/id2911444/)

The Government has on numerous occasions, including through the above-mentioned advice, expressed its strong expectation that Norwegian enterprises act responsibly, in line with Norwegian legal requirement, the OECD Guidelines and the UNGP. To contribute to the general understanding of these principles and their implications, Deputy Foreign Minister Kravik hosted a seminar in April this year on responsible business in conflict areas, where the Deputy High Commissioner for Human Rights was keynote speaker. The purpose of the seminar was to facilitate heightened awareness of the key principles and how to undertake enhanced human rights due diligence in situations of conflict.

The Government is currently considering the possibility of introducing additional measures to prevent trade and other forms of economic engagement that contribute to sustaining Israel's unlawful presence in the Occupied Palestinian Territory. While it is premature to detail specific actions, the Government remains firmly committed to ensuring that its policies are clear, consistent, and easily understood, enabling the private sector to act in full compliance

and to avoid any involvement in maintaining the situation created by Israel's unlawful presence in the Occupied Palestinian Territory.

In April and July 2024, Norway aligned itself with the European Union's restrictive measures against violent Israeli settlers in the West Bank under the EU's Global Human Rights Sanctions Regime.

2. Access to redress (question 4)

In your letter you ask for information on the possibilities that persons affected by the activities of businesses domiciled in Norway have access to redress, through judicial or extrajudicial State mechanisms. The general rules on jurisdiction, liability, international private law etc. will apply; i.e. in a case before Norwegian courts of e.g. a claim for compensation against a legal entity domiciled in Norway for damages incurred abroad, a foreign based claimant, i.a. in Palestine, will have to argue that the facts of the case have a sufficiently strong connection to Norway, and that the legal entity in question is responsible and liable for the actions and damages in question.

3. Norway's obligations under international law in relation to the framework and management of the GPFG (questions 1 and 2)

In your letter you specifically ask for "information on the steps taken to align the Guidelines with Norway's international legal obligations". As mentioned above, Norway carefully considers, on an ongoing basis, the possible implications of Norway's obligations under international law on Norwegian Government policy, including the framework for the management of the GPFG. Under Section 4 below, I will provide detailed information on the GPFG, including measures taken to respond to the deeply concerning developments in the Occupied Palestinian Territory. Given your particular emphasis on the obligations of all states arising from the unlawful presence of Israel in the Occupied Palestinian Territory, I will briefly recall these obligations, as outlined by the ICJ in its July 2024 Advisory Opinion.

The Court concluded, by twelve votes to three, that all States are under an obligation not to recognize as legal the situation arising from the unlawful presence of the State of Israel in the Occupied Palestinian Territory and not to render aid or assistance in maintaining the situation created by the continued presence of the State of Israel in the Occupied Palestinian Territory (emphasis added).

I will briefly point out that Norway does not recognize the Occupied Palestinian Territory as part of Israel, nor does it recognize as legal the factual circumstances arising from Israel's unlawful presence in this area. I refer here, inter alia, to Norway's recognition of the State of Palestine, which is in itself a clear expression that Norway does not recognize Israel's presence in Palestine as lawful. Norway's formal recognition of Palestine entered into force on 28 May 2024. Territorially, Norway's recognition is based on "the borders prior to 4 June 1967, and the demarcation line from the 1949 Armistice Agreement, with Jerusalem as the divided capital". The area referred to by the Court as the occupied Palestinian territory is

included as part of the area that Norway explicitly recognizes as part of the State of Palestine.

As regards the shareholdings in the GPFG, based on thorough assessments, the Norwegian Government is confident that the GPFG's holding of minority shares in companies does not violate the obligations of non-recognition of the unlawful presence of Israel in the Occupied Palestinian Territory, nor does it reach the threshold of aid or assistance in maintaining that situation.

The conclusion of the assessments is that the purpose of the Ethical Guidelines and the practice of the Council on Ethics go beyond Norway's obligations as a third state in relation to Israel's illegal presence in Palestine. The current framework and practice operate with criteria that impose stricter requirements on fund management than would be the case if such requirements were based only on assessments of what is necessary to safeguard Norway's international law obligations. This is related to the fact that the purpose of the Ethical Guidelines is to ensure compliance with fundamental ethical norms, and not to identify entry points for states' violations of international law.

4. The Government Pension Fund Global (question 1 and 2)

4.1. The governance structure

The GPFG is owned by the Norwegian state and the Ministry of Finance has the overall responsibility for the management of the Fund.

The purpose of the Fund, as stipulated in the Government Pension Fund Act, is to support the funding of pension expenditure under the National Insurance Scheme and facilitate long-term considerations in the spending of government petroleum revenues, thus ensuring that the petroleum wealth benefits both current and future generations.¹

The objective of the investments in the Fund is to achieve the highest possible return, given an acceptable level of risk. Within the scope of this overarching financial objective, the Fund shall be managed responsibly. A financial objective and long-term management ensure that both current and future generations may benefit from the national petroleum wealth.

The Fund is operationally managed by Norway's central bank, Norges Bank, under a management mandate from the Ministry of Finance. Norges Bank makes investments and exercises ownership rights in investee companies, independently of the Ministry. The Bank is thus in its operational asset management independent from political authorities regarding investments in individual companies.

The management mandate for the GPFG is anchored in the Storting (Norwegian Parliament), normally through an annual white paper on the Government Pension Fund.² There is broad

¹ [Lov om Statens pensjonsfond - Lovdata](#) (in Norwegian only)

² [Annual Report to the Storting - regjeringen.no](#)

political consensus that the Fund is not a political instrument, including in foreign policy, beyond its financial objective.

The Ministry of Finance has decided on an investment strategy which takes into account the Fund's objective, its distinctive characteristics and assumptions on the functioning of the financial markets. The strategy is defined in the management mandate for the Fund and is reflected in, inter alia, the composition of a benchmark index. This strategic benchmark index defines a fixed capital allocation between equities and fixed income securities and reflects the owner's investment preferences and risk tolerance. The equity share for the Fund is 70 %.

A key premise underpinning the investment strategy is that risk can be reduced by spreading investments broadly, so-called diversification. Diversification of investments across different asset classes and companies globally, reduces vulnerability to developments in individual companies, industries, countries and regions. The benchmark has been designed with a view to ensuring broad investment diversification and facilitating close replication at a low cost.

Within defined risk limits, Norges Bank may deviate somewhat from the benchmark index. The Bank is not allowed to hold more than 10 % of the voting shares of any listed company.

The investment strategy and the management framework with diversification of investments across different asset classes and companies globally, together with the leeway for the operational manager Norges Bank to deviate somewhat from the benchmark, entails overall that the Fund is being a minority shareholder globally. At the end of 2024 the Fund was invested in nearly 9 000 publicly listed companies in close to 70 markets (excluding Norway). Thus, in effect, the Fund largely operates as a large index fund, holding small ownership stakes (1.5 % on average) in the companies it invests in.

4.2. The framework for responsible management constitutes a coherent system

The Fund is to be managed responsibly, as stated in the Government Pension Fund Act. The responsible investment practices are held to further the overarching financial objective of achieving the highest possible return, given an acceptable level of risk, by advocating long-term value added and responsible business conduct. Sound long-term return is assumed to depend on sustainable development in economic, environmental and social terms, as well as on well-functioning, legitimate and efficient markets.

The characteristics of the Fund and its investments as mentioned above, are also reflected in the mandate requirements on responsible management practises, as well as in how Norges Bank organises and prioritises its activities within this area.

4.3. Requirements on responsible investment in the management mandate to Norges Bank

The management mandate from the Ministry of Finance to Norges Bank states that responsible investment should be an integral part of the Bank's operational management of

the Fund. Norges Bank must establish principles for responsible management based on considerations of good corporate governance, environmental, and social factors, in line with internationally recognized principles and standards. This includes the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD MNE). The principles should emphasise that the management of the investment portfolio has a long-time horizon and is based on a broad diversification of investments.

The Bank is to establish a range of means for its responsible investment efforts. Norges Bank promotes market standards and sets expectations for how companies in the portfolio should address various global challenges. These expectations are built on internationally recognized standards from the OECD and the UN. The Bank's public expectation documents cover ten key sustainability topics.³ The Bank conducts ongoing sustainability due diligence,⁴ engages in dialogue with companies and exercises shareholder and voting rights based on its expectations. Additionally, the Bank has developed a market and sector-based risk model to assess sustainability risks for all companies in the portfolio. It monitors events and controversies across the portfolio and conducts thematic evaluations.

The Bank gives an extensive presentation of its work on responsible investment in an annual report.⁵

4.4. Ethical Guidelines and the Council on Ethics

The Ministry of Finance has also adopted *Guidelines for Observation and Exclusion of companies from the GPFG* (the Ethical Guidelines, the Guidelines)⁶ with the purpose to avoid the Fund being invested in companies that cause or contribute to serious violations of fundamental ethical norms as set out in these guidelines. The Guidelines contain criteria for what are considered fundamental ethical norms. These are divided into product-based and conduct-based criteria. If there is doubt whether the conditions for exclusion are met, whether future developments are in doubt, or whether it is considered more appropriate for other reasons, companies may be placed under observation. While all companies that produce certain products should be excluded according to the product-based criteria, the conduct-based criteria rest on assessments of specific circumstances.

The professionally independent Council on Ethics is tasked with monitoring and assessing whether individual companies in which the Fund is invested in have production or conduct that is in breach with the Ethical Guidelines. If the Council on Ethics identifies companies that the Council believes should be placed under observation or excluded, it shall make reasoned recommendations to Norges Bank. The Executive Board of Norges Bank has the decision-making authority in such matters. When the Board decides on exclusion, the Fund's share and bond holdings in the company are sold in the secondary market to other investors. This

³ [Our expectations | Norges Bank Investment Management](#)

⁴ <https://www.nbim.no/en/responsible-investment/sustainability-due-diligence/>

⁵ [Responsible Investment 2024 | Norges Bank Investment Management](#)

⁶ [Retningslinjer for observasjon og utelukkelse av selskaper fra Statens pensjonsfond utland - Lovdata](#), In English (unofficial translation): [2022.09.05 gpfg_guidelines_observation_exclusion](#)

means that exclusions do not (more than marginally) impact the financing of the relevant company.

International law serves as a key foundation for the development and implementation of the Ethical Guidelines, including international conventions and interpretative statements from the bodies overseeing these conventions, as well as guidelines like the UNGP and the OECD MNE.⁷ These conventions and guidelines are considered to articulate principles widely agreed upon in Norway.

The international conventions and interpretative statements are first and foremost a foundation for the Council's considerations of what should be seen as serious violations of fundamental ethical norms. However, it is not straight forward to assess what implications conventions and authoritative statements should have on the assessments of companies, as the international conventions apply to states, not companies.

A comprehensive review of the Ethical Guidelines was last conducted in 2020 and presented in the 2021 white paper to the Norwegian Parliament. While most of the existing guidance for the interpretation of the guidelines was confirmed, certain adjustments to the Guidelines were made based on evolving ethical norms and standards. The following is of particular importance for the application for the conduct-based criteria:

Firstly, the purpose of an exclusion is to avoid the Fund being invested in companies that cause or contribute to serious violations of fundamental norms, not to punish companies for previous actions. Secondly, *contribution* in the sense of the Guidelines does not mean criminal complicity but goes beyond this. Furthermore, the threshold for exclusion should be applied on an individual, but consistent basis to pursue that companies should be assessed against the same ethical standard, regardless of where the violations occur.

Finally, the criteria are rooted in international and Norwegian fundamental ethical values, and it is pointed out that international conventions, standards and guidelines provide a good basis for such consensus. The UNGP, the OECD MNE and other recognised standards and principles directed towards businesses, are an important starting point for the Council's assessments. At the same time, the Guidelines are not a direct implementation of these guidelines but are based on the same values and principles.⁸ The international guidelines primarily provide guidance on how companies can act responsibly and thus prevent ethical violations. They apply to company behavior and are not aimed at excluding companies from investment portfolios due to the risk of future serious violations.

The guidelines imply that there should be a certain threshold for being excluded from the Fund. The threshold for exclusion established since the guidelines were adopted in 2004 balance several concerns. An exclusion of a company is a serious and well-founded

⁷ See e.g. the Council's deliberations in recommendations regarding Bezeq ([Bezeq The Israeli Telecommunication Corp Ltd – Council on Ethics](#)) and Paz Retail and Energy Ltd. ([Paz Retail and Energy Ltd – Council on Ethics](#))

⁸ Norwegian Official Report, NOU 2020: 7 section 11.5.3.

measure, and the threshold underscores that there must be an unacceptable risk that the company in question contributes to or is itself responsible for actions that violate criteria in the Guidelines. Emphasis is placed on thorough documentation and assessment before a recommendation for exclusion is made. The threshold for exclusion should also substantiate that the measure is proportional and fair, and not based on insufficient grounds.

The Council on Ethics reports annually on its work.⁹

The governance structure and the framework for responsible investment, comprising requirements in the management mandate and the Ethical Guidelines, are based on a clear division of responsibilities between the Ministry of Finance, Norges Bank, and the Council on Ethics. *The Ministry of Finance* has the responsibility for the overarching management framework, while *Norges Bank* carries out investments and exercises the Fund's ownership rights in individual companies independently of the Ministry in accordance with the management mandate. The *professionally independent Council on Ethics* monitors the Fund's portfolio and give recommendations to Norges Bank on the exclusion or observation of companies based on the Ethical Guidelines. Norges Bank's Executive Board makes decisions in such matters. This arrangement should be viewed as a whole when it comes to the responsible management practises of the Fund.

The Ministry reports on the management framework, performance, and responsible investment practises, as well as outlines possible changes to this framework in the annual white paper to the Storting (Norwegian Parliament).

4.5. Norges Bank's responsible investment activities related to conflict-affected and high-risk areas

The Fund's investment strategy and the management mandate implies that the Fund is a minority shareholder in thousands of companies globally, both Israeli and international, that may, either directly or through their value chains, have some form of connection to the Occupied Palestinian Territory.

In its human rights expectations document,¹⁰ Norges Bank states that companies with operations, supply chains or other business relationships in high-risk environments, such as conflict-affected areas, are expected to undertake enhanced due diligence. In these settings, the dilemmas that companies are faced with can be complex, and the risk of causing or contributing to human rights abuse is heightened. Presence of grossly human rights abuses may already be an indicator of an emerging or actual conflict taking place. Norges Bank points out that enhanced due diligence in high-risk environments may involve conducting specific human rights impacts assessments, undertaking conflict analyses, taking proactive mitigation measures, and engaging in constructive engagement with stakeholders on the ground to understand their needs and priorities. In situations of armed conflict, companies should respect the standards of international humanitarian law (IHL), which should be

⁹ [Annual Reports – Council on Ethics.](#)

¹⁰ [Human rights | Norges Bank Investment Management](#)

integrated into the due diligence process. The expectation documents are based on the UNGP and the OECD MNE.

Norges Bank systematically carries out heightened due diligence through portfolio monitoring, risk mapping and by applying various tools, in accordance with the UNGP and OECD MNE.¹¹ In Norges Bank's 2024 annual report on responsible investment, it is explained how the Bank carries out due diligence and engages with companies that operate in conflict-affected and high-risk areas. These companies are facing an elevated risk of being linked to human rights abuses. When high risk exposure is identified, the Bank engages with companies to better understand how they assess and manage risks. Examples of topics discussed with companies include what enhanced due diligence means in practice, how companies can share information publicly about their operations in conflict-affected area and about their due diligence, and whether their grievance mechanisms are well-suited for stakeholders in conflict settings. The Bank reports that since 2020, it has engaged with 38 companies operating in conflict-affected and high-risk areas.

Norges Bank votes at shareholder meetings across its entire portfolio and has established clear guidelines on how voting, also on sustainability related issues. The voting guidelines states, among other things, that the board should account for material sustainability risks facing the company, and the broader environmental and social consequences of its operations and products. Norges Bank may support proposals put forward by shareholders requesting the company to provide more transparency on material sustainability risks, such as the proposal at Caterpillar's 2023 AGM which requested a report on Due Diligence Process of Doing Business in Conflict Affected Areas.

Norges Bank also engages with and seeks information from civil society organisations. According to the Bank, in 2024, civil society provided insights on topics such as Indigenous peoples' rights, climate lobbying, transition plans, risks in war- and conflict-affected areas, labour rights violations, and grievance mechanisms.

Norges Bank uses external managers for parts of the portfolio, particularly in markets and segments where local knowledge is important. These managers commit to the Bank's guidelines for responsible management, report regularly on how they integrate sustainability into their investment decisions, and they are evaluated and followed up by the Bank to ensure that they comply with the Fund's requirements for responsible investment.

4.6. The work of the Council on Ethics related to Gaza and the Occupied Palestinian Territory

The Ethical Guidelines contain several criteria relevant to the situation in Gaza and the Occupied Palestinian Territory, including:

- Severe or systematic violations of human rights (§ 4a),
- Serious infringements of individual rights in war or conflict situations (§ 4b),

¹¹ [Sustainability due diligence | Norges Bank Investment Management](#)

- The sale of weapons by companies to states that use them in ways that violate international law (§ 4c).
- Other particular serious violation of fundamental ethical norms (§ 4h).

Many of the companies in the Fund's portfolio, could potentially through their own activities or value chains, be linked to various violations of ethical norms or the many wars and conflicts that are taking place around the world.¹² The Council on Ethics is to consider i.a. whether the individual companies in the Fund can be said to be contributing to a State's violations of international law.¹³ The Guidelines are, however, not designed to automatically exclude companies from the Fund based on any connection whatsoever to a State's breaches of international law, whether in Occupied Palestinian Territory or other conflict areas.

The Council on Ethics has long focused on companies that may contribute to the illegal occupation of Palestinian territory. The first companies excluded from the Fund on this basis were in 2009. In 2024, the Council conducted a renewed review of companies in the Fund's portfolio with operations connected to the West Bank and Gaza. The Council presented its findings in its annual report, published on March 10 2025.¹⁴ Additionally, the Council outlined its work regarding companies operating in the West Bank and Gaza in a letter to the Ministry of Finance on August 30 2024,¹⁵ which was later referenced in the white paper to the Parliament on the National Budget for 2025.

4.6.1 The Council on Ethics' Investigations Related to the War in Gaza

The Council on Ethics began early on to investigate whether there were companies in the Fund's portfolio that should be excluded based on arms sales to Israel. The arms sales criterion in the guidelines § 4 c applies to the sale of weapons to states engaged in armed conflict using the weapons in ways that constitute serious and systematic violations of international humanitarian law. It does not follow from the guidelines that the Council can recommend exclusion of *any* company that has delivered weapons or military equipment to such a state. The criterion comprises several requirements, including that the company must have ongoing deliveries, and that the use of the weapons in question will likely harm civilians.

¹² UN's deputy Secretary-General Amina J. Mohammed at the Security Council's 9250th meeting referred to that the world is facing the highest number of violent conflicts since the Second World War and 2 billion people — a quarter of humanity — live in places affected by such conflict.

¹³ The wording of UNGP and OECD MNE is quite similar, see e.g. sections 12 (companies) and 13 (e.g. institutional investors):

"12. Avoid causing or contributing to adverse impacts on matters covered by the Guidelines, through their own activities, and address such impacts when they occur, including through providing for or co-operating in the remediation of adverse impacts.

13. Seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship. This is not intended to shift responsibility from the entity causing an adverse impact to the enterprise with which it has a business relationship"

[RBC-for-Institutional-Investors.pdf](#) [RBC-for-Institutional-Investors.pdf](#) provides a more detailed resource to help investors implement the recommendations of the OECD Guidelines along the investment value chain.

¹⁴ https://files.nettsteder.regjeringen.no/wpuploads01/sites/275/2025/03/Etikkradet_armmelding_2024_Engelsk_UU.pdf.

¹⁵ <https://www.regjeringen.no/contentassets/463c2284078a49fd982f996f39c3453f/brev-fra-etikkradet-til-finansdepartementet.pdf> (in Norwegian); The Council on Ethics' work with companies that have operations related to the West Bank/Gaza).

It is also required that the Council on Ethics shall base its decision on a broad range of information and reports from authoritative institutions that show that the weapons are consistently used in ways that do not comply with the rules of international law for the conflicts.

All the companies mentioned in your letter have been investigated by the Council on Ethics. The Council is closely monitoring developments and notes that companies not relevant last year may become relevant if they resume their deliveries.

In 2024, the Council on Ethics investigated 14 recent arms deliveries to Israel and was in contact with two companies. It is worth noticing, that most of the companies that delivered weapons to Israel are already excluded from the Fund because they also produce components for nuclear weapons (criterion 3(1) a in the Guidelines). Furthermore, many countries' export control regimes were triggered due to the risk of violations of international law. This reduced the risk of future arms deliveries from some companies that had previously supplied relevant weapons.

Weapons manufacturers need an export license from their own national authorities to export weapons. The Arms Trade Treaty (ATT)¹⁶ regulates trade in conventional weapons and prohibits, among other things, the sale of weapons if there is a risk they could be used for genocide or war crimes. Therefore, many countries' export control regimes intervened due to the risk of violating international law at this time. Thus, the Council on Ethics' investigations related to the war in Gaza are therefore primarily directed at arms companies based in countries that have not ratified the ATT. These are mainly US companies, but according to the Council, most of these are already excluded from the Fund due to the nuclear weapons criterion.

In summary, according to the information available to the Council on Ethics last year; there were no companies in the Fund with ongoing deliveries of relevant types of weapons to Israel, and some companies with ongoing deliveries were supplying military equipment that does not fall under the exclusion criterion.

4.6.2 The Council on Ethics' investigations related to the West Bank

A large number of companies may potentially be linked in different ways and to different degrees to Israel's unlawful presence in the Occupation of Palestinian Territory. For example, all forms of goods and services available in Israel are also available in Israeli settlements in the Occupied Palestinian Territories. Some of the settlements in the occupied territories are in size and function akin to Israeli towns and suburbs.

The Fund was invested in 65 Israeli companies with a total market value of NOK 22 billion at the end of 2024.

¹⁶ ATT is adopted by the UN General Assembly and ratified by 116 states. Israel and the United States are among the countries that have not ratified the treaty.

Many of the non-Israeli companies alleged to have a form of connection to Occupied Palestinian Territory, are multinational companies registered or listed in countries around the world, but that might have a presence or connection to the Occupied Palestinian Territory through their products, services, and value chains.

The various lists and overviews of companies with activities that can be linked to Occupied Palestinian Territory, are important sources of information for the Council on Ethics. There is, however, a wide and discretionary range of interpretation when it comes to assessing what is required for a company to be considered to be contributing to Israel's violations of international law. Available facts and information, as well as assessments of evidence, also vary widely.

The UN High Commissioner for Human Rights (OHCHR) list contains 97 companies, both Israeli and non-Israeli, with alleged ties to the Occupied Palestinian Territory.

As envisaged by the OHCHR, this list is used by the Council on Ethics as a source of information.

Whether any investments in companies on the list constitute a violation of Norway's international obligations as a third state because of Israel's illegal presence in Palestine will depend on a specific assessment of the individual investment.

The Council on Ethics has stated that it appears that the Fund is invested in 13 of the companies on this list, while 7 of the other companies on the list have been excluded from the Fund. The total market value of the Fund's investments in the 13 companies amounted to NOK 55 billion at year end 2024, of which almost NOK 35 billion in four American global online platform companies for booking travel and accommodation. The coverage of their services is global, with only a marginal part related to the Israeli settlements. In these cases, the assessment of the Council on Ethics is that the companies' activities are of too little importance to the maintenance of the occupation to warrant exclusion under the Ethical Guidelines. Furthermore, the list includes five Israeli financial institutions where the market value of the Fund's investments amounts to NOK 5 billion. These institutions provide, among other things, completion guarantees to home buyers who have paid a down payment when purchasing apartments under construction in the West Bank. The Council on Ethics has not yet completed its assessment of these companies.

There are also far more comprehensive lists that include companies from around the world with various connections to Israel and the Occupied Palestinian Territories. The lists differ in composition and number of companies. For example, the Israeli based organization *WhoProfits* publishes a database with an overview of several hundred companies that can be linked to the occupation in various ways. Another example is the *Don't Buy Into Occupation* initiative, that you base some of the information in your letter on. The initiative has published annual reports since 2021 on European financial institutions involvement in the illegal Israeli settlements. It is alleged that the Fund has NOK 220 billion invested in connection with

Occupied Palestinian Territory. About 70 percent of this amount relates to the Fund's minority investments in five multinational companies. Earnings from activities related to Israel/the West Bank constitute a small, if not marginal, part of these companies' total earnings.

In the letter of 20 May you state that: *"Norway's Government Pension Fund Global (GPFG) holds \$121.5 billion - 6.9% of its total value - in companies identified in my report as involved in supporting or enabling egregious violations of international law in the occupied Palestinian territory. While these fifty companies represent only a small fraction of Israel's economy of occupation, they form part of it."*

As already mentioned, we have not found information in your letter on which companies this applies to. There is a large variation in how different organizations and initiatives assess a company's connection to the Occupied Palestinian Territory, as well as which types of connection that should be deemed as contributing to the occupation. In addition, different lists rely on different facts and evidence. It is therefore challenging to go into the details and different considerations and fact findings of these different lists. To stress again, the various lists and overviews of companies with activities that can be linked to Occupied Palestinian territory, are important sources of information for the Council on Ethics.

The legitimacy of the Fund is important for both financial, political and societal reasons. The Fund is of significant size for the Norwegian population and economy. Confidence in that the Fund is managed in a fair, responsible and transparent manner is important. High legitimacy supports broad political anchoring of the framework and the management of the Fund and reduces the risk of swift changes to the long-term strategy based on changing political preferences. The Fund is one of the world's largest investors. Legitimacy and sound responsible investment practices impact positively on the Fund's reputation in the markets and companies the Fund invests in. Public disclosure of the Council on Ethics' recommendations receives much attention, and are followed by national and international media, civil society, other investors, and companies. The exclusions may have a profound impact on the companies' reputation. The recommendations must therefore be thorough, uphold the principle of contradiction and be based on as accurate facts as possible, avoiding "naming and shaming" based on allegations. The Fund's position means that actors from home and abroad also might work to influence the council's conclusions, especially in cases that have high visibility or can be exploited to exert political pressure.¹⁷

The Council on Ethics thus has a method and process that seeks to reduce the risk of decisions of exclusion from the Fund being made on incorrect basis. It is profoundly serious to be accused of having contributed to a state's violation of international law, and in this case, the companies being assessed are not themselves responsible for the violation of norms, but allegedly contributing to the violation of norms conducted by Israel. Excluding a company on the wrong grounds can also lead to the possibility of a lawsuit.

¹⁷ Cf. e.g. The Council of Ethics letter 30 August 2024. Section 2.

The Council on Ethics considers it crucial when evaluating exclusions whether a company's activities *enable breaches* of international law, *whether these activities are expected to persist*, and whether the activities are sporadic or have a form of *more permanent and physical presence*. As mentioned, the Council believes that, for example tour operators and online services that provide accommodation, such as Airbnb and Booking.com, have a limited presence and cannot be said to contribute to maintaining the occupation to a significant extent.

Additionally, the Council on Ethics assesses whether the company's products or services are specifically *adapted for use in the Occupied Palestinian Territories* or of a more generic character, for example, off-the-shelf goods or goods sold worldwide (and as part an integrated economy of Israel and OPT), such as electronics, cars, and food.

The Council on Ethics also emphasizes that under international law, the basic needs of civilians must be met, including the civilian population of the occupying power.

The activities of companies change over time, and information about company activities may also differ from what is generally assumed. In some cases, the Council on Ethics' investigations have shown that the companies' alleged activities in or connections to the OPT have not taken place, have ceased or are in the process of being terminated, even though they are found on various lists.

The Council on Ethics has also discussed under what conditions companies may be held responsible for the use of their products according to the guidelines. While expectations for companies to take responsibility for their supply chains have increased, the use of products can sometimes be beyond the manufacturer's knowledge or control. The connection between the product and the company may weaken over time, particularly if there are multiple sales and distribution intermediaries between the manufacturer and the end user. This particularly applies to products with long lifespans or those sold on secondary markets. While the Council on Ethics has signalled that it will normally not recommend the exclusion of companies under such circumstances, companies supplying specially adapted products and services may be assessed in a different manner.

The Council on Ethics has a method and a system where the implementation of the guidelines is dynamic, in the sense that the assessment of whether a company should be excluded may change as a conflict develops or when international law and international guidelines change. For example, the recent escalation in the level of conflict in the West Bank, the ICJ's clarification of international law issues and heightened expectations of what companies should do to avoid contributing to serious violations of norms, have an impact on the Council's assessments.

So far, 11 companies are excluded from the Fund because of operations in the West Bank. The most recent exclusion was announced the 11th of May. The Council on Ethics will

continue to closely monitor developments and is continuously assessing whether there are grounds for recommending the exclusion of additional companies from the Fund.

Let me conclude by reiterating that the Norwegian Government is deeply concerned by developments in Palestine, both in Gaza and in the West Bank. The message from the Norwegian Government is unequivocal: The violence must cease, all hostages must be released without delay, and Israel must immediately facilitate the full and unhindered resumption of humanitarian aid into Gaza. The continued presence of Israel in Palestine is unlawful and must come to an end.

Based on thorough assessments, including of relevant legal issues, the Norwegian Government is confident that the GPFG's investments do not violate Norway's obligations under international law, in particular the obligations incumbent on all states arising from the unlawful presence of Israel in the Occupied Palestinian Territory.

I appreciate that you have given me the opportunity to clarify on facts and legal assessments regarding concerns that Norway does not uphold its obligations under international law.

Yours sincerely

Jens Stoltenberg