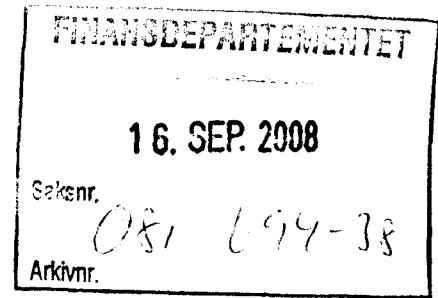




AMERICAN CHAMBER
OF COMMERCE IN NORWAY

The Norwegian Ministry of Finance
Att: Director General Martin Skancke
Pb. 8008 Dep
0030 Oslo



Oslo, September 15th, 2008

Ethical Guidelines Review

The American Chamber of Commerce in Norway, an organization dedicated to the promotion of business relationships between Norway and the United States, is honored to have the opportunity to contribute to the current evaluation of the Norwegian Pension Fund's groundbreaking Ethical Guidelines initiative. As stated by the Finance Ministry, Norway is indeed in a unique position to lead the charge in socially responsible investment practices. As you are keenly aware, directly linked to any position of leadership comes a relatively steep learning curve – and the need for input from stakeholders such as our international business base. We therefore respectfully offer the following input in an effort to improve upon this captivating national undertaking.

Information Gathering Practices

It is currently unclear to AmCham where the threshold for sound, reliable sources of corporate information for ethical review lies. From one country to another, vast differences exist within corporate reporting norms and procedures. Within annual reports, many companies proudly boast of their *triple bottom line* initiatives. Within public meeting forums, many companies decry the social and environmental standings of their competitors. On the internet, many disgruntled investors and former employees post their limited experiences of global corporate operations. The culmination of such information sources, while potentially providing a glimpse of a company's inner workings, cannot be relied upon to formulate an accurate account of a multinational's ethical standards.

Further, as exclusions are made on the basis of available, limited information, it is a fact that transparency increases the risk of being considered for exclusion. There is therefore a built-in selection problem in that companies recommended for exclusion may not be the greatest offenders, but chosen because they report openly, hold a higher profile, or operate in regions of the world where information is readily available.

AmCham therefore supports more rigorous information gathering procedures based in larger part upon early-stage, personal visits and dialogue with corporate leaders, suppliers, employees and other stakeholders. It is also suggested that the Ministry address the selection problem of transparent companies suffering higher risk of exclusion than non-transparent ones.



Company Involvement in Review Process

Such early-stage dialogue with at-risk companies and their stakeholders, while presenting new challenges, would greatly increase the likelihood of obtaining credible information upon which to base eventual exclusion decisions.

Conversely, the current practice of presenting at-risk companies with what amounts to multi-page indictments long after secondary research has commenced is, at best, questionable and counterproductive. This problem is exacerbated by a limited response deadline granted to companies who are likely unfamiliar with a foreign country's governmental ethical norm apparatus. The result is often no corporate response whatsoever – and, in turn, much less opportunity for constructive dialogue after exclusion.

Clarification of Vague Negative Screening Definitions

While screening on the basis of production of certain weapons or severe environmental damage criteria are clearer, excluding on the basis of “human rights violations” or “other particularly serious violations of fundamental ethical norms” is particularly vague and ill-defined. The latter is difficult to define. Questions arise as to how the burden of precedent be handled. Will degrees of human rights violations be developed? Will there be distinct classes of offences? What are priority areas? We would urge the Ministry to narrow the room for interpretation, and clarify the Council's mandate.

A Well-Defined Road Map for Exiting the Exclusion List

Finally, once a company has been excluded, a well-defined and unchanging *road map* should be defined by the Norwegian Pension Fund for eventual investment universe reinstatement. After intense letter exchange, question answering, supplier visits, and sensitive corporate data sharing, cooperative companies are left with no indication that progress is being made. Similarly, excluded companies are often left to wonder if Pension Fund representatives are taking notice of ethical standards progress made after exclusion.

The effecting of real change is sacrificed when companies feel that they have no power to be reinstated, to be assessed fairly, or to be actively involved in the review process. In the final analysis, the effecting of real change is what the Pension Fund's Ethical Guidelines should ideally aspire to deliver.

We again thank you for this opportunity to contribute to the Ethical Guideline evaluation process. I would be pleased to discuss any of the points herein with Ministry representatives.

Sincerely,


Jason Turflinger
Managing Director

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The American Chamber of Commerce in Norway (AmCham) is an independent business networking, information and assistance organization promoting the interests of 160 Norwegian, American and international member companies. AmCham Norway is a fully accredited member of the US Chamber of Commerce, headquartered in Washington, D.C. – the world's largest non-profit business federation.