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Norwegian central bank warns companies on child labour

Global Pension Fund manager to track firms for 20 years



by **Daniel Brooksbank** | May 19th, 2010

Norges Bank, the Norwegian central bank which manages the NOK2.7trn (€354bn) assets of the Global Pension Fund, has issued a warning that it is expanding its expertise in child labour issues and that it will track companies for up to 20 years.

Child labour is one of six focus areas for the fund, the others being water management, climate change, equal treatment of shareholders, board accountability and efficient markets.

"Companies should also know that we have expertise in the use of child labour, that we are expanding our expertise, and that we will follow up not just in one or two years but also in five, ten and 20 years," said bank governor Svein Gjedrem. He was speaking at a hearing at the Norwegian Parliament's Standing Committee on Finance and Economic Affairs.

Gjedrem explained how Norges Bank initiated an effort by four investee companies, DuPont, Monsanto, Bayer and Syngenta, to combat child labour in seed production. Another success saw trade body CropLife publish a plan to eliminate child labour. Earlier this year Norges published its second report on children's rights, which showed that a third of contacted companies had improved their behaviour and reporting. Despite such progress, Gjedrem said the work was "an unending process".

Last year the government went against a recommendation by its own Council of Ethics that it should ban Monsanto from the fund's portfolio over allegations of "the worst form of child labour" in India.

Norges Bank Investment Management chief executive Yngve Slyngstad told the panel that the global financial crisis has meant that the Global Pension Fund has doubled its holdings in global equity markets in two years. As "one of the world's largest shareholders" the fund had a duty to allocate capital to the most profitable companies and projects.

Possible future private equity and infrastructure investments would mean "higher management costs and more

employees". [Link to Giedrem's remarks](#)