

To the Ministry of Finance

August 26th, 2008

## Recommendation

### Introduction

The Council on Ethics for the Government Pension Fund – Global submitted its first recommendation on exclusion of companies that produce cluster munitions on June 16th, 2005. The recommendation was based on the Council's own definition of criteria which defined cluster munitions.

In 2008, an international convention to ban cluster munitions has been negotiated. The convention's technical definition of what constitutes cluster munitions is largely in line with the criteria the Council applied in 2005, but in some areas it is more stringent. This implies that production of munitions which have previously not qualified for recommendation of exclusion may fall inside the treaty's definition of cluster munitions. The Council on Ethics finds it appropriate to base future recommendations of exclusion on the definitions provided in the cluster munitions convention.

The company Textron Inc. produces weapons which, according to the definition of the convention, must be considered cluster munitions. The Council on Ethics therefore recommends that Textron Inc. is excluded from the investment universe of the Government Pensions Fund – Global.

### Background

In its 2005 recommendation<sup>1</sup>, the Council considered that certain types of cluster munitions should not constitute grounds for recommendation of exclusion. These were the so-called "*Advanced Munitions*" / "*Sensor Fuzed Weapons*" designated CBU-97 and CBU-105. These weapons were characterised by a low number of submunitions able to detect and engage single target objects and designed to engage vehicles. These types of munitions are not meant to strike randomly within a target area. The Council on Ethics considered the risk of civilian casualties from the use of such weapons as low, and that, generally, the use of such weapons could not be viewed as a violation of fundamental humanitarian principles of armed conflict.

Article 2 of the Convention on Cluster Munitions defines the types of cluster munitions which the Convention prohibits. The convention specifies cumulative criteria which must be fulfilled

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<sup>1</sup> See <http://www.regjeringen.no/pages/1661742/Tilråkning%20klasevåpen%20eng%2015%20juni%202005.pdf>