

The work of the Council on Ethics on corruption

The Council on Ethics gives advice on the observation or exclusion of companies from Norway's sovereign wealth fund – commonly referred to as the «Oil Fund» – according to ethical guidelines. The fund is one of the world's largest funds and holds shares in more than 9000 companies worldwide.

In addition to corruption, the ethical guidelines cover all the other topics which fall under the UN Global Compact principles, in addition to products such as tobacco or nuclear weapons. One of the main functions of the Council is to continuously monitor the companies in the fund for possible violations of the guidelines – this is why we use a radar as a symbol for our work.

The oil fund is managed by Norges Bank – the central bank of Norway – and it is the bank which takes the final decision on the exclusion of companies, based on the advice from the Council. All of the Council's recommendations on specific companies are published on our website. However, the Council is not consulted and does not carry out any research before the bank makes its investments – we only focus on companies which already are in the fund.

The threshold for exclusion is high. Currently only two companies are excluded from the fund for corruption, while three companies have been put under observation. However, both the Council and Norges Bank have an ongoing dialogue with many companies on this issue every year. Hopefully, through our dialogue with these companies on their compliance and anti-corruption systems, we also make a positive difference in the fight against corruption.

The Council has several ways and sources to detect corrupt companies. Sometimes it may be useful to engage consultants. Occasionally we also receive information from NGOs or private individuals. But the most important source by far is the media. To do our job, we are very dependent on the work of journalists, especially investigative journalists.

It is therefore very worrisome to see that the world currently is going in the wrong direction here. According to the latest World Press Freedom Index, only 8 percent of the 180 countries and territories surveyed are classified as “good”. And this is of course not only worrisome for the Council's ability to do its job. What is much worse is what this means for the fight against corruption worldwide.

However, journalists do not detect all the corruption they report on themselves. They also rely on the work done by prosecutors like those attending this meeting. To the extent possible, the Council on Ethics also bases its assessments on legal documents, ranging from press releases by the prosecutors, to witness statements and verdicts. Furthermore, the prosecution of corruption and transparency on the outcome of investigations is often essential for investors to be able to influence companies to work actively to prevent corruption.

In other words, all sorts of unsealed legal documents relating to corruption cases are of great value to the Council's work on corruption. We are therefore very appreciative every time we receive this kind of assistance from prosecutors. More generally, we encourage all corruption investigators and prosecutors worldwide to contact us when they have public information which they believe may be relevant for our work. With this kind of support, we will hopefully be even more effective in our work on corruption.