

INVITATION TO MARKET DIALOGUE

Norwegian Ministry of Finance – The Council on Ethics for the Government Pension Fund Global

1. Introduction

The Norwegian Ministry of Finance (the Ministry) is responsible for the Norwegian Government Pension Fund Global (GPFG). The Ministry has appointed the Council on Ethics for the GPFG (The Council) to evaluate whether the GPFG's investment in specified companies is inconsistent with its Ethical Guidelines. The Council is administratively subordinate to the Ministry but is professionally independent. The Ministry is the Contracting authority for this procurement. The Council is an independent body tasked with issuing recommendations to Norges Bank in accordance with the Guidelines for Observation and Exclusion from the GPFG (the ethical guidelines).¹

The GPFG holds equities and fixed-income instruments issued by around 10 000 companies operating globally.² According to the ethical guidelines, The Council on Ethics shall monitor the GPFG's investments, for the purpose of identifying companies that contribute to or are themselves responsible for the products or conducts set out in sections 3 and 4 of the Ethical guidelines. The Council depends on objective, reliable and documented information that enables the Council to make informed and well-founded recommendations on the observation or exclusion of companies.

The council has entered into three separate agreements covering the product-based criteria, the conduct based criteria and general company information like company structure and ownership. All three agreements expire at yearend, and will be replaced either by separate services or a combination of services.

The Council invites to market dialogue with potential suppliers who can provide services, databases and technology that can be used to monitor the companies in the GPFGs portfolio.

The market dialogue includes a written document from the suppliers with inputs, comments and suggestions for solutions, as well as subsequent one-on-one meetings with the suppliers who have submitted such a document.

This work may affect what is requested in the later procurement of services for monitoring the GPFGs portfolio. The announcement of the competition will be made after the dialogue.

¹ The Ethical guidelines may be found here:

https://www.regjeringen.no/contentassets/9d68c55c272c41e99f0bf45d24397d8c/2022.09.05_gpfg_guidelines_observation_exclusion.pdf

² The GPFGs investments may be accessed here: <https://www.nbim.no/en/investments/all-investments/#/>

2. The required services

Product screening

The Council on Ethics requires a continuous monitoring of companies in the Fund's portfolio to identify companies that:

1. Produce or develop biological weapons, anti-personnel mines, undetectable fragmentation weapons, incendiary weapons, blinding laser weapons, cluster munitions and nuclear weapons, or production of key components of such weapons.
2. Produce tobacco or its derivative products (i.e. products made from tobacco);
3. Produce cannabis or products consisting of cannabis for recreational use;
4. Sell weapons or military material to certain states (currently Belarus, Russia, Syria and North Korea, but this may change or be expanded). This information can alternatively be provided through news-based portfolio monitoring; see below.
5. Derive 30 per cent or more of their income from thermal coal, b) base 30 per cent or more of their operations on thermal coal, c) extract more than 20 million tonnes of thermal coal per year, or d) have a coal power capacity of more than 10 000 MW from thermal coal.

The service provider(s) will identify companies in the Fund which are involved in these activities, either directly or through subsidiaries, in accordance with the parameters and definitions provided by the Council on Ethics.

The service provider(s) will also monitor already excluded companies on the same basis, for the purpose of verifying whether the grounds for exclusion remain valid. The monitoring of excluded companies is limited to companies excluded per recommendation made by the Council on Ethics. Monitoring of companies that Norges Bank has excluded under the coal criterion, without a prior recommendation from the Council on Ethics, is not a part of the assignment.

In the ongoing service agreement, the Council receives written reports on a quarterly basis. The Council wish to receive input from suppliers on format and frequency for the future reporting.

The reporting shall be in English or Norwegian and shall contain detailed information on the nature of the company's involvement in the areas covered by the product screening criteria, as well as the sources of this information.

The Council on Ethics will use the service provider's reporting as a basis for its own analysis of companies. It is important that the service provider(s) be able to identify all companies which are involved in activities in violation of the Guidelines. Offers to provide product screening for only part of the portfolio or only some of the excluded companies will not be considered.

The council encourages relevant suppliers to work together to cover the various criteria in the best possible way.

Access to ESG database and monitoring of portfolio

The requested services are intended to assist the Council on Ethics in identifying companies in the Fund's portfolio that contributes to or is responsible for serious violations of fundamental ethical norms. The service provider shall be able to periodically provide an overview with concise summaries

of the allegations of ethical violations committed by companies. The summary shall include a reference to the source(s) of the information on which the summary is based.

The Council on Ethics requires access to a database and a monitoring system of companies in the Fund's portfolio to identify companies that contributes to or are responsible for:

- a) serious or systematic human rights violations
- b) serious violations of the rights of individuals in situations of war or conflict
- c) the sale of weapons to states engaged in armed conflict that use the weapons in ways that constitute serious and systematic violations of the international rules on the conduct of hostilities
- d) the sale of weapons or military materiel to states that are subject to investment restrictions on government bonds as described in section 2-1(2)(c) of the Management mandate for the Government Pension Fund Global (currently Belarus, Russia, Syria, and North Korea)
- e) severe environmental damage
- f) acts or omissions that on an aggregate company level lead to unacceptable greenhouse gas emissions
- g) gross corruption or other serious financial crime
- h) other particularly serious violations of fundamental ethical norms.

Access to ESG database and company database

The Council needs access to historical and current ESG data on companies structured according to among other: date, issues, seriousness, the connection to the company in the GPFs portfolio and credibility of the allegations.

The database should easily allow the Council to filter the data according to current portfolio and relevant criteria. It should also allow the Council to set up customized warnings on specific criteria and company/companies and export data as a report for further analyses by the Council. Further the database should identify the source of the allegation and facilitate access to important sources.

In the ongoing service agreement, the Council receives written reports on a bi-monthly basis. The Council wishes to receive input from possible suppliers on format and frequency for the future reporting.

The Council on Ethics will use the Service provider's ESG database and reporting as a basis for its own analysis of companies.

The Council needs access to a database that can provide accurate information on companies' entity structures, ownership, M&A transactions and easy access to search in filings. In the ongoing service, this database has no connection to the monitoring of the portfolio and the ESG database. The Council wishes to receive input on how this might be integrated in the service related to the portfolio monitoring in the future.

3. Conducting the market dialogue process

About the market dialogue

The purpose of this market dialogue is to get ideas and input from the market on ways to meet the Council's portfolio monitoring needs in a better and more efficient way in the future.

This market dialogue is conducted to provide information on:

- Available technology and solutions that can meet the needs outlined above, and information about relevant suppliers.
- The ways the market can meet the Council's needs.
- The best way to bundle the services the Council needs
- Costs related to the different parts of monitoring tools and databases.
- Possible contractual challenges.

This means the solutions and technology that can be used, the organisation of the reporting/transfer of the data to the Council, the expected output from the portfolio monitoring (e.g. what types of ethical violations can be covered by the monitoring, and what market coverage can be expected), the cost picture and possible co-operation between suppliers to best meet the Council's needs. The Council invites proposals for alternative technical solutions and collaboration across different suppliers, with pricing information customised for each setup. This will enable the Council to better prepare a competitive basis. The Council has also attached the previous contract and Requests for tenders for comments and suggestions for improvement for this year's tender process.

Based on the information in this description, the Council invites suppliers to submit a written document with input (should not exceed 5 A4 pages). Vendors who submit their input will be invited to separate one-on-one meetings to present their input and their tools and solutions. The information received through this dialogue will subsequently form the basis for a final design of the tender specification, in the upcoming procurement.

Content and format of document

The Council requests that the suppliers deliver a written document with proposals and input for solutions to the needs described in Chapter 1 and 2 here. The document is requested to answer the following questions:

- Which solutions/tools can meet the needs described above? Suggestions / descriptions of recommended technologies are required.
- Which experience do the suppliers have with the proposed technology / methods / solutions, and what can the solutions / methods provide?
- How should the results from the screening and monitoring be submitted to the Council:
 - o Technical format
 - o Frequency
 - o Structure / form of reporting.
- What coverage of companies in the GPFGs portfolio can be offered?
- What coverage of the various screening criteria can be offered?
- What kind of company information can be provided in a database?
- What costs are expected to be associated with the screening, monitoring and access to database?

- How is information gathered from geographical areas and countries with restricted press freedom?

The document should be a maximum of 5 A4 pages and shall be written in Norwegian or English. The Council will not accept pre-printed sales material as part of the document.

Submittal of document

The document shall be delivered in writing to postmottak@etikkradet.no.

The deadline for submitting the document is **28th of February 2025, at 12:00**.

All questions regarding the market dialogue must be submitted by the **21th of February 2025, kl. 12:00** and must be formulated in writing in Norwegian or English to postmottak@etikkradet.no. Oral inquiries will not be answered.

One-on-one meetings

After submitting the document, the Council wishes to have digital one-on-one meetings with the suppliers who have submitted a document. The relevant suppliers will receive an invitation with a date and time.

Progress plan

Date	Progress plan
7th of February 2025	Invitation to dialogue
28th of February 2025, at 12:00	Submittal of input document
17th – 28th of March 2025	Digitale one-on-one meetings with suppliers who have submitted input documents

Further information

- This market dialogue only applies to "invitation to dialogue" through oral and written advice and input and will not shorten deadlines for later announcements.
- Any announcement of the competition will come after the dialogue
- Participation in this market dialogue is not a prerequisite for being able to participate in the subsequent competition.
- The client is not obliged to adapt the tender basis to the advice and input that comes in connection with the dialogue.
- Both the Public Administration Act and the Freedom of Information Act have provisions that ensure that there is good protection for the suppliers' ideas, proposals and trade secrets that may be shared in the dialogue.