



Ireland Palestine Solidarity Campaign

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An Irish Ethical Council for Investment

*Ireland-Palestine Solidarity Campaign submission to the Oireachtas Sub-Committee on Human Rights –
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“We do not wish to fund companies that so directly contribute to violations of international humanitarian law,” Kristin Halvorsen, Minister of Finance, Sweden. ¹

The Ireland-Palestine Solidarity Group (IPSC) welcomes the Human Rights Sub-Committee's debate on the Norwegian Ethical Council. The Norwegian example of applying internationally recognised and nationally valued standards to all its governments transactions is to be applauded. Norway is not alone in this endeavour, as the Swedish government has also established an Ethical Council for its Pension Fund. The IPSC would like to offer the following briefing document on the background of the Swedish Pension Fund Ethical Council to reinforce the message of Ms. Eli Ane Lund and her colleagues at the Norwegian Ethical Council.

The Swedish Ethical Council

Similarly to its Norwegian counterpart, the aim of the Swedish Ethical Council is to influence companies to live up to their corporate social responsibilities, under the guidance of treaties Sweden has signed, international law and United Nations guidelines, including, for example, the UN Principals for responsible investment.

‘Our objective is to influence companies to assume their corporate social responsibilities²

The Council does this not only to insure ethical procurement but also because it believes that ethical investments are more stable and profitable in the long term and therefore more suitable for long term pension investments. The Ethical Council also develops international initiatives that encourage corporate social responsibility.

Their method consists of 5 steps.

1. Seek out information on the ethical standards of existing and potential investment
2. Conduct closer examination of specific companies
3. Open dialogue with companies in breach, or possible breach of standards, this step may last several years.
4. If the dialogue works, the company is supervised for a number of years
5. If several years of dialogue produce no result, exclusion is considered

This method has had several successes that are outlined in their Annual report³ and allow transparent, concrete change to occur within the entire business community, encouraging business to gradually re-structure and rewarding companies that operate ethically.

The IPSC fervently hope that Ireland will continue to move towards ensuring Irish funds are invested ethically, following the example set by Norway and Sweden.

1 **Swedish Ethical Council**, *Annual Report 2009*,
http://www.ap4.se/upload/Etikr%C3%A5det/Etikr%C3%A5det%20ENG/Etikradet_Arsrapport_2009_eng.pdf

2 **Swedish Ethical Council**, *Annual Report 2009*,
http://www.ap4.se/upload/Etikr%C3%A5det/Etikr%C3%A5det%20ENG/Etikradet_Arsrapport_2009_eng.pdf

3 **Swedish Ethical Council**, *Annual Report 2009*,
http://www.ap4.se/upload/Etikr%C3%A5det/Etikr%C3%A5det%20ENG/Etikradet_Arsrapport_2009_eng.pdf