



Decision to include Walmart Inc. and Wal-Mart de Mexico S.A.B. de C.V.

June 2019

Summary

Walmart Inc. and Wal-Mart de Mexico S.A.B. de C.V. (Walmart) were excluded from KLP and the KLP Mutual Funds in 2003, on the basis of an unacceptable risk of contributing to human rights violations in their own operations and in their value chain. In 2005, the Government Pension Fund Global (GPF) excluded Walmart, based on a recommendation from the Council on Ethics, on the same grounds as KLP. ¹

KLP's analysis

In 2019, the Council on Ethics recommended revocation of the exclusion of Walmart from GPF's investments. ² The basis for the recommendation is positive developments on the issues that formed the grounds for the exclusion from GPF's investments in 2005, namely human rights violations in Walmart's own operations and their value chain. The Council on Ethics highlights that there might still be issues related to the company, but concludes that there no longer seems to be grounds to "[...] claim that the company systematically discriminates against groups of employees, that underage people are unlawfully employed by the company or that employees are systematically forced to work without pay." ³

The Council on Ethics concludes that:

*Since there is no longer an unacceptable risk that Walmart contributes to human rights violations in its own operations in a way that constitutes grounds for exclusion from the GPF, the Council on Ethics recommends that Walmart's exclusion of be revoked.*⁴

¹ <https://etikkradet.no/files/2017/02/Tilr%C3%A5dning-WalMart.pdf>

² <https://etikkradet.no/files/2019/06/Walmart-2019-revocation-ENG.pdf>

³ Ibid, page 4.

⁴ Ibid.



The *Guidelines for KLP as a Responsible Investor* includes the same criteria for excluding companies due to an unacceptable risk for contributing to human rights violations. KLP finds the recommendation from the Council on Ethics to be reasonable, and have therefore decided to include the company.

KLP's decision

KLP has decided to revoke the exclusion of Walmart Inc. and Wal-Mart de Mexico S.A.B. de C.V. from KLP and the KLP Mutual Funds' investments from June 2019.