



Decision to maintain the exclusion of Honeywell International Inc, though on different grounds

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Introduction

KLP and the KLP Funds (KLP) have decided to maintain their exclusion of Honeywell on the grounds of the company's production of key components for nuclear weapons.

Honeywell International Inc has been excluded from investment by KLP since 2006 on the grounds of the company's involvement in the testing of nuclear weapons at the White Sands Missile Range in New Mexico, USA.¹ In the Council on Ethics' recommendation published by Norges Bank in January 2018, it emerges that Honeywell Technology Solutions can no longer be linked to these activities in New Mexico.²

KLP excluded the companies Fluor Corporation and Huntington Ingalls Industries from its investment portfolios on 8 December 2015 on the grounds of their involvement in the Savannah River Nuclear Site in South Carolina, USA.³ Savannah River Nuclear Solutions LLC (SRNS) operates the Savannah River Site under contract from the US government. SRNS is a joint venture led by Fluor in partnership with the companies Newport News Nuclear (a subsidiary of Huntington Ingalls Industries) and Honeywell.⁴

Since Honeywell was already on KLP's exclusion list due to its participation in other projects linked to nuclear weapons, the company's involvement in SRNS was not assessed in 2015.⁵

The company has been excluded since 2006, and KLP had no shares in the company when the present analysis was carried out.

¹ Council on Ethics, *Recommendation to exclude*, Letter to the Norwegian Ministry of Finance 19 September 2005, URL: <https://nettsteder.regjeringen.no/etikkradet-2017/files/2017/02/Tilr%C3%A5dning-kjernev%C3%A5pen-engelsk-sept-2005.pdf>

² Council on Ethics, *Recommendation to exclude Fluor Corp. and Huntington Ingalls Industries Inc. from the Government Pension Fund Global (GPF) and maintain the exclusion of Honeywell International Inc.*, p.2, Recommendation to Norges Bank 20 April 2016, URL: <https://nettsteder.regjeringen.no/etikkradet-2017/files/2018/01/ENG-Recommendation-Fluor-Huntington-and-Honeywell-20449.pdf>

³ Fluor, "Projects". URL: <http://www.fluor.com/projects/savannah-river-nuclear-management-operations>.

⁴ About SRNS, "Our Parent Companies". URL: <http://www.savannahrivernuclearsolutions.com/about/parent.htm>.

The company's involvement

SRNS is engaged primarily in the clean-up of atomic waste at the Savannah River Site.⁶ Since the end of the Cold War, the site has been used for the storage and processing of material from other nuclear sites.⁷ The actual building complex has also been reduced in size, since large portions of the Savannah River Site are being converted into a nature reserve.⁸

Nevertheless, SRNS continues to produce tritium gas for use in US nuclear weapons at the Savannah River Site. On its website, SRNS describes tritium as one of the company's main products, and a key component in nuclear warheads.⁹ Tritium is a radioactive isotope with a half-life of 12.3 years, which means that the gas must be regularly replaced to keep the nuclear warheads operational.¹⁰ SRNS extracts tritium from inactive warheads, and processes the gas so that it can be used to replenish active warheads.¹¹ SRNS supplies the processed gas to the US Department of Defense.

In principle, tritium is a "dual-use" product that can also be used in illuminated signage. But in this case, the processed gas that SRNS supplies to the US Department of Defence cannot be used for civilian purposes, since it is mixed with deuterium at a specific ratio.¹²

KLP's guidelines and assessment

According to KLP's guidelines for responsible investment, companies that produce which produce weapons that violate fundamental humanitarian principles through their normal use should be excluded.¹³ This includes nuclear weapons.

Honeywell International Inc has been excluded from KLP's investment portfolios since 2006. Through its subsidiary Honeywell Technology Solutions Inc, the company has been responsible for the repair, development, calibration, operation and maintenance of measuring instruments, as well as the registration of data deriving from simulated nuclear weapons detonations at the White Sands Missile Range in New Mexico.¹⁴ Honeywell has provided an overview of its business operations to the Council on Ethics, which concluded that these

⁶ SRNS, "About the Savannah River Site". URL:

http://www.savannahrivernuclearsolutions.com/about/about_srs.htm

⁷ Ibid.

⁸ Ibid.

⁹ SRNS, "Defense Programs". URL: http://www.savannahrivernuclearsolutions.com/programs/def_prgms01.htm (last visited 06.02.2018).

¹⁰ Ibid.

¹¹ Ibid. See also, Office of the Assistant Secretary of Defense for Nuclear, Chemical, and Biological Defense Programs, *The Nuclear Matters Handbook: Expanded Edition* (2011), Chapter 3.4.1, "Inactive Stockpile". URL: http://www.acq.osd.mil/ncbdp/nm/nm_book_5_11/chapter_3.htm

¹² Grossman, Elaine M., "Some Nuclear Experts Question Ramp-Up in U.S. Tritium Production", *Global Security Newswire* (28 October 2011). URL: <http://www.nti.org/gsn/article/some-nuclear-experts-question-ramp-up-in-us-tritium-production/>

¹³ *Guidelines for KLP as a responsible investor* (08.12.2017), KLP.no, URL:

http://english.klp.no/polopoly_fs/1.39178.1513197530!/menu/standard/file/Guidelines%20for%20KLP%20as%20a%20responsible%20investor.pdf

¹⁴ Council on Ethics, *Recommendation to exclude*, Letter to the Ministry of Finance 19 September 2005, URL: <https://nettsteder.regjeringen.no/etikkradet-2017/files/2017/02/Tilr%C3%A5dning-kjerne%C3%A5pen-engelsk-sept-2005.pdf>

activities seem to have been discontinued. At the same time, however, the company confirmed its participation in the production of tritium by SRNS.¹⁵

As a rule, KLP does not exclude companies that produce so-called “dual-use” products. In this case, however, the processed gas that SRNS supplies to the US Department of Defence is mixed with deuterium at a ratio that is meant solely for military purposes. SRNS is the only supplier of tritium to the US armed forces. Nor are there any indications that the company sells tritium to civilian customers. The “dual-use” exception does not therefore apply.

Decision

The exclusion of Honeywell International Inc from investment by KLP and the KLP Funds is maintained.

¹⁵ Council on Ethics, *Recommendation to exclude Fluor Corp. and Huntington Ingalls Industries Inc. from the Government Pension Fund Global (GPF), and to maintain the exclusion of Honeywell International Inc.*, p.2, Recommendation to Norges Bank, 22 April 2016, URL: <https://nettsteder.regjeringen.no/etikkradet-2017/files/2018/01/ENG-Recommendation-Fluor-Huntington-and-Honeywell-20449.pdf>