



Norges Bank Investment Management

International Council on Mining and Metals
35/38 Portman Square
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United Kingdom

Date: 31 December 2013
Our ref.: WIA, Oslo

For the attention of: **Dr Anthony Hodge, President**

Conflict-Free Standard for Mining

We are writing to express our thanks to those International Council on Mining and Metals (ICMM) representatives who recently met with Norges Bank Investment Management (NBIM) in order to discuss the potential implementation of a conflict-free standard for the mining of materials and metals supported by the ICMM. At the most recent meeting on 18 December 2013 the need for the mining sector's vital contribution to the global economy to be managed sustainably was discussed.

As you are aware, mining can give rise to various environmental risks, including those related to use of land, building of infrastructure, use and pollution of water and management of tailings. Mining can also present human and labour rights risks. Additionally, the fact that some mines are located in conflict areas gives rise to other complex issues, which result in responsible parties seeking to avoid contributing to conflict and exacerbating human rights abuses.

NBIM's Government Pension Fund Global (**Fund**) has global exposure through its diverse investments, which include numerous investments in mining companies, and seeks to mitigate risks associated with its investments. A key priority for the management of the Fund – and, we believe, other investors - is industry initiatives to develop market and operational standards. NBIM is of the opinion that the ICMM could effectively and efficiently lead such an initiative to develop a conflict-free standard for mining of materials and metals. NBIM would fully support such an initiative; in particular in advising on the way in which information coming out of the initiative and the standards developed could be made available for use by investors.

We think that one of the goals of a conflict-free standard for materials and metals initiative should be to enable independent and auditable certification. Such certification would facilitate manufacturers' purchase of materials and metals in a sustainable way. The Conflict-Free Gold Standard developed by the World Gold Council is a potential model.

Section 1502 of the Wall Street Reform and Consumer Protection Act (**Dodd-Frank**) formalizes obligations for US-listed manufacturers to file 'conflict mineral' reports when sourcing certain minerals from the Democratic Republic of Congo or adjoining countries.

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Ideally, certification in compliance with a conflict-free standard for materials and metals would constitute evidence of compliance with Dodd-Frank.

We expect investors and manufacturers would welcome a standard that facilitates better understanding of risks associated with exposure to conflict. Such a standard should be derived from a transparent process if other parties are to be able to apply it, and not be limited to any geographic area as this issue has global impact. We believe that one of the outcomes of such a process should be the availability of information at mine level with key risks identified and assessed.

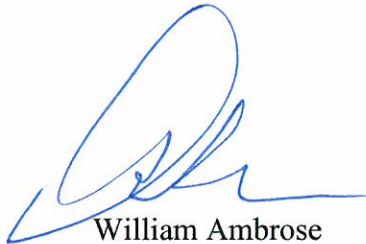
We recognize that developing a framework for a conflict-free standard for materials and metals across multiple commodities will require a long-term effort and that this may include collaboration with other stakeholders such as the World Gold Council and/or the OECD on methodology and processes. As mentioned above, we believe that the ICMM is very well-placed to head up such an initiative and NBIM is ready to contribute.

We look forward to discussing the development of a conflict-free standard for materials and metals with you further in due course.

Yours sincerely,



Jan Thomsen
Chief Risk Officer



William Ambrose
Global Head of Business Risk

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