



Norway's SWF in China: Investing in Global Warming

Energy and environmental investments in China made by the Norwegian Government Pension Fund – Global as of 2008.

Survey by Rasmus Reinvang and Jo Egil Tobiassen

WWF

December 2008

Summary of findings:

Norway is home to the world's second largest sovereign wealth fund, the Government Pension Fund – Global (NGPFG) which is based on petroleum revenues and has holdings of \$394 (€249) billion.ⁱ The fund's ethical guidelines have concern for the environment as one of its main focus areas stating: "The fund should not make investments which constitute an unacceptable risk that the Fund may contribute to unethical acts or omissions, such as [-] severe environmental damages."ⁱⁱⁱ

In 2007 the Norwegian SWF's holdings in China's (mainland) energy sector comprised investments in ten companies which are strongly engaged in coal power production or extraction, including main Chinese companies such as China Shenhua Energy Co Ltd and China Coal Energy Co which is the third largest coal mining enterprise in the world. In addition there were investments in three oil or gas companies. In total Norway's SWF pension fund had holdings of NOK917.828 (\$157, €115) million in coal or petroleum companies in China in 2007. There were no holdings in renewable energy companies at end of year. Out of the 122 Chinese companies in which Norway's SWF had holdings, only one is easily identifiable as a Clean Tech company: Bio-Treat Technology Ltd. which is engaged in waste water treatment.ⁱⁱⁱ

China is currently the world's largest emitter of CO₂, mainly due to the extensive use of coal for electricity generation,^{iv} something which contributes to global warming with detrimental effects on the environment impacting millions of people in especially the developing world.^v Coal use is also one of the major sources of air pollution in China, where air pollution has been estimated to effect 750 000 premature deaths annually^{vi}. We may on this basis conclude that the NGPFG's investments in China in 2007 supported unsustainable development trends which contribute to severe detrimental environmental impacts. The fund's investments practises in China in 2007 also ran counter to the Norwegian government's 'China Strategy' where the government aims "to integrate environmental, climate change and sustainable development concerns into all Norwegian efforts vis-à-vis China."^{vii}

China is a world leader in renewable energy development with the highest growth rates in the world in sectors such as wind and solar energy and small hydropower.^{viii} However, the NGPFG was in 2007 not pursuing the investment opportunities to profit from the rapidly developing Chinese cleantech sector at the possible expense of above average returns on investments for the Norwegian people.

WWF recommends^{ix} Norway's government to improve the investment guidelines for Norway's SWF by

- introducing positive filtration by sector thereby supporting best in class companies;*
- developing mechanisms to ensure that Norway strategically invests in a transition to a more low carbon economy in China and other emerging economies, through "best-in class" screening and separate Clean Tech investment funds.*

Norway's SWF in China: Investing in Global Warming

Energy and environmental investments in China made by the Norwegian Government Pension Fund – Global as of 2008

Contents

Brief background.....	1
China's environmental crisis - a global challenge	1
Norway, China and environmental policy.....	1
The NGPFG guidelines and practices for Socially Responsible Investments	1
NGPFG holdings in energy and environment companies in China 2007.....	1
Renewable energy in China and the NGPFG	1
Conclusions	1
Recommendations	8
Appendix – The Norwegian Government Pension Fund – Global's portfolio in Mainland China at the end of 2007, including short descriptions.....	1

Note:

This survey assesses the Norwegian Government Pension Fund – Global (hereafter NGPFG) investments in energy and environment-related companies in mainland China (excl. Hong Kong) as of 2007, in light of Norway's policy goals regarding climate change and China. The survey provides an overview of the investment profile in the areas of energy and environment. However, it does not assess the environmental dimension of the whole investment portfolio nor the full potential for financially sound investment in China promoting sustainable and low carbon development. For instance, the NGPFG invests substantially in the construction and heavy industry sectors, where it would be interesting to assess the extent to which investments are supporting companies concerned with best practice for environmental and social standards.

Brief background

China's environmental crisis - a global challenge

China's rapid growth has caused severe impact on both the domestic and international environment. As more and more of China's 1.3 billion people reach middleclass status, domestic consumption is exploding. Simultaneously, domestic growth is partly caused by an export-driven economic model. Both domestic consumption and production in the export sector are made possible by an enormous increase in primary energy consumption, which is mainly fuelled by coal-burning power plants.

The rapid industrialization is causing severe local environmental problems all over China, but it is also creating a global challenge primarily due to rising emissions of carbon dioxide (CO₂). China is currently the world's largest emitter of CO₂, mainly due to the extensive use of coal for electricity generation,¹ something which contributes to global warming with detrimental effects on the environment impacting millions of people in especially the developing world.²

China is the largest consumer of coal in the world and receives around 70% of its electricity from coal. Due to its large reserves it is calculated that China has enough coal to sustain its economic growth another century or more.³ The Chinese coal mining industry is also taking the most human lives in the world, where an average of 13 people dies every day in mining accidents.⁴ Coal use is also one of the major sources of air pollution in China, where air pollution has been estimated to effect 750 000 premature deaths annually.⁵

Norway, China and environmental policy

Policy in Norway has increasingly focused on China in recent years. One of the main issues in the Sino-Norwegian relationship has been environment. High-level political meetings are held on a regular basis. An ambitious Norwegian policy towards China was announced by Norwegian Prime Minister Jens Stoltenberg at Tsinghua University in 2007. The Norwegian Prime Minister declared that "we stand on the threshold of a new, green economy" and announced that "together, we must explore every technological and business opportunity that promotes change."⁶

A Norwegian 'China Strategy' was published later the same year focussing on increased commercial cooperation and noting that the Norwegian government shall "seek to integrate environmental, climate change and sustainable development concerns into all Norwegian efforts vis-à-vis China."⁷ The strategy document states that: "China is also the world's third largest energy producer, and most of its consumption is covered by domestic production, which is mainly coal-based." The strategy moreover lists coal-based power production as one of the five major

¹ International Energy Agency (IEA): *World Energy Outlook 2007* and *World Energy Outlook 2008*, IEA.

² United Nations Development Program: *Human Development Report 2007/08*, UNDP 2007.

³ Technology Review: "China's Coal Future", 4 Jan 2007. <http://www.technologyreview.com/Energy/17963/>

⁴ BBC: "105 die in mine explosion", 7 December 2007. <http://news.bbc.co.uk/2/hi/asia-pacific/7132017.stm>

⁵ World Bank: *Cost of Pollution in China. Economic estimates of physical damages*, Conference edition, World Bank & State Environmental Protection Administration, 2007.

⁶ Speech by Norwegian PM Jens Stoltenberg at Tsinghua University, Beijing, 27 March 2007.

⁷ Norwegian Ministry of Foreign Affairs: *The Government's China Strategy*, Oslo, August 2007.

challenges of China's environmental policy, and addresses the fact that one coal powered plant is inaugurated every week.

The document also states several strategies for future cooperation in facing the environmental challenges in China: "China is interested in Norway's assistance in building up its institutional technical capacity in the environmental area and promoting energy efficiency and the use of hydroelectric power and other renewable energy sources. It is in Norway's own interests to provide such assistance." The document continues: "We will assist Chinese institutions in building up their technical capacity and expertise in the environmental field and the environmental knowledge in the civil sector. The focus will be on pollution reduction, conservation of biological diversity and the sustainable use of natural resources."

The NGPFG investment guidelines and practices for Socially Responsible Investments

The NGPFG is the largest pension fund in Europe and the second largest in the world. However, the NGPFG is technically a Sovereign Wealth Fund (SWF) and not a pension fund in the conventional sense, as it is based on financial assets from oil income and not pensions. The fund was established in 1990 primarily as an instrument to provide future national incomes when oil revenues decline. The fund has investments all over the world and offices in Oslo, London, New York, and lately also Shanghai. In 2004, the Petroleum Fund's Advisory Council on Ethics was established.

The ethical guidelines of NGPFG are based on two premises:

“* The Government Pension Fund – Global is an instrument for ensuring that a reasonable portion of the country's petroleum wealth benefits future generations. The financial wealth must be managed so as to generate a sound return in the long term, which is contingent on sustainable development in the economic, environmental and social sense. The financial interests of the Fund shall be strengthened by using the Fund's ownership interests to promote such sustainable development.

* The Government Pension Fund – Global should not make investments which constitute an unacceptable risk that the Fund may contribute to unethical acts or omissions, such as violations of fundamental humanitarian principles, serious violations of human rights, gross corruption or severe environmental damages.”⁸

A recent study by WWF and financial analysts, Innovest, points out that the financial sector has an important role to play in the global economy in terms of where they channel their funds.⁹ By investing in particular companies or projects, the financial sector sends signals to the broader market on the future value of those companies and indirectly influences what the future economy will look like. This makes it important for the financial sector to consider the longer-term implications of their investment decisions today in order to contribute to a sustainable and prosperous global economy in the future. Institutional asset managers today control an estimated 86% of investment in the world, according to the study.

⁸ www.nbim.no: *Ethical Guidelines for the Government Pension Fund – Global*.

⁹ Wong, K. et al.: *Fund Management in the 21st Century: The role of sovereign wealth funds in contributing to a low carbon future*, WWF and Innovest 2008.

The study stresses that as the driving force behind the global market place, large institutional investors such as sovereign wealth funds must be aware of how climate change may affect investment value. It will be important to identify those companies which are leaders in a low carbon future, and also to encourage companies to move in the right direction. Doing this, SWF will secure the investment potential in a global economy adapting to 21st Century environmental limitations and contribute to ensuring environmental stability important for a well-functioning global economy.

The study shows that NGPFG lags behind its peers – such as the Dutch pension fund ABP and calPERS – when it concerns application of instruments for socially responsible investments. There are two main reasons for this. The Norwegian fund does not apply positive screening ('best-in-class') by sector in its investment portfolio, something which contributes to develop best practises, and secondly, the NGPFG has not set up any thematic fund targeting investments in Clean Tech or the wider EGS sector in spite of the documented financial viability of such targeting. In contrast, the study notes, the China Investment Corporation SWF recently announced that it will target investments in environment friendly technologies.

NGPFG holdings in energy and environment companies in China 2007

By the end of 2007, the NGPFG had holdings in 122 companies on the Mainland Chinese stock exchange.¹⁰ (There are also substantial investments listed on the Hong Kong stock exchange, which are not included in this survey.) According to press reports from 2008, the fund will in the near future have NOK 15 billion invested in China.¹¹ This survey briefly studies the nature of each of the companies on the portfolio as of the end of 2007. It must be stressed that the companies described in the survey have not undergone any in-depth analysis. The survey primarily reports the main activity of the listed companies and not the detailed background of the companies.

There are in total 10 companies from the energy sector listed in the portfolio. None of these are linked to renewable energy production, and all of them are strongly engaged in coal-based power production, either through coal mining, coal power plants or both. In total the NGPFG had holdings with a total value of 784 170 000 NOK in these 10 companies at the end of 2007. A brief introduction of these companies will follow.

Explanation: The first number listed in front of the company name refers to the number in the company list (see appendix 1). The amount listed with the value in Norwegian Kroner NOK is the market value of NGPFG holdings in each company by the end of 2007. Any amount listed with parentheses shows the negative market value of the holding.

¹⁰ Government Pension Fund – Global Holding of equities at 31 December 2007, NBIM Norges Bank Investment Management, Annual report 2007.

¹¹ "Oljefondet satser stort på Kina-investeringer", VG 5 April 2008.
<http://www.vg.no/nyheter/innenriks/artikkel.php?artid=518788>

19. China Coal Energy Co – 59 662 000 NOK

The China Coal Energy Company is the second largest state-owned coal mining enterprise in Mainland China, just after China Shenhua Energy Company, and the third largest coal mining enterprise in the world.

38. China Shenhua Energy Co Ltd - 365 379 000 NOK

The largest integrated coal-based energy company focusing on coal and power-producing businesses in China.

48. Datang International Power Generation Co Ltd (6 204 000 NOK) –

Datang is engaged in production, delivery and maintenance in the power production sector. It owns and runs several coal power plants.

59. Guangdong Electric Power Development Co Ltd - 17 554 000 NOK

The company is engaged in power production where coal is an important element.

64. Hidili Industry International Development Ltd - 69 426 000 NOK

It is engaged in the production of coal and coke and coal-related chemicals in Sichuan Province and Guizhou Province.

65. Huaneng Power International Inc - 9 719 000 NOK

The company mainly engages in the development, construction and operation of large power plants, including coal power plants.

72. Kailuan Clean Coal Co Ltd - 106 762 000 NOK

The main product produced by the company is clean fat coal of Grade 8~12, which is low in phosphorus and high in ash fusibility with good coking property.

91. Shanxi Guoyang New Energy Co Ltd - 73 098 000 NOK

The company's principal activity is the processing and selling of coal. Coal includes coal dust, lump coal and powder coal. Other activities include the producing and supplying of electric power.

92. Shanxi Lu'an Environmental Energy Development Co Ltd - 72 271 000 NOK

The company is a chemical and energy enterprise specialized in coal and combined industries such as coal-power-chemical, coal-coke-chemical and coal-oil-chemical industrial activity.

114. Yanzhou Coal Mining Co Ltd - 10 335 000 NOK

The Company is mainly engaged in coal production, preparation and processing, marketing, and railway transportation.

In addition to these 10 companies from the power production sector, there were three other companies engaged in fossil fuel production and delivery. These three were:

36. China Petroleum & Chemical Corp - 63 444 000 NOK

80. PetroChina Co Ltd - 4 453 NOK

108. Xinao Gas Holdings Ltd 65 761 000 NOK

The total value of the holdings in these three companies were 133 658 000 NOK

In total the NGPFG in 2007 had holdings in the fossil fuel industry in China valued at 917 828 000 NOK, or close to 1 billion NOK.

Renewable energy in China and the NGPFG

Despite China's dependence on fossil fuels, there are several serious initiatives by the Chinese government to promote renewable energy, both from the political sphere and from the business community. The government intends to derive 15% of national energy from renewable resources by 2020.

China is a world leader in renewable energy development¹² with the highest growth rates in the world in sectors such as wind and solar energy and small hydropower. China has the largest hydro-electric power production and fifth largest wind power production in the world. Wind power is booming in China, with an annual growth rate of 50 per cent over the last 10 years. China is likely to become the biggest wind power market in the world in the near future. New Energy Finance predicts that \$398 (€291) billion-worth of investment in renewable energy will be needed by 2020 to reach official goals.¹³

According to a report by the Worldwatch Institute:

“More than \$50 billion was invested in renewable energy worldwide in 2006, and China is expected to invest over \$10 billion in new renewables capacity in 2007, second only to Germany. Wind and solar energy are expanding particularly rapidly in China, with production of wind turbines and solar cells both doubling in 2006. China is poised to pass world solar and wind manufacturing leaders in Europe, Japan, and North America in the next three years, and it already dominates the markets for solar hot water and small hydropower.”¹⁴

Moreover Steve Howard, CEO of The Climate Group states:

“For too long, many governments, businesses and individuals have been wary of committing to action on climate change because they perceive that China – the world's largest emitter – is doing little to address the issue. However, the reality is that China's government is beginning to unleash a low carbon dragon which will power its future growth, development and energy security objectives.”¹⁵

¹² Ref: The Climate Group: *China's clean revolution*, 2008. CREIA and WWF: *China Wind Power Report 2008*, 2008. Worldwatch institute: *Powering China's Development: The role of renewable energy*, 2007, WWF: *Prepared to Ride the Green Dragon? An assessment of the markets for environmental goods and services in China towards 2020*. 2008.

¹³ New Energy Finance: *Interesting Times 2.0 – Second focus report on Clean Energy Investment Opportunities in China*, January 2008.

¹⁴ Worldwatch institute: “Powering China's Development: The role of renewable energy”, 2007.

¹⁵ The Climate Group: *China's clean revolution*, 2008.

Global investments in renewable energy has been falling in 2008 due to the financial crisis but in China it is expected to increase in the fourth quarter¹⁶, illustrating the strong growth trend in the Chinese market. Renewable energy is clearly a strong sector in China with prospects of above-average returns for investors.

The NGPFG was in 2007 not pursuing the investment opportunities to profit from the rapidly developing Chinese cleantech sector. The NGPFG had not one single renewable energy company in its portfolio. The only company with a noticeable green profile is Bio-Treat Technology Ltd, where the NGPFG has holdings for 2 719 000 NOK. The company is engaged in wastewater treatment.

The NGPFG wishes not to comment on the absence of investments in renewable energy companies in China. The Fund does not comment on specific investments outside official press conferences.

Conclusions

In 2007 the NGPFG's energy investments in China were exclusively in CO2 intensive sectors such as coal, oil and gas. The NGPFG thereby support an unsustainable development trend in China contributing to severe detrimental environmental impacts. The fund's investments practises in China in 2007 ran counter to the recent Norwegian 'China Strategy' where the government aims "to integrate environmental, climate change and sustainable development concerns into all Norwegian efforts vis-à-vis China."

China is a world leader in renewable energy development with the highest growth rates in the world in sectors such as wind and solar energy and small hydropower. Yet, the NGPFG was in 2007 not pursuing the investment opportunities to profit from the rapidly developing Chinese cleantech sector at the possible expense of above average returns on investments for the Norwegian people.

Recommendations

The Norwegian government should make Norway's SWF a financially sound driver for global low carbon development, by:

- introducing positive filtration by sector thereby supporting best in class companies;
- developing mechanisms to ensure that Norway strategically invests in a transition to a more low carbon economy in China and other emerging economies, through "best-in class" screening and separate Clean Tech investment funds.

For a more detailed description of WWF's recommendations for the coming revision of the ethical guidelines of the Norwegian SWF, see Wong, K. et al: *Fund Management in the 21st Century: The Role of Sovereign Wealth Funds in Promoting a Low Carbon Future*, WWF & Innovest 2008.

¹⁶ South China Moring Post: "Renewable Energy Capacity still growing", November 14 2008.

Appendix – The Norwegian Government Pension Fund – Global's portfolio in Mainland China at the end of 2007, including short descriptions

1.	Advanced Semiconductor Manufacturing Corp – IT
2.	Air China Ltd – airline company
3.	AirMedia Group Inc – sells commercial onboard planes
4.	American Oriental Bioengineering Inc – bioengineering in health sector
5.	Anhui Conch Cement Co Ltd – cement production
6.	Anta Sports Products Ltd – sports products
7.	Baidu.com – internet portal
8.	Bank of China Ltd – banking
9.	Bank of Communications Co Ltd - banking
10.	Baoshan Iron & Steel Co Ltd – steelmaker
11.	Baoye Group Co Ltd - construction services
12.	Beijing Jingkelong Co Ltd - retailing and wholesaling
13.	Belle International Holdings Ltd - manufactures, distributes and sells shoes and footwear products
14.	Bio-Treat Technology Ltd - biotechnology for waste and wastewater treatment
15.	Bosideng International Holdings Ltd - production, sourcing and distributing of down apparel
16.	BYD Electronic International Co Ltd – production of mobile components
17.	Celestial Nutrifoods Ltd – produce and sell soya beans
18.	China Citic Bank-bank
19.	China Coal Energy Co – coal production
20.	China Communications Construction Co Ltd - construction
21.	China Communications Services Corp Ltd - telecommunications support services
22.	China Construction Bank Corp - bank
23.	China COSCO Holdings Co Ltd - shipping
24.	China Dongxiang Group Co - branded sports wear
25.	China Enterprise Co Ltd - real estate property, maintenance services, leasing and selling commercial buildings, construction material travel and catering services.
26.	China Fishery Group Ltd - fishing operations
27.	China Flexible Packaging Holdings Ltd - manufacture and sale of plastic packaging films and synthetic paper
28.	China High Speed Transmission Equipment Group Co Ltd - produces various transmission devices
29.	China Life Insurance Co Ltd - insurance
30.	China Merchants Bank Co Ltd - bank
31.	China Milk Products Group Ltd – dairy production
32.	China Molybdenum Co Ltd - mining, smelting, renovation and manufacture of molybdenum products
33.	China National Building Material Co Ltd - building material
34.	China Nepstar Chain Drugstore Ltd - retail drugstore chain
35.	China New Town Development Co Ltd – real estate
36.	China Petroleum & Chemical Corp - refiner and petrochemical producer
37.	China Railway Group Ltd - railway
38.	China Shenhua Energy Co Ltd – Coal production
39.	China Shineway Pharmaceutical Group Ltd - manufacturing and selling of modern Chinese medicines
40.	China Sun Bio-chem Technology Group Co Ltd – starch manufacturer
41.	China Telecom Corp Ltd – Telecommunication
42.	China United Telecommunications Corp Ltd – Telecommunication
43.	China Yurun Food Group Ltd – meat production
44.	CNinsure Inc – insurance
45.	Comtech Group Inc – wireless technology

46.	Country Garden Holdings Co Ltd - property development and construction
47.	Dashang Group Co Ltd - wholesaling, retailing, processing and storing agricultural and consumer products
48.	Datang International Power Generation Co Ltd – power production
49.	Dongfeng Motor Group Co Ltd – motor production
50.	Focus Media Holding Ltd - operates out-of-home advertising network
51.	Foxconn International Holdings Ltd - manufacture and trading of handhold technology
52.	Fujian Longxi Bearing Group Co Ltd - bearing supplier
53.	Fuyao Group Glass Industries Co Ltd - manufacture of glass
54.	Giant Interactive Group Inc - online game developers
55.	Global Sweeteners Holdings Ltd - corn sweetener producers
56.	Golden Eagle Retail Group Ltd – retail – store owner
57.	Gree Electric Appliances Inc – air condition producer
58.	Greentown China Holdings Ltd - development and sale of properties
59.	Guangdong Electric Power Development Co Ltd - electric power development
60.	Guangzhou Shipyard International Co Ltd - integrated shipbuilding
61.	Guoguang Electric Co Ltd - manufacturing of microwave electron
62.	Hainan Airlines Co Ltd - airlines
63.	Hangzhou Steam Turbine Co - manufacturing and selling of industrial steam turbines and other kinds of industrial equipment
64.	Hidili Industry International Development Ltd - productions of coal and coke and coal-related chemicals
65.	Huaneng Power International Inc - power
66.	Huaxin Cement Co Ltd - cement
67.	Hunan Valin Steel Tube and Wire Co Ltd - processing and selling smelted steel
68.	Industrial & Commercial Bank of China - bank
69.	Intime Department Store Group Co Ltd - retail
70.	Jiangsu Expressway Co Ltd - Construction, maintenance and management of expressway manufacturing
71.	Jilin Sino-Microelectronics Co Ltd – electronic components
72.	Kailuan Clean Coal Co Ltd - mining of coal and its associated resources, washing out, cleaning and processing of raw coal and selling of coal product
73.	Kingsoft Corp Ltd - software
74.	Lianhua Supermarket Holdings Co Ltd - supermarket holding
75.	Memtech International Ltd - manufacturing and selling customised precision moulded products
76.	Nanjing Chinxia Development Co Ltd - development and construction of residential district area
77.	New World Department Store China Ltd - department store
78.	Parkson Retail Group Ltd retail
79.	People's Food Holdings Ltd – meat production
80.	PetroChina Co Ltd – petroleum
81.	Pine Agritech Ltd - manufacture and sale of soybean-based products
82.	Ping An Insurance Group Co of China Ltd - insurance
83.	SAIC Motor Corp Ltd - motor
84.	Semiconductor Manufacturing International Corp - semiconductor foundry
85.	Shandong Chenming Paper Holdings Ltd - paper making
86.	Shandong Huatai Paper Co Ltd - paper
87.	Shandong Pharmaceutical Glass Co Ltd - Pharmaceutical Glass manufacturing
88.	Shandong Weigao Group Medical Polymer Co Ltd - production and sale of single use medical consumables
89.	Shanghai International Airport Co Ltd - airport
90.	Shanghai Zhangjiang High-Tech Park Development Co Ltd - developing and operating property
91.	Shanxi Guoyang New Energy Co Ltd – coal production
92.	Shanxi Lu'an Environmental Energy Development Co Ltd – coal production
93.	Shenzhen Chiwan Wharf Holdings Ltd - Harbour related services, Transportation and Logistic services
94.	Shenzhen Yantian Port Holding Co Ltd – managing of port and transport
95.	Sina Corp/China – One of Chinas biggest internet portal
96.	Sino-Ocean Land Holdings Ltd – real estate
97.	Sinotrans Ltd - transporting

98.	Sinotrans Shipping Ltd – transporting - shipping
99.	Sohu.com Inc – internet portal
100.	Suzhou New District Hi-Tech Industrial Co Ltd – real estate
101.	Synear Food Holdings Ltd – quick freeze food
102.	Tencent Holdings Ltd - internet service
103.	Tingyi Cayman Islands Holding Corp – financial advice
104.	Tong Ren Tang Technologies Co Ltd - manufacture and sale of Chinese medicines.
105.	Tongwei Co Ltd - provides aquatic, poultry and livestock feed etc products
106.	United Food Holdings Ltd – processed meat
107.	Weichai Power Co Ltd – production of diesel engines
108.	Xinao Gas Holdings Ltd - gas
109.	Xinhua Finance Media Ltd – media producer/media group
110.	Xining Special Steel Co - manufacture and sale of steel
111.	Xinjiang Guanghui Industry Co Ltd - finance
112.	Yantai North Andre Juice Co – production of juice concentrate
113.	Yantai Wanhua Polyurethanes Co Ltd - producing and selling polyurethane
114.	Yanzhou Coal Mining Co Ltd - coal mining
115.	Yunnan Yunwei Co Ltd - subsidiaries, operates chemical fiber enterprise
116.	Zhaojin Mining Industry Co Ltd - mining
117.	Zhejiang Expressway Co Ltd - expressway managing
118.	Zhengzhou Yutong Bus Co Ltd - bus
119.	Zhong An Real Estate Ltd - real estate
120.	Zhuzhou CSR Times Electric Co Ltd – electric equipment to locomotives
121.	Zijin Mining Group Co Ltd - mining
122.	ZTE Corp - telecommunications equipment and network solutions

Endnotes to summary:

ⁱ Size of fund as of 30 June 2008, ref. Norges Bank Investment Management. www.nbim.no

ⁱⁱ www.nbim.no: Ethical Guidelines for the Government Pension Fund – Global.

ⁱⁱⁱ Source for this paragraph: *Government Pension Fund – Global Holding of equities at 31 December 2007*, NBIM Norges Bank Investment Management, Annual report 2007.

^{iv} International Energy Agency (IEA): *World Energy Outlook 2007* and *World Energy Outlook 2008*, IEA.

^v United Nations Development Program: *Human Development Report 2007/08*, UNDP 2007.

^{vi} World Bank: *Cost of Pollution in China. Economic estimates of physical damages*, Conference edition, World Bank & State Environmental Protection Administration, 2007.

^{vii} Norwegian Ministry of Foreign Affairs: *The Government's China Strategy*, Oslo, August 2007.

^{viii} The Climate Group: *China's clean revolution*, 2008. CREIA and WWF: *China Wind Power Report 2008*, 2008. Worldwatch institute: "Powering China's Development: The role of renewable energy", 2007.

^{ix} For a more detailed description of WWF's recommendations for the coming revision of the ethical guidelines of the Norwegian SWF, see Wong, K. et al: *Fund Management in the 21st Century: The Role of Sovereign Wealth Funds in Promoting a Low Carbon Future*, WWF & Innovest 2008.



ISBN: 97882-90980-28-0

Published by: WWF Norway, Pb6784 St. Olavs Plass, 0130 Oslo.