

**To the Ministry of Finance**

**Recommendation on the exclusion of Grupo Carso SAB de CV from the  
GPFG**

**15 February 2011**

## 1 Introduction

The GPFG's ethical guidelines' paragraph 2<sup>1</sup> states,

*“The Fund's shares shall not be invested in companies which, themselves, or through entities they control, produce tobacco.”*

The Council on Ethics continuously monitors the Fund's investment portfolio in order to identify companies which carry out activities that may be inconsistent with the ethical guidelines. This review has shown that the Mexican company Grupo Carso SAB de CV<sup>2</sup> could be involved in the production of tobacco.

## 2 Contact with the company

In September 2010, the Council on Ethics sent a letter to Grupo Carso SAB de CV to enquire as to whether the company produces tobacco<sup>3</sup>, either itself or through entities under its control. The company responded to the inquiry and made it clear that it owns 69, 94 percent of the company Compañía Mercantil de Productos de Tabaco S.A de CV, which produces tobacco products. The company further informs that it owns 20 percent of Philip Morris S.A de CV, which produces cigarettes.<sup>4</sup>

## 3 The Council on Ethics' evaluation

The Council on Ethics considers that the company's ownership of Compañía Mercantil de Productos de Tabaco S.A de CV falls within the ethical guidelines' criterion of control. Consequently, Grupo Carso SAB de CV produces tobacco through a company it controls.

## 4 Recommendation

Based on the information above, the Council on Ethics recommends the exclusion of the company Grupo Carso SAB de CV Ltd. from the investment universe of the Government Pension Fund Global.

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Gro Nystuen  
Chairman

(sign.)

Dag Olav Hessen

(sign.)

Ylva Lindberg

(sign.)

Ola Mestad

(sign.)

Bente Rathe

(sign.)

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<sup>1</sup> The guidelines for the observation and exclusion of companies from the investment universe of the Government Pension Fund Global: [http://www.regjeringen.no/en/sub/styrer-rad-utvalg/ethics\\_council/ethical-guidelines.html?id=425277](http://www.regjeringen.no/en/sub/styrer-rad-utvalg/ethics_council/ethical-guidelines.html?id=425277)

<sup>2</sup> Sedol: 2393452

<sup>3</sup> Letter from the Council on Ethics to Grupo Carso SAB de CV, 16 September 2010

<sup>4</sup> Letter from Grupo Carso SAB de CV to the Council on Ethics, 22 October 2010