

COUNCIL ON ETHICS

THE GOVERNMENT PENSION FUND GLOBAL

To the Ministry of Finance

31 January 2014

UNOFFICIAL ENGLISH TRANSLATION

**Recommendation to revoke the exclusion of the company
Dongfeng Motor Group Co. Ltd. from the investment universe of the
Government Pension Fund Global**

1 Summary

The Council on Ethics for the Government Pension Fund Global (GPFG) recommends revoking the exclusion of the Chinese company Dongfeng Motor Group Co. Ltd.

The company was excluded from the GPFG in 2009 because it was supplying military materiel to the authorities in Myanmar. The Ministry of Finance has decided that such activities should no longer constitute grounds for excluding companies from the GPFG.

2 Background

On 14 November 2008, the Council on Ethics recommended to the Ministry of Finance that the company Dongfeng Motor Group Co. Ltd. should be excluded from the GPFG because it was supplying military vehicles to the authorities in Myanmar.¹ The Ministry of Finance followed the recommendation and the company has been excluded from the GPFG since March 2009.

Paragraph 2, first subsection, letter c of the GPFG's ethical guidelines states that assets in the Fund shall not be invested in companies which themselves or through entities they control sell weapons or military material to states that are affected by investment restrictions on government bonds as described in paragraph 3-1, subsection 2 letter c of the management mandate for the Government Pension Fund Global.²

The Ministry of Finance has informed the Council on Ethics in a letter dated 28 January 2014 that the restriction on investments in government bonds no longer applies to Myanmar.

Accordingly, the grounds for excluding the company Dongfeng Motor Group Co. Ltd. no longer apply, and the Council on Ethics recommends revoking the exclusion of the company.

3 Recommendation

The Council on Ethics for the Government Pension Fund Global recommends revoking the exclusion of the company Dongfeng Motor Group Co. Ltd.

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Chair

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¹ Recommendation of 14 November 2008 on the exclusion of the company Dongfeng Motor Group Co. Ltd., http://www.regjeringen.no/en/sub/styrer-rad-utvalg/ethics_council/Recommendations/Recommendations-on-companies-supplying-a.html?id=614301.

² Guidelines for the observation and exclusion of companies from the Government Pension Fund Global's investment universe, http://www.regjeringen.no/en/sub/styrer-rad-utvalg/ethics_council/ethical-guidelines.html?id=425277.