

UNOFFICIAL ENGLISH TRANSLATION

**To Norges Bank**

08.05.2019

**Recommendation to revoke the exclusion of Grupo Carso SAB de CV from investment by the Government Pension Fund Global**

## 1 Summary

Grupo Carso SAB de CV was excluded from investment by the Government Pension Fund Global (GPFG) in 2011 on the grounds of tobacco production. Since the company is no longer involved in this kind of production, the Council on Ethics recommends that its exclusion be revoked.

## 2 Background

On 15 February 2011, the GPFG's Council on Ethics recommended to the Norwegian Ministry of Finance that Grupo Carso SAB de CV (Grupo Carso) be excluded on the grounds that it was involved in the production of tobacco.<sup>1</sup> The decision to exclude the company was published on 24 August that same year.

Through its correspondence with the Council on Ethics, Grupo Carso had disclosed that it owned 69.94 per cent of Compañía Mercantil de Productos de Tabaco SA de CV, which produced tobacco products. The Council therefore deemed that Grupo Carso engaged in business operations that were covered by the Guidelines for Observation and Exclusion from the Government Pension Fund Global (the ethical guidelines), which state that the fund shall not invest in companies which themselves, or via entities they control, produce tobacco.

Section 5(5) of the ethical guidelines state that:

*“The Council on Ethics shall regularly assess whether the basis for observation or exclusion still exists. In light of new information, the Council on Ethics may recommend that the Bank revoke an observation or exclusion decision.”*

In January 2018, the Council received indications that Grupo Carso was no longer involved in the production of tobacco.

## 3 Contact with the company

The Council on Ethics has written to the company on numerous occasions since June 2018. In a letter to the Council dated 9 April 2019, Grupo Carso disclosed that it had not itself or through any entities under its control, been involved in the production of tobacco since 31 March 2017.

## 4 The Council's assessment

Grupo Carso was excluded because it controlled the tobacco producer Compañía Mercantil de Productos de Tabaco SA de CV. Since Grupo Carso is no longer itself or through entities it controls involved in the production of tobacco, the Council considers that the grounds for exclusion no longer exist.

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<sup>1</sup> The recommendation can be downloaded from here:  
[https://etikkradet.no/files/2017/09/Tilradning\\_Carso\\_feb\\_2011.pdf](https://etikkradet.no/files/2017/09/Tilradning_Carso_feb_2011.pdf)

## 5 Recommendation

The Council on Ethics recommends that the exclusion of Grupo Carso SAB de CV from investment by the Government Pension Fund Global be revoked.

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