

To Norges Bank

30.03.2022

**Recommendation to exclude Eastern CO SAE from the Norwegian
Government Pension Fund Global's investment universe**

UNOFFICIAL ENGLISH TRANSLATION

1 Background

Pursuant to section 3(1) of the Guidelines for Observation and Exclusion Companies from the Government Pension Fund Global, the “GPF Global shall not be invested in companies which themselves or through entities they control: [...] b) produce tobacco or tobacco products.”¹ Section 2 of the guidelines states that “advice and decisions pursuant to the criteria set out in section 3 may also apply to companies only included in the reference index or to be included in the reference index”.

The Council continuously monitors the GPF Global with a view to identifying companies that fall within the scope of the guidelines. Companies included in the reference index which have not been invested in by the GPF Global are assessed as required.

Norges Bank has drawn the Council’s attention to the company Eastern Co SAE.² The company is not part of the GPF Global’s portfolio, but is included in the reference index.

2 Information about the company

Eastern Co SAE is listed on the Cairo Stock Exchange. According to the company’s financial statements as at June 2021, Eastern Co SAE produces tobacco products.³ The Council has contacted the company and asked it to provide further details. The Council’s request has received no reply.

3 The Council’s assessment

According to Eastern Co SAE’s financial statements as at June 2021, the company produces tobacco products. This constitutes grounds to exclude the company from the GPF Global’s investment universe.

4 The Council’s recommendation

The Council on Ethics recommends that Eastern Co SAE be excluded from potential investment by the Norwegian Government Pension Fund Global (GPF Global).

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| Johan H. Andresen Chair (Sign.) | Svein Richard Brandtzæg (Sign.) | Cecilie Hellestveit (Sign.) | Trude Myklebust (Sign.) | Siv Helen Rygh Torstensen (Sign.) |
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¹ Guidelines for Observation and Exclusion of Companies from the Government Pension Fund Global (GPF Global): <https://files.nettsteder.regjeringen.no/wpuploads01/sites/275/2021/11/Guidelines-for-Observation-and-Exclusion-GPF-29-November-2021.pdf>

² ISIN: EGS37091C013

³ Link to the company’s financial statements as at June 2021: https://www.easternegypt.com/wp-content/uploads/2021/11/Eastern-Company-F_S-June-2021-English-1.pdf