

To Norges Bank

24.02.2022

Recommendation to exclude Scandinavian Tobacco Group A/S from investment by the Norwegian Government Pension Fund Global (GPF)

Unofficial English translation

1 Background

Pursuant to section 3(1) of the Guidelines for Observation and Exclusion from the Government Pension Fund Global (GPFG), the fund shall “not be invested in companies which themselves or through entities they control:

[...]

b) produce tobacco or tobacco-products.”¹ Under the Guidelines’ section 2, “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 on Ethics continuously monitors the GPFG in order to identify companies that fall within the scope of its ethical guidelines. Companies in the reference index but not the fund are assessed as required.

Norges Bank has drawn the Council’s attention to Scandinavian Tobacco Group A/S.² This company is not in the GPFG’s portfolio, but it is included in the reference index.

2 Information about the company

The company is listed on the Nasdaq Copenhagen. The company’s 2020 annual report discloses that Scandinavian Tobacco Group A/S produces tobacco products.³ The Council has approached the company and invited it to disclose further details. The company has not replied to the Council’s query.

3 The Council’s assessment

The company’s 2020 annual report discloses that it produces tobacco products. This constitutes grounds for recommending its exclusion from the GPFG’s investment universe.

4 Recommendation

The Council on Ethics recommends that Scandinavian Tobacco Group A/S be excluded from the possibility of investment by the Government Pension Fund Global (GPFG).

Johan H.
Andresen
Chair

(Sign.)

Svein Richard
Brandtzæg

(Sign.)

Cecilie
Hellestveit

(Sign.)

Trude
Myklebust

(Sign.)

Siv Helen Rygh
Torstensen

(Sign.)

¹ Guidelines for Observation and Exclusion from the Government Pension Fund Global (GPFG): <https://files.nettsteder.regjeringen.no/wpuploads01/sites/275/2021/11/Guidelines-for-Observation-and-Exclusion-GPFG-29-November-2021.pdf>

² ISIN: DK0060696300

³ Link to the company’s 2020 annual report: https://www.st-group.com/media/2sgcgq4v/stg_annual_report_2020.pdf

