

(Unofficial English translation)

To the Ministry of Finance

November 15, 2007

## Recommendation

### 1 Background

The Council on Ethics recommends that the company Serco Group Plc. be excluded from the investment universe of the Government Pension Fund – Global because the company is deemed to be involved in the production of nuclear weapons.

Point 4.4 of the Ethical Guidelines for the Government Pension Fund – Global, states the following: “*The Council shall issue recommendations on negative screening of one or several companies on the basis of production of weapons that through their normal use may violate fundamental humanitarian principles.*” In the Government White Paper on Ethical Guidelines (NOU 22: 2003), and through the subsequent discussion of the Guidelines in the *Storting* (Parliament), production of key components of nuclear weapons were considered as falling within this category of weapons.

The Government Pension Fund – Global owned neither stocks nor bonds issued by Serco Group Plc. at the end of 2006, investments in the company have been made in the course of 2007.

The Council, on September 19<sup>th</sup>, 2005, issued its first recommendation on exclusion from the Fund of companies that produce nuclear weapons.<sup>1</sup> This recommendation provided for a closer description of nuclear weapons, as well as a description of which weapons’ components fall within the Fund’s guidelines.

### 2 Further details on Serco Group’s role in the development and production of nuclear weapons

According to information on the company’s website, Serco Group Plc (“Serco”) is a partner in the company AWE Management limited (AWEML), which is the operating company to the British Atomic Weapons Establishment (AWE). AWE is a government owned company which produces and maintains the UK’s nuclear weapons.

On Serco’s website, this activity is described as follows: “*AWE, the Atomic Weapons Establishment, provides the warheads for the United Kingdom nuclear deterrent. AWE is managed by AWE Management Ltd, (AWEML) a consortium of Serco, Lockheed Martin and*

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<sup>1</sup> Recommendation given September 19, 2005:

<http://www.regjeringen.no/pages/1661428/Tilråkning%20kjernevåpen%20engelsk%2019%20sept%202005.pdf>