



Recommendation of 18 April 2006

The exclusion of EADS from the investment universe of the Government Pension Fund — Global has been reviewed

Letter | Date: 10/05/2006 | [Ministry of Finance](http://www.regjeringen.no/en/dep/fin/id216/) (http://www.regjeringen.no/en/dep/fin/id216/)

The Council on Ethics for the Government Pension Fund - Global

To the Ministry of Finance

Recommendation of 18 April 2006

(Unofficial English translation)

Introduction

The exclusion of EADS from the investment universe of the Government Pension Fund – Global has been reviewed.

There is no longer a basis for exclusion of the company from investments related to involvement in the production of cluster munitions.

The recommendation to exclude the company is however upheld because the company is involved in production of key components to nuclear weapons.

Background

On 16 June 2005, the Advisory Council on Ethics for the Government Petroleum Fund submitted its recommendation on exclusion of companies that are involved in the production of cluster munitions. ¹See

<http://odin.dep.no/etikkradet/english/documents/099001-210003/dok-bn.html> The company EADS (European Aeronautic Defence and Space Company) was among the companies that were recommended for exclusion.

The basis for the exclusion of EADS was that the company in a letter to Norges Bank dated June 8, 2005, stated that the company owned the company TDA in a joint venture with the company Thales S.A. Moreover, EADS stated that TDA produced the mortar ammunition PR Cargo, which the Council considered to be cluster ammunition according to the Fund's ethical guidelines.

In a new letter to Norges Bank, dated 21 March, 2006, EADS stated that the company no longer is an owner of TDA and, thus, that there is no longer a basis for exclusion of the company from investments related to involvement in production of cluster munitions.

On 19 September 2005, the Council submitted its recommendation on exclusion of companies that develop and produce nuclear weapons. ²See <http://odin.dep.no/etikkradet/english/documents/099001-990075/dok-bn.html> EADS is mentioned in this recommendation because of its ownership in the company MBDA and its involvement in the development of the nuclear missile M51. Because EADS had already been excluded for its involvement in production of cluster munitions, the company was not again recommended for exclusion on the basis of its involvement in the production of nuclear weapons.

Further details on MBDA and M51

EADS owns 37,5% of the company MBDA. ³Ownership structure described on MBDA's homepage: http://www.mbda.net/site/FO/scripts/siteFO_contenu.php?lang=EN&noeu_id=37 MBDA is, according to *Jane's Air Launched Weapons*⁴ Database supplied by Jane's Information Group, see www.james.com, under contract to develop the ASMP-A missile for the French Air Force. ASMP-A is described as a " *nuclear warhead air-to surface missile*". ASMP-A will, according to *Jane's*, be fitted with a nuclear warhead supplied by the French Government's CEA (*Commissariat á l'Energie Atomique*). The contract was signed in 1996 and final deliveries will be made in 2008.

MBDA displays components of ASMP-A on its internet homepage.

⁵http://www.mbda.net/site/FO/scripts/siteFO_contenu.php?noeu_id=77&lang=ENU ASMP-A is not known to have applications other than to deliver nuclear warheads.

EADS is also involved in the development of the M51 missile.