

Decision to exclude company that produce cannabis for recreational use

March 2022

1 Introduction

KLP and the KLP Funds (KLP) have decided to exclude Columbia Care Inc. from the investments due to an unacceptable risk that the company's activities constitute a serious violation of fundamental ethical norms.

The company produce and sell products containing cannabis for recreational use. UN conventions classify cannabis as a narcotic substance and prohibit its production, sale, etc.¹

2 KLP's guidelines

The statutory regulation in Norway prohibits use of cannabis. It can however, open for exceptions where cannabis-related content is required for medical or scientific purposes.² KLP therefore considers that companies that operate within this legal framework do not violate international norms such as the UN's conventions on narcotic substances.

KLP's decisions with respect to responsible investment rest on internationally recognised principles for which there is broad agreement. The legalisation of cannabis in Canada contravenes the UN's narcotics conventions. The production and sale of cannabis for recreational use is therefore deemed to be a serious violation of fundamental ethical norms under KLP's guidelines for responsible investment.

3 Information about the company

KLP receives its data from our data provider MSCI Inc.

Columbia Care Inc.

Columbia Care Inc is a provider of cannabis-based health and wellness solutions. The Company is engaged cultivating, manufacturing and providing medical and adult use cannabis products and related services.

¹ <https://lovdata.no/dokument/TRAKTAT/traktat/1988-12-20-1?q=narkotika>

² <https://lovdata.no/dokument/SF/forskrift/2013-02-14->

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4 Decision

According to KLP's assessment, the above information indicates that the company's activities are not in line with KLP's guidelines as a responsible investor. Columbia Care Inc. is excluded from investments by KLP and the KLP Funds due to an unacceptable risk that the company's activities constitute a serious violation of fundamental ethical norms.