

To Norges Bank

23.04.2024

UNOFFICIAL ENGLISH TRANSLATION

**Recommendation to revoke the
exclusion of Mativ Inc from
investment by the Government
Pension Fund Global**

1 Summary

Mativ Inc (formerly Schweitzer-Mauduit International Inc)¹ was excluded from investment by the Norwegian Government Pension Fund Global (GPF) in 2013 due to its production of tobacco. Since the company is no longer involved in such production, the Council on Ethics recommends that the company's exclusion be revoked.

2 Background

On 24 January 2013, the Council on Ethics for the GPF recommended to the Norwegian Ministry of Finance that Schweitzer-Mauduit International Inc (now Mativ Inc) be excluded from the Fund due to its production of reconstituted tobacco leaf (RTL).² RTL is produced from scraps, dust, etc. from the processing of tobacco leaves and parts of the tobacco plant that are not otherwise usable (stalks etc.). By means of a variety of processes, this waste is converted into a product that is used in the production of cigarettes.

The Council's recommendation to exclude was based on the company's investor report for the third quarter 2012, which stated that the company produced approx. 75,000 tonnes of RTL. This constituted half of the entire global output of RTL. At the same time, the company announced plans to further expand its production with the opening of a factory in China in 2014. The new facility would have an annual output of 30,000 tonnes.

Pursuant to section 5(7) of the Guidelines for the Observation and Exclusion of Companies from the Government Pension Fund Global (the ethical guidelines), the Council "shall have routines for assessing whether basis for observation or exclusion still exists. In light of new information, the Council on Ethics may recommend that the Bank revoke an observation or exclusion decision."³

¹ Issuer ID: 179489

² The recommendation may be accessed here: <https://etikkradet.no/schweitzer-mauduit-int-inc-and-huabo-holdings-ltd/>

³ Guidelines for the Observation and Exclusion of Companies from the Government Pension Fund Global:
https://www.regjeringen.no/contentassets/9d68c55c272c41e99f0bf45d24397d8c/2022.09.05_gpfg_guidelines_observation_exclusion.pdf

3 Contacts with the company

The Council has contacted Mativ Inc to ask whether it no is longer involved into the production of tobacco. However, the company has not replied.

4 The Council's investigations

In its annual report for 2023, Mativ Inc disclosed that, on 30 November 2023, it had completed the sale of its “engineered papers business” to Evergreen Hill Enterprise Pte, and that “with the sale of the EP business, Mativ ceased participating in tobacco-based products markets.”⁴

5 The Council's assessment

On the basis of the information available, the Council has considered whether the grounds for excluding Mativ Inc from investment by the GPFG have ceased to exist. The company's 2023 annual report states that Mativ is no longer involved in tobacco-based production. Since the company is not itself or through entities it controls involved in the production of tobacco, the Council considers that the grounds for exclusion no longer exist.

6 Recommendation

The Council on Ethics the Council on Ethics recommends that the exclusion of Mativ Inc from the Government Pension Fund Global be revoked.

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Chair

(Sign.)

Siv Helen Rygh
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(Sign.)

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(Sign.)

⁴ Mativ's annual report for 2023 may be found here: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001000623/e1159154-c06a-48ad-996e-d6e002d061c6.pdf>