



## Decision to rescind exclusion of Incitec Pivot Ltd.

April 2021

### Introduction

KLP has decided to rescind its exclusion of Incitec Pivot, Ltd. (Incitec) the KLP and the KLP funds' investments. Incitec is an Australian fertilizer company, whose operations include raw materials production.

KLP excluded Incitec in 2009 because the company purchased phosphates from Western Sahara for use in its fertiliser production. Incitec no longer buys phosphates from Western Sahara and has no plans to do so in the immediate future. The grounds for exclusion therefore no longer exist.

### Dialogue

KLP has engaged in a dialogue directly with Incitec. In dialogue the company confirmed that it last bought phosphates from Western Sahara in 2016. Incitec confirmed that procurement plan for phosphate rock will be guided by a few factors including regulatory requirements for single superphosphate manufacturing in Australia, international demand and supply dynamics for phosphate rock and plant operational requirements. Further, with respect to any future procurement from Western Sahara, any decision by the company will be guided by the existing UN framework applicable to supply from Western Sahara. KLP has requested for a meeting with the company, but the company has not responded to this request.

### Assessment

KLP considers that the grounds for exclusion no longer exist. In the majority of cases, this fact is enough for re-inclusion of a company that has been excluded. In addition, Incitec has expressed that although it is extremely unlikely that the company will buy phosphates from Western Sahara in the future. However, Incitec has not ruled out purchasing phosphates from Western Sahara again. Should Incitec nevertheless resume its purchase of phosphates from Western Sahara in the future, KLP will have to consider excluding the company once again.



## Decision

Based on an assessment that the grounds for exclusion no longer exist and that the company has no plans to resume purchases of phosphates from Western Sahara, KLP has decided to rescind its exclusion of Incitec from investment by KLP and the KLP Funds.