



Decision to include Nutrien Ltd.

June 2019

Summary

Agrium Inc. and PotashCorp of Saskatchewan Inc., who were both excluded for their purchases of phosphate from West-Sahara, merged in 2018 to form the company Nutrien Ltd. (Nutrien). PotashCorp of Saskatchewan and Agrium Inc. were excluded from KLP and the KLP Mutual Funds in 2010 and 2014 respectively. The exclusions were carried over to cover Nutrien after the merger. Nutrien was the largest importer of phosphate from West-Sahara.

Nutrien has publicly disclosed that they would no longer purchase phosphate from West-Sahara by the end of 2018:

*Nutrien decided to close its small phosphate facility at Geismar, Louisiana, by the end of 2018 and will no longer require offshore phosphate rock imports starting in 2019.*¹

In the Council on Ethics recommendation to revoke the exclusion of Nutrien it is further highlighted that the company, through written dialogue with the Council on Ethics, has stated that they will no longer use imported phosphate as a raw material in their production.²

KLP's analysis

As Nutrien has terminated their import of phosphate from West-Sahara, the grounds for exclusion are no longer existent. Hence, the Government Pension Fund Global has revoked the exclusion of Nutrien. The *Guidelines for KLP as a Responsible Investor* includes the same criteria for excluding companies based on other fundamental ethical norms violations. KLP finds the recommendation from the Council on Ethics to be reasonable, and have therefore decided to include the company.

¹ <https://www.nutrien.com/investors/news-releases/2018-nutriens-2nd-quarter-and-1st-half-results-demonstrate-strength>

² <https://etikkradet.no/files/2019/06/Nutrien-revocation-ENG.pdf>



KLP's decision

KLP has decided to revoke the exclusion of Nutrien Ltd. from KLP and the KLP Mutual Funds' investments from June 2019.