

# Our Leadership on Climate Change

December 2020

Mosaic's mission is to help the world grow the food it needs. Fertilizers, Mosaic's primary products, are responsible for 40-60% of the world's crop yields, and thus play a vital role in increasing food production and land use efficiency in agriculture and livestock production – both critical to ensuring a sustainable food future. We understand that climate change creates physical, transition and regulatory risks for our business and poses challenges for the health and well-being of the world's populations – ecologically, socially and economically. The potential impact of climate change on weather patterns, including changes to growing seasons; more intense precipitation in some regions and increased drought in others; physical risk to our operations; threats to our supply chain; as well as the adverse effects on the availability and quality of critical water resources, are of particular concern to Mosaic and our stakeholders, including investors. We generate direct and indirect greenhouse gas (GHG) emissions in the mining, production, distribution and application of Mosaic's phosphate and potash crop nutrient products. By reducing our GHG emissions through initiatives like improving the energy efficiency of our operations and promoting sustainable agricultural practices, we are mitigating our contribution to climate change, adapting to its potential threats, and reducing the environmental impact of fertilizers on the global food supply. At Mosaic, our approach to climate change involves:

- **Efficiency** – Focusing on energy, emissions, water efficiency and conservation across our operations to realize environmental, production, social and financial advantages. Further, we realize the importance of the energy-water nexus, its effects on climate change, and the need to address both issues in an effort to mitigate and adapt to the impacts of climate change. We believe employees are critical to our sustainability efforts and foster an environment where they are comfortable sharing ideas and recommending solutions.
- **Risk reduction** – Integrating an environment, health and safety management system that is focused on identifying, evaluating and controlling risks. Our proactive approach includes targets for risk reduction at all facilities. We have companywide targets to eliminate environmental incidents and to reduce water use and GHG emissions at our sites.
- **Innovation** – Investing in energy-efficient technologies, evaluating alternative/renewable energy sources, and various forms of automation to satisfy our operations requirements. We continually look for opportunities to optimize the efficiency and expand the electricity output of our cogeneration assets.

- **Product development** – Leveraging our agronomic expertise to deliver solutions that improve soil health, land use efficiency and have a positive impact on farmers’ productivity and greenhouse gas footprint.
  - **Industry engagement** – Supporting and participating in industry outreach and educational efforts to address the shared challenges of climate change
  - **Knowledge sharing and community investment** – Assisting in the development of advanced agronomic systems to close agriculture’s yield gap and transferring agronomic knowledge to smallholder farmers through the Mosaic Villages Project.
  - **Advocacy** – Engaging with stakeholders on the issues of energy efficiency and climate change.
  - **Transparency** – Reporting openly on our energy and GHG and other emissions performance annually and communicating with shareholders and other stakeholders about climate change risks and proactively preparing for physical, social and regulatory changes that may result from climate change.
- Planning** – Monitoring climate change scenarios to understand and mitigate their impacts on our business.

Though the exact timing, magnitude, and economic implications of the risks of climate change are still uncertain, Mosaic recognizes that our action on climate change is good for the environment; the communities and ecosystems in which we operate; and for the long-term financial health and viability of our company. This statement complements our Environment, Health and Safety Policy; Commitment to Water Stewardship; Position on Deforestation; and participation in the United Nations Global Compact.

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