



WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate, significant emissions reductions are required of all market sectors to align with the Paris Agreement’s 1.5°C goal and stave off the worst consequences of climate change.¹ Decarbonizing mining and agricultural systems is critical to achieving global decarbonization.² Investor demand for science-aligned emission reductions and transition planning reflects the reality that climate-related risk exposure is growing.³

The Mosaic Company, a leading integrated producer of crop nutrients, faces increasing regulatory risks from its emissions-intensive value chain. In 2022, Mosaic was charged around \$3 million in carbon levies from its value chain partners, such as its energy and rail providers, due to Canada’s carbon pricing regulations.⁴ As governments strive to meet their commitments to the Paris Agreement, Mosaic anticipates increasing adoption of carbon pricing and stricter regulations.⁵ Simultaneously, there are increasing opportunities for companies with decarbonization-enabling solutions for high-emitting sectors.⁶ By expanding its current commitments to cover its full value chain, Mosaic can meet new regulatory requirements and increase competitiveness in low-carbon innovation.

Last year, 30% of shareholders supported Mosaic reducing emissions across its value chain. Yet Mosaic still lacks specific targets for the 70% of its emissions that originate in its value chain, including raw material sourcing and its products’ emissions.⁷ While the Company does aim to achieve Net Zero by 2050 in its operations, focusing solely on operational emissions reduction is insufficient for companies with substantial value chain (Scope 3) emissions.⁸ By reducing emissions from its full value chain in alignment

¹ https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf, p.20

² https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3e533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf, p.161

³ <https://www.weforum.org/agenda/2023/11/climate-crisis-cost-global-economies/>

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https://www.cdp.net/en/formatted_responses/responses?campaign_id=83630982&discloser_id=1035826&locale=en&organization_name=The+Mosaic+Company&organization_number=12382&program=Investor&project_year=2023&redirect=https%3A%2F%2Fcdp.credit360.com%2Fsurveys%2F2023%2Fjwbhd7d6%2F292500&survey_id=82591262, C2.3a

⁵ <https://www.sec.gov/ix?doc=/Archives/edgar/data/1285785/000161803423000003/mos-20221231.htm>, p.F-27

⁶ <https://www.bloomberg.com/news/articles/2023-11-22/investors-with-11-trillion-back-plan-to-reform-mining-industry?srnd=green>

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https://www.cdp.net/en/formatted_responses/responses?campaign_id=83630982&discloser_id=1035826&locale=en&organization_name=The+Mosaic+Company&organization_number=12382&program=Investor&project_year=2023&redirect=https%3A%2F%2Fcdp.credit360.com%2Fsurveys%2F2023%2Fjwbhd7d6%2F292500&survey_id=82591262, C6

⁸ <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>, p.33



with the Paris Agreement's 1.5°C goal, Mosaic can make proactive capital deployment decisions to avoid risk and take advantage of transition opportunities.

Mining and chemical peers are galvanizing action and investment toward decarbonization. Ashland Inc, FMC Corporation, Newmont Corporation, and PPG Industries established emission reduction targets through the Science Based Targets initiative that cover all emission scopes, while Corteva Agriscience and The Chemours Company are in the validation process.⁹

By setting science-aligned emission reduction targets across its full value chain and providing a comprehensive transition plan, Mosaic can position itself to maximize climate-related opportunities and ensure long-term, sustainable value creation.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how the Company intends to reduce its full value chain greenhouse gas emissions in alignment with the Paris Agreement's 1.5°C goal.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that the report include:

- A timeline for setting 1.5°C-aligned Scope 3 reduction goals;
- A climate transition plan to achieve emissions reduction goals across all relevant scopes; and
- Annual reports demonstrating progress towards meeting emissions reduction goals.

⁹ <https://sciencebasedtargets.org/companies-taking-action>