

The Mosaic Company (MOS.US)

Climate Transition Analysis

Recommended Questions

Q.1 *How will Mosaic drive a reduction in Scopes 1 and 2 emissions over time?*

Background: Mosaic targets being net zero for Scopes 1 and 2 by 2040. However, historical trends suggest it is off track to deliver on this goal.

Target: Mosaic sets out the investments and strategies which will drive future emission reductions.

Q.2 *What is Mosaic doing about Value Chain Emissions?*

Background: Mosaic does not currently address its Scope 3 footprint, which represented more than 70% of total emissions in 2023. Mosaic also seems to be at an early stage in developing its engagement on climate with its value chain and customers

Target: Mosaic further develops its engagement strategy with the value chain and moves towards setting a Scope 3 reduction target.

Q.3 *How are climate targets reflected in management compensation setting?*

Background: Effective incentive frameworks are essential for translating climate ambition into action. Achieving climate targets should be a material part of compensation determination. Mosaic includes sustainability linked targets in its annual bonus scheme, but not the long-term scheme.

Target: Mosaic makes a meaningful percentage of compensation (10%+) on both an annual and long-term basis at risk based on sustainability performance, with clear quantitative targets.

Report Key Takeaways

- Planet Tracker assesses Mosaic as most likely heading towards a +2.0°C pathway by 2030.
- Historical emission trends extrapolated forward suggest Mosaic is off track to deliver on its current goal of being net zero for Scopes 1 and 2 by 2040.
- Greater clarity on the costs, timelines and overall expected emission impact of future investments into emission reductions would reinforce investor belief in Mosaic's ability to deliver on its goals.

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