



SIMSA Meeting

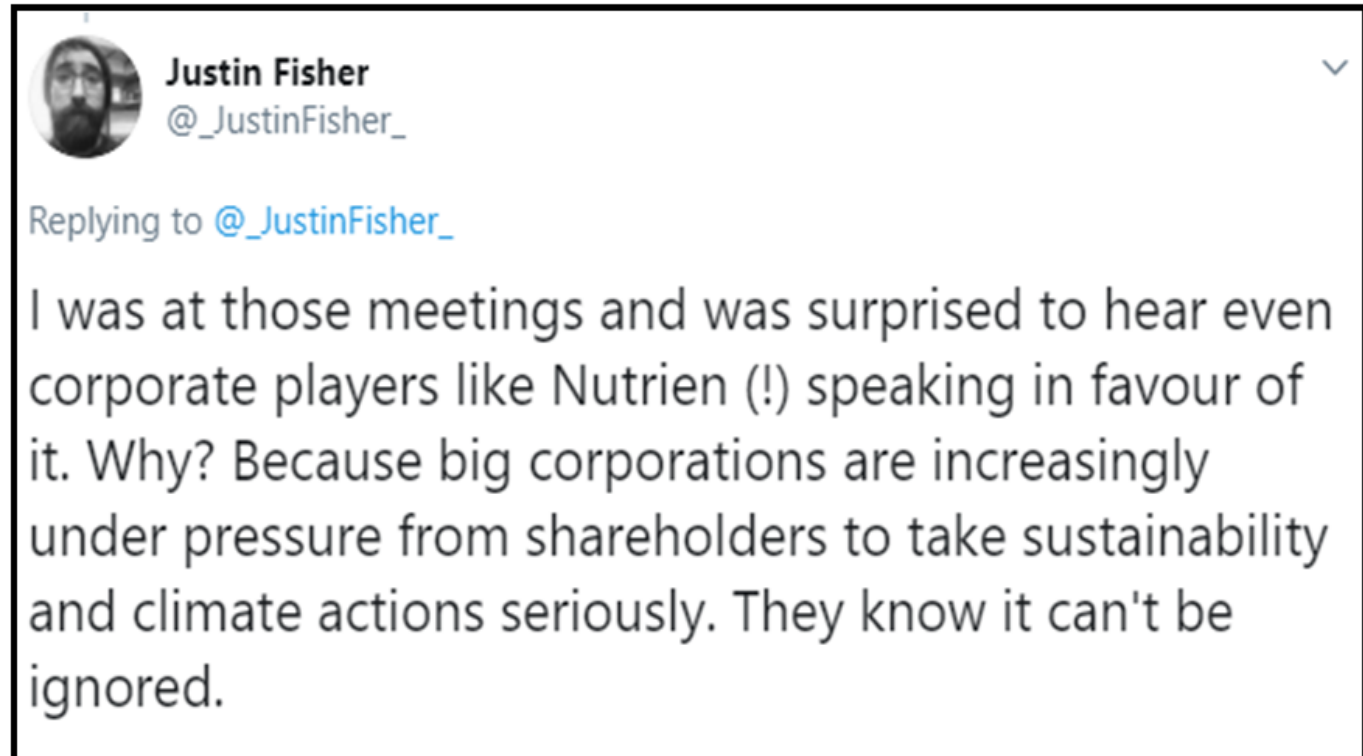
Carbon Reduction – The next big thing?

Candace Laing, Vice President Sustainability & Stakeholder Relations

October 21, 2020

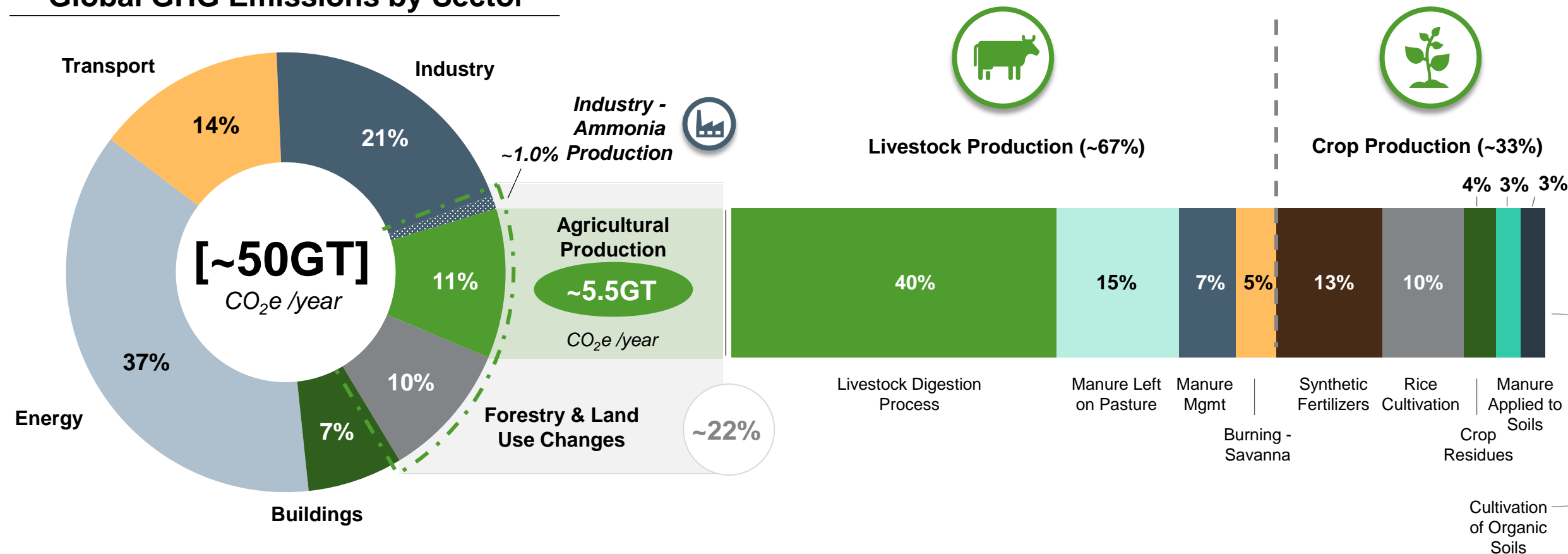
Saskatoon Environmental Activists Claims Nutrien Under Pressure from Shareholders

On 21 October 2020, analysts identified a communication from an environmentalist and First Nation activist ([#34660](#)) based in Saskatoon, Saskatchewan claiming that companies, such as Nutrien, are under increased pressure from shareholders to adopt more environmentally friendly practices. The user claims that he was once in a meeting in which officials from Nutrien supported adopting plans for a low-emissions community (LEC). No further details were provided by the user on the purported meeting.



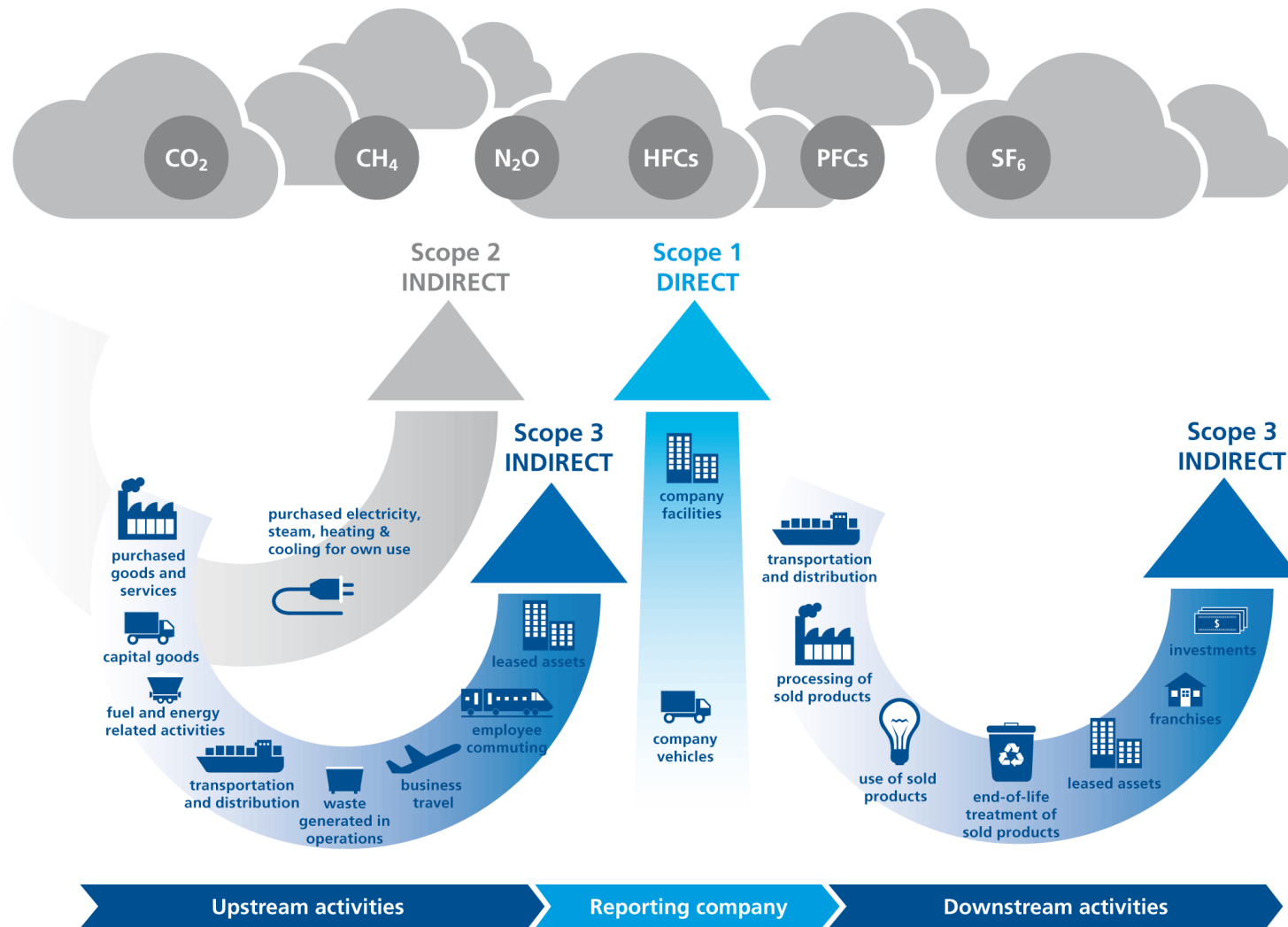


Global GHG Emissions by Sector



Agriculture production, forestry and land use represent ~22% of total emissions, with ammonia production and the on-farm use of fertilizers contributing ~3% to total emissions

Scope 1, 2 and 3 Emissions



Nutrien completed an emissions inventory to validate the sources of emissions and establish a robust baseline against which to measure performance towards emissions reductions targets



Scope 1 Emissions

DIRECT

Emissions from owned or controlled operations



Scope 2 Emissions

INDIRECT

Emissions from the generation of purchased energy utilized in controlled operations, including electricity, steam, heating & cooling



Scope 3 Emissions

INDIRECT

All other emissions upstream and downstream the value chain from controlled operations

Upstream*

Emissions from the production of purchased goods and services used in operations
(e.g. purchase/sale of 3rd-party nitrogen tonnes)

Downstream*

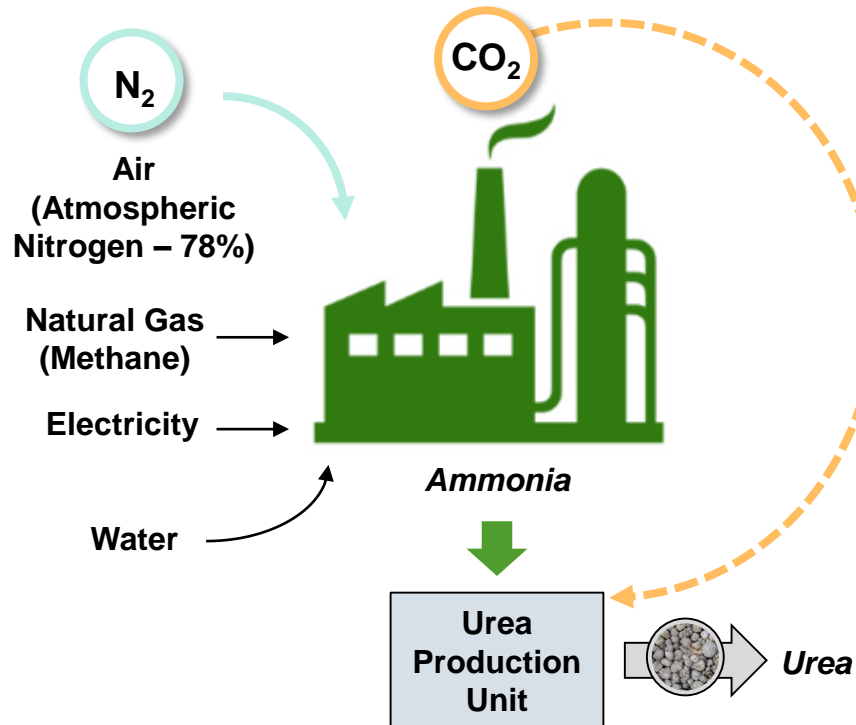
Emission from the processing and end use of products sold
(e.g. nitrogen fertilizers)

Urea Production & Use Emissions Footprint

Production

~20%

Mainly CO₂ produced from the use of natural gas as feedstock and fuel in ammonia synthesis

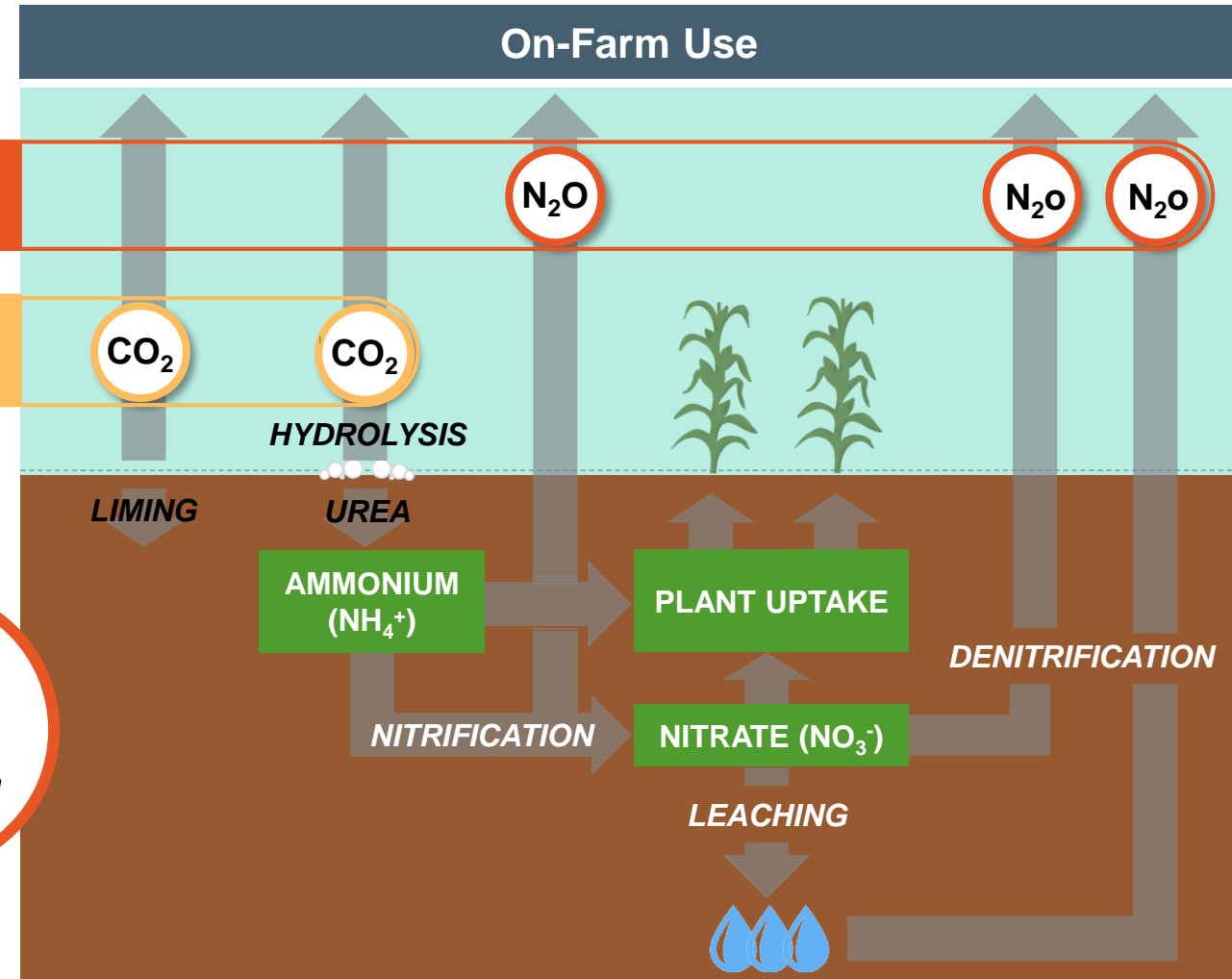


~60%

~20%

~5Mt
CO₂e
Per Mt of Urea

On-Farm Use



Forces driving climate action:

- **Science:** Studies of GHG emissions and global warming with direct measurements of rising surface air temperatures, subsurface ocean temperatures, increases in average global sea levels, retreating glaciers, and changes to other physical and biological systems
- **Policy:** The 2015 Paris Agreement created a directional shift in global decarbonization efforts, with the long-term intent to limit global warming to well below 2 degrees Celsius
- **Investors:** Investor interest in climate-related issues is increasing as is the desire for company data on systemic longer-term risks and opportunities arising from the transition to a low carbon economy

Setting “science-based” climate targets

Targets adopted by companies to reduce GHG emissions are considered “**science-based**” if they are in line with the level of decarbonization required to keep global temperature increase below 2°C compared to preindustrial temperatures

Science-based guidance indicates emissions must be significantly reduced in the next decade and a transition to a net-zero economy is needed by 2050

“Our integrated sustainability strategy is addressing our most material ESG risks and providing solutions for a growing world.”

Chuck Magro
President and CEO



We have publicly communicated our sustainability priorities. Our current focus is to finalize our commitments and targets which will be shared publicly early in 2021.

Thank You!

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