Scaling Sustainability:
From Global Leadership to Local Opportunity

NSBA Sustainability Series #2 Luncheon
October 15, 2025; 11:30 AM – 1:30 PM CST

Who we are

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Nutrien

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- Canadian Sustainability Standards Board (CSSB) member

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Nutrien

- Director, Environmental Sustainability & Performance

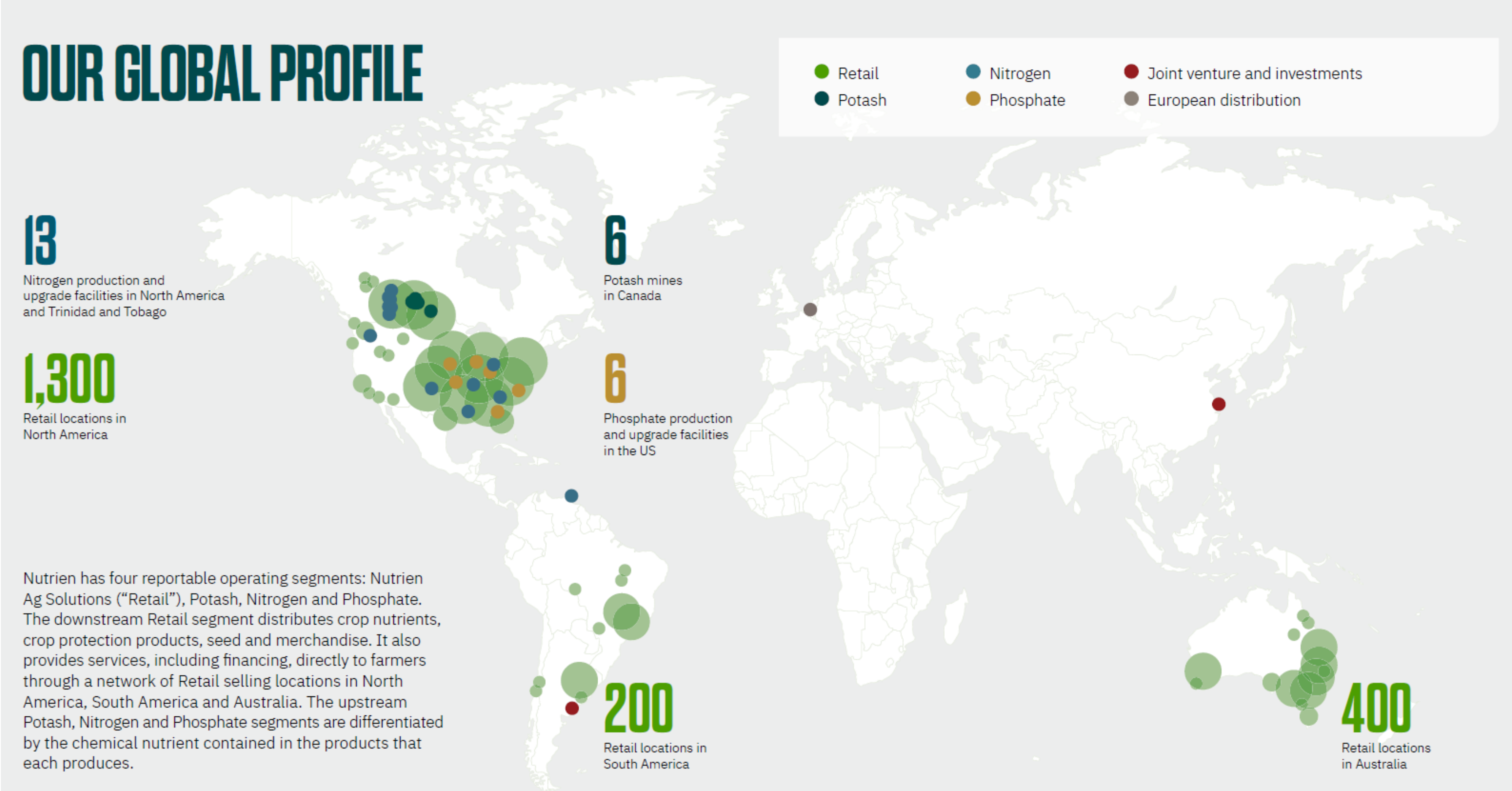
Importance of Sustainability

The Sustainable Development Goals are a moral imperative, with objectives that include nothing less than ending poverty, fighting inequality and injustice, and tackling climate change.

- Prime Minister Mark Carney in his remarks as the Governor of the Bank of England and Chairman of the Financial Stability Board April 2016

Who is Nutrien

- **25,500 employees**
- **>50 countries served by our products and services**
- **$28M USD invested around the world in 2024**



Leading the future of global agriculture

Production. Distribution. Retail. Support.

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AGENDA

Sustainability reporting

Climate reporting

What is a greenhouse gas emission

Greenwashing

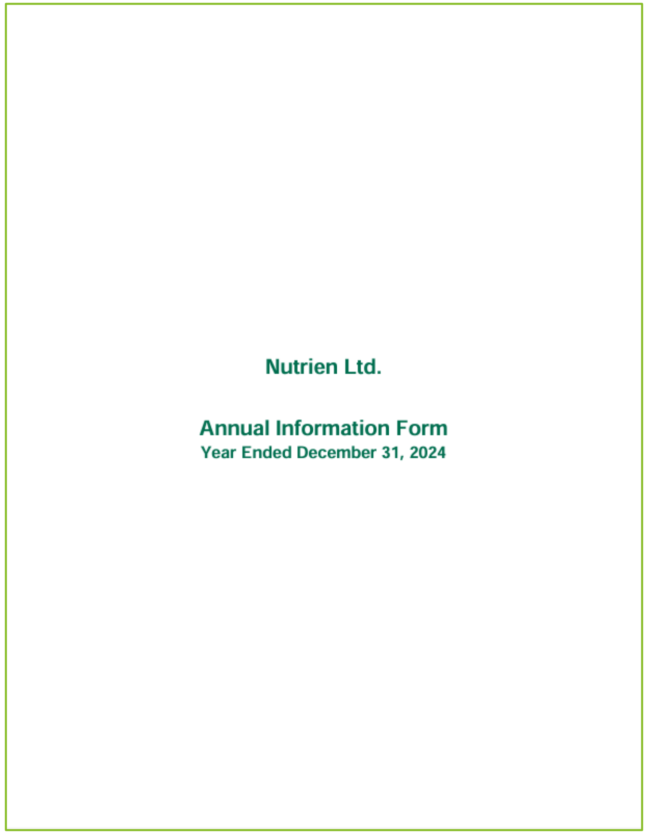
Sustainability strategies and target setting

Sustainability reporting

Voluntary Reporting

Traditional communication mechanisms

Annual Report, Annual Information Form, Management Circular Proxy


Nutrien Ltd.

Annual Information Form
Year Ended December 31, 2024

Canadian sustainability reporting

Different labels: ESG Report, Sustainability Report, Impact Report, Corporate Social Responsibility Report

- Voluntary disclosure
- Content is not mandatory in Canada*
- Disclosure requirements under securities law to not provide materially misleading disclosures
- Sustainability-related risks and opportunities
- Value chain disclosure
- 5 years of data, forward-looking (2030, 2050-time horizons)

* See next section on mandatory disclosure

What are investors concerned about?

Investors say they see **sustainability as a priority** for companies—and one that calls for financial discipline and greater transparency. Their views point to actions that business leaders can take to guide their ESG initiatives.
- PwC Global Investment Survey – 2022

Investors historically cared about:

- Cash flow
- Earnings creation

What do investors care about today?

- Cash flow
- Earnings creation
- Long-term value creation
- Long-term value erosion
- Other forms of capital (human, nature)

Voluntary Frameworks to report (pre-2023)

Voluntary frameworks available for companies to report on sustainability

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SASB® STANDARDS
Now part of IFRS Foundation

CDP
DISCLOSURE INSIGHT ACTION

WBCSD World Business Council for Sustainable Development

GRI Standards

INTEGRATED REPORTING <IR>

CDSB Climate Disclosure Standards Board

SUSTAINABLE DEVELOPMENT GOALS

WORLD ECONOMIC FORUM

Road to mandatory reporting (2021 – onwards)

Regulators that are (were) exploring mandatory climate / sustainability reporting

CSA ACVM
Canadian Securities Administrators
Autorités canadiennes en valeurs mobilières

OSFI BSIF
Office of the Superintendent of Financial Institutions

U.S. Securities and Exchange Commission ★ MCMXXXIV ★

EU CSRD

Emergence of reporting frameworks (consolidation of voluntary frameworks

IFRS® Sustainability

CDSB Climate Disclosure Standards Board
TCFD Task Force on Climate-Related Financial Disclosures
Integrated Reporting ‹IR›
SASB
Greenhouse Gas Protocol

GRI Standards

ESRS

Investor / financial materiality

Stakeholder / financial <u>and impact</u> materiality

Canadian Sustainability Standards Board

The **Canadian Sustainability Standards Board** (**CSSB**) works to advance the adoption of sustainability disclosure standards in Canada.

The CSSB develops **Canadian Sustainability Disclosure Standards** (**CSDS**) that align with the global baseline standards developed by the **International Sustainability Standards Board** (**ISSB**) – but with modifications to serve the Canadian public interest.

Why do we need standards for sustainability disclosure?

These standards are expected to provide consistent, comparable, decision useful information about a company's material sustainability risks and opportunities.

The objective of ISSB / CSSB

Disclose material information to investors

Sustainability-related risks and opportunities

→

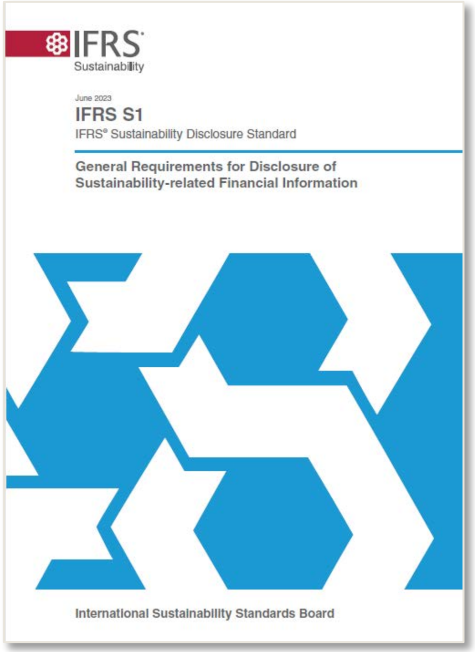
Cash flow generated by an entity, the ability to access finance and cost of capital

Value chain of the entity

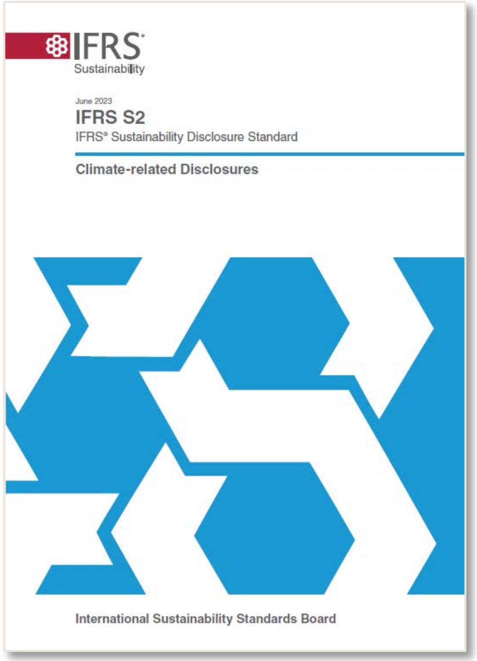
- Stakeholders
- Society
- Economy
- Natural environment

What are in these standards?

CSDS 1 - General Requirements



CSDS 2 Climate-related Disclosures



Core Disclosures Content

Governance
The governance processes, controls and procedures the entity uses to monitor and manage sustainability- related risks and opportunities

Strategy
The approach the entity uses to manage sustainability-related risks and opportunities

Risk management
Processes to identify, assess, prioritize and monitor sustainability-related risks

Metrics and targets
Cross-industry metrics, industry-based metrics, and other metrics used to measure progress toward targets.

Sustainability-related risks and opportunities

From the SASB Industry metrics of the CSSB / ISSB disclosure standards

- Waste and Hazardous Materials generated
- Tailings produced and waste rock generated
- Water management
- Workforce Health and Safety
- Greenhouse Gas Emissions
- Air pollutant emissions
- Ecological impacts
- Supply Chain Management

Mandatory Reporting

Common Mandatory Reporting Jurisidictions for Canadian Entities

Sustainability and Climate reporting regulations are at various stages across the world

Canada

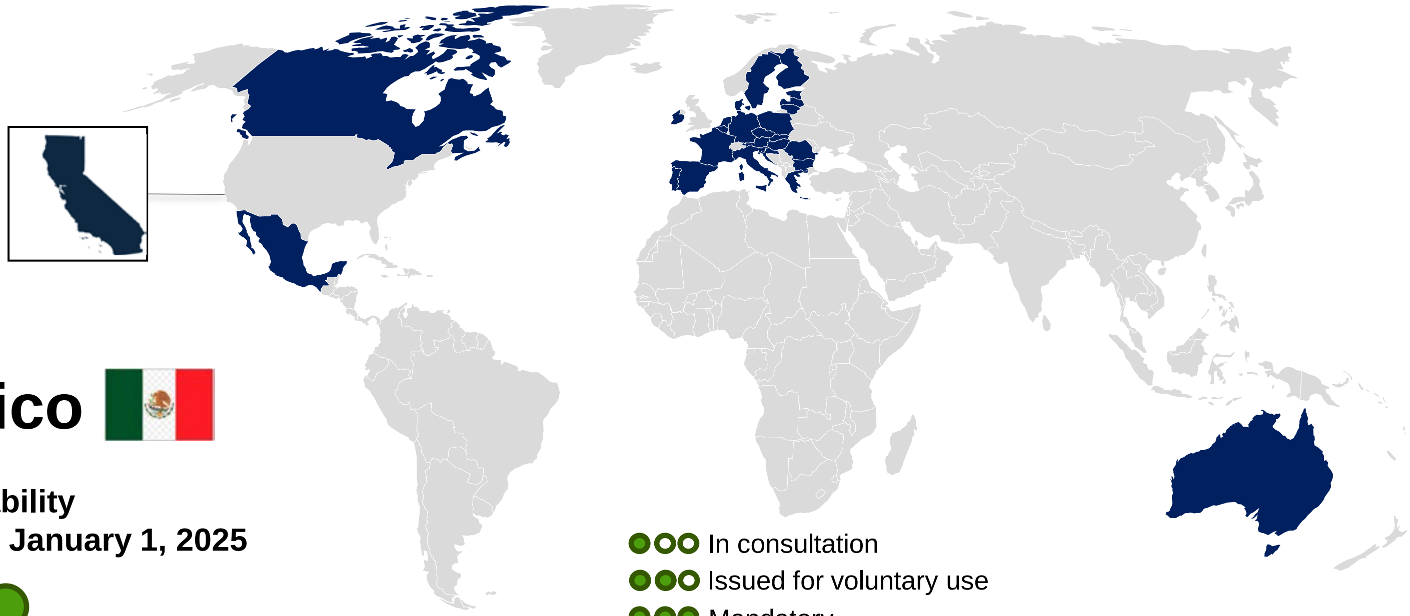
Climate
On-pause

European Union

Sustainability
EU Omnibus may change in scope entities and delays reporting

California

Climate
Effective January 1, 2026



Mexico

Sustainability
Effective January 1, 2025

Australia

Climate
Effective January 1, 2025

In consultation
Issued for voluntary use
Mandatory

Climate reporting

CSDS 2 / IFRS S2

Climate-related risks and opportunities

Physical Risks

Events driven or from longer-term shifts in climate patters:

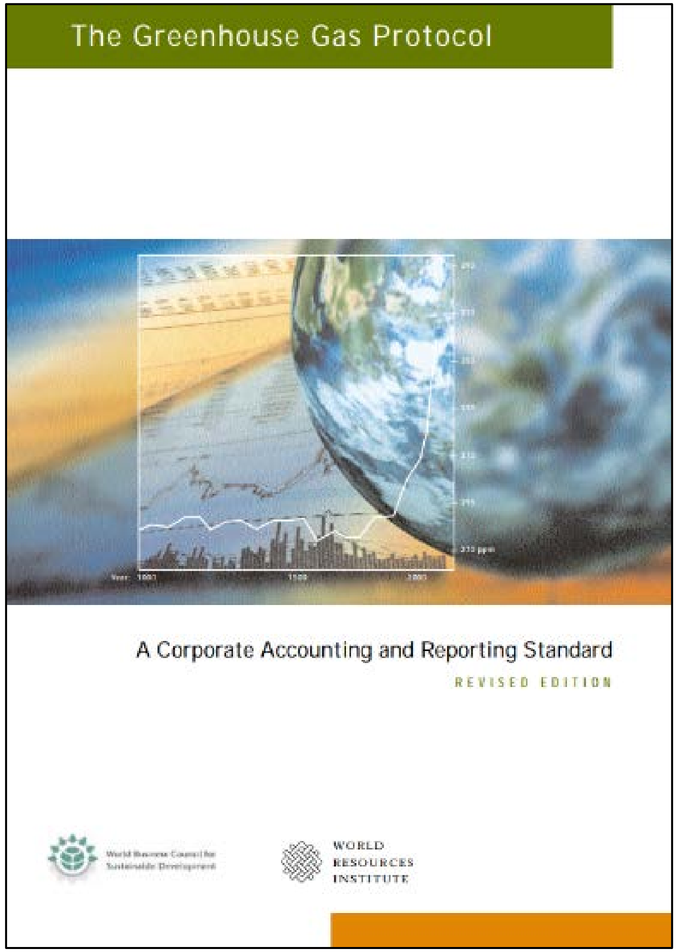
- **Acute** – storms, floods, droughts or heatwaves, which increase in severity and frequency
- **Chronic** – sea level rise, reduced water availability, biodiversity loss, change in soil productivity

Transition Risks

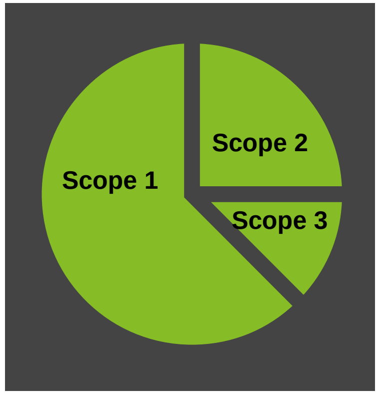
Policy, legal, technological, market and reputation risks that carry financial implications:

- Increased operating costs, asset impairments, reduced demand for products

The Greenhouse Gas Protocol



Uniform methods for measuring and reporting greenhouse gasses



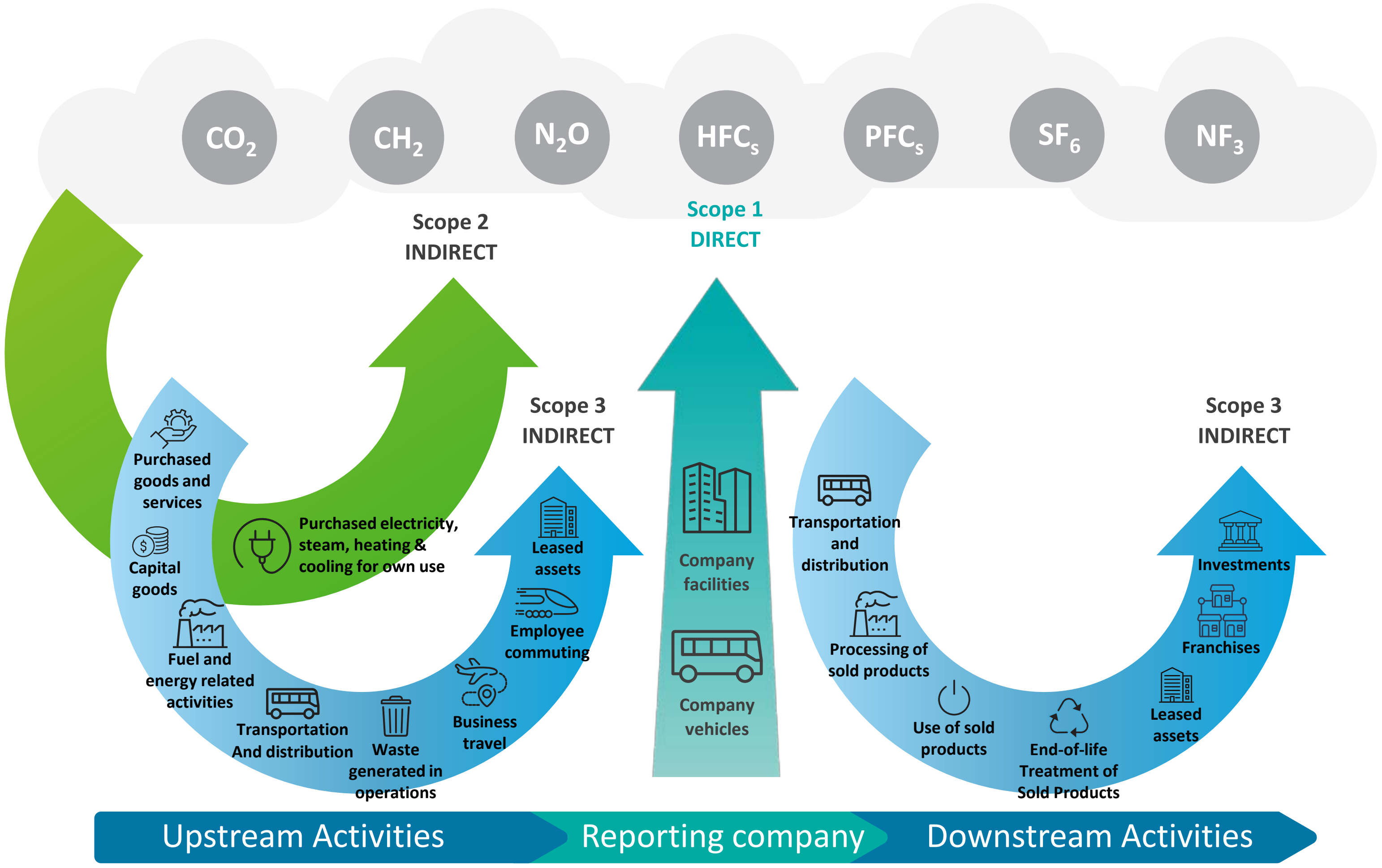
Introduces the concept of “scopes” of emissions

Greenhouse Gas Emissions

Information on emissions in the value chain

Scope 1: Direct GHG Emissions
Direct emissions from fuel burned at owned or controlled sources

Scope 2: Indirect Purchased Energy GHG Emissions
Indirect emissions from the consumption of purchased energy

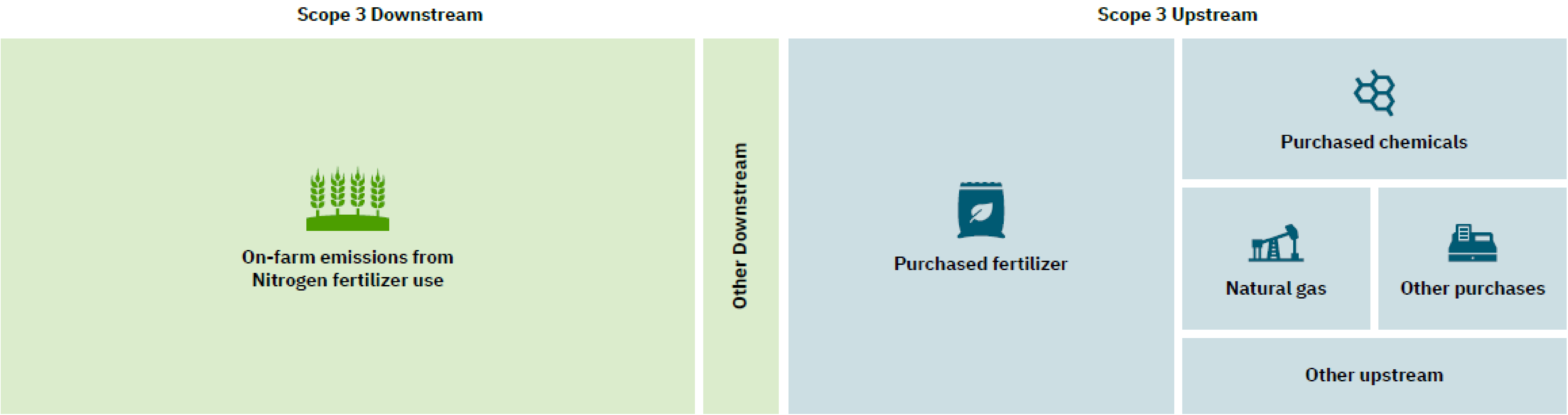


Scope 3: Other Indirect GHG Emissions
Indirect emissions throughout the value chain not covered in Scopes 1 and 2 as a result of activities not owned or controlled but indirectly impacted by the organization's value chain

GHG – Scope 3

Scope 3 emissions by source

We currently estimate that Category 11 (Use of sold products) and Category 1 (Purchased goods and services) combined account for approximately 90 percent of the identified value chain Scope 3 emissions based on 2023 preliminary results.



Source: Nutrien's 2024 Sustainability Report

What is greenwashing?

Greenwashing

Recent regulatory developments

The image above was generated with DALL-E by OpenAI for educational purposes only.

The use of misleading or unsubstantiated claims about the sustainability or environmental attributes of a product, service or business.

For public companies, see Canadian Securities Administrators Staff Notice 51-364 (November 2022)

Amendment to the Competition Act, effective June 20, 2025

Key provisions:

- Reverse onus
- Substantiation with international recognized methodology
- Adequate and proper testing
- Administrative monetary penalties (up to 3% of global revenue)
- Private rights of actions

Bill C-59

Enacted June 2024

New provisions: the new provisions under the Canadian *Competition Act* require environmental claims about products or business activities to be based on adequate and proper (i) testing (for **product claims**) or (ii) substantiation in accordance with ***internationally recognized methodology*** (for claims relating to a **business or business activity**).

Tips from the Competition Bureau…

- **Ensure claims are properly and adequately tested**
- **Comparative claims – be specific about what is being compared**
- **Avoid exaggeration**
- **Avoid vague environmental claims in favour of clear and specific ones**
- **Avoid aspirational claims about the future**

Sustainability Strategies and Target Setting

Should I set a strategy and targets?

Sustainability and Strategy

UN defined sustainability in 1987 as "meeting the needs of the present without compromising the ability of future generations to meet their own needs"

Questions to consider:

How do you think about sustainability?

How do you think about strategy?

Where are you at in your sustainability journey?

Who owns it?

Case Study – Nutrien's Water Target

Considerations and lessons learned:

- Should you set a target?
- Governance structure and process
- Constraints and guiding principles
- Approach (top down versus bottom up)
- Scope and boundary
- Internal engagement
- Numeric versus narrative targets
- Credible / reasonable pathway to achievement
- Direct and indirect impacts
- Measurement standards / metric definitions
- Tracking and Reporting

Target: Reduce annual freshwater use in current operations at higher-risk and higher-use manufacturing facilities by three million cubic meters by 2025, which is cumulatively expected to reduce freshwater use by 30 million cubic meters by 2030.

Footnote: Water target is supported by a series of projects executed and maintained between 2018 and 2030. Reductions are calculated on an absolute basis at a project level on a before/after basis and assumes such projects are maintained through 2030 and/or the life of the project.

Supplier and Partnership Engagements

Supplier / Value Chain Engagement

Potential Drivers and Considerations

What do you want to engage on and why?

- Strategic risk / opportunity
- Regulatory compliance
- Improve reporting
- Improve sustainability performance
- Mutual issue / opportunity

Who should you engage with?

- Largest impact
- Strategy alignment
- Suppliers / value chain members looking for partners

How should you engage?

- Who: procurement sales, sustainability, other functional team, third-party
- Medium: direct call, survey, contract T&Cs, working group
- Associations

Nutrien Examples

- Indigenous procurement
- Sustainable Ag program
- TFI – VACI program

Building a Reporting Approach

Keys to success

Leadership and employee education

Robust and timely data

Cross-functional collaboration

Establishing strong governance, roles and accountabilities

Vocus on value creation and aligning to corporate strategy

Leadership and employee buy-in

What does the Reporting journey look like?

Understand existing reporting strategy.

Establish governance.

Assess current capabilities, including reporting strategy, structure, controls, data management.

Appoint a committee to meet reporting requirements (accounting, legal, environment measurement, communications, strategy, operations and risk/internal audit)

Establish roles and responsibilities for processes and internal controls.

Design the reporting program, understanding informational needs and target dates.

Identify gaps between current and future reporting expectations. Build capacity to support the roadmap.

Determine the sources of information or data for these disclosures, and information needed from third parties.

Develop processes and internal controls, understand technology needs, consider how to automate.

Implement and execute.

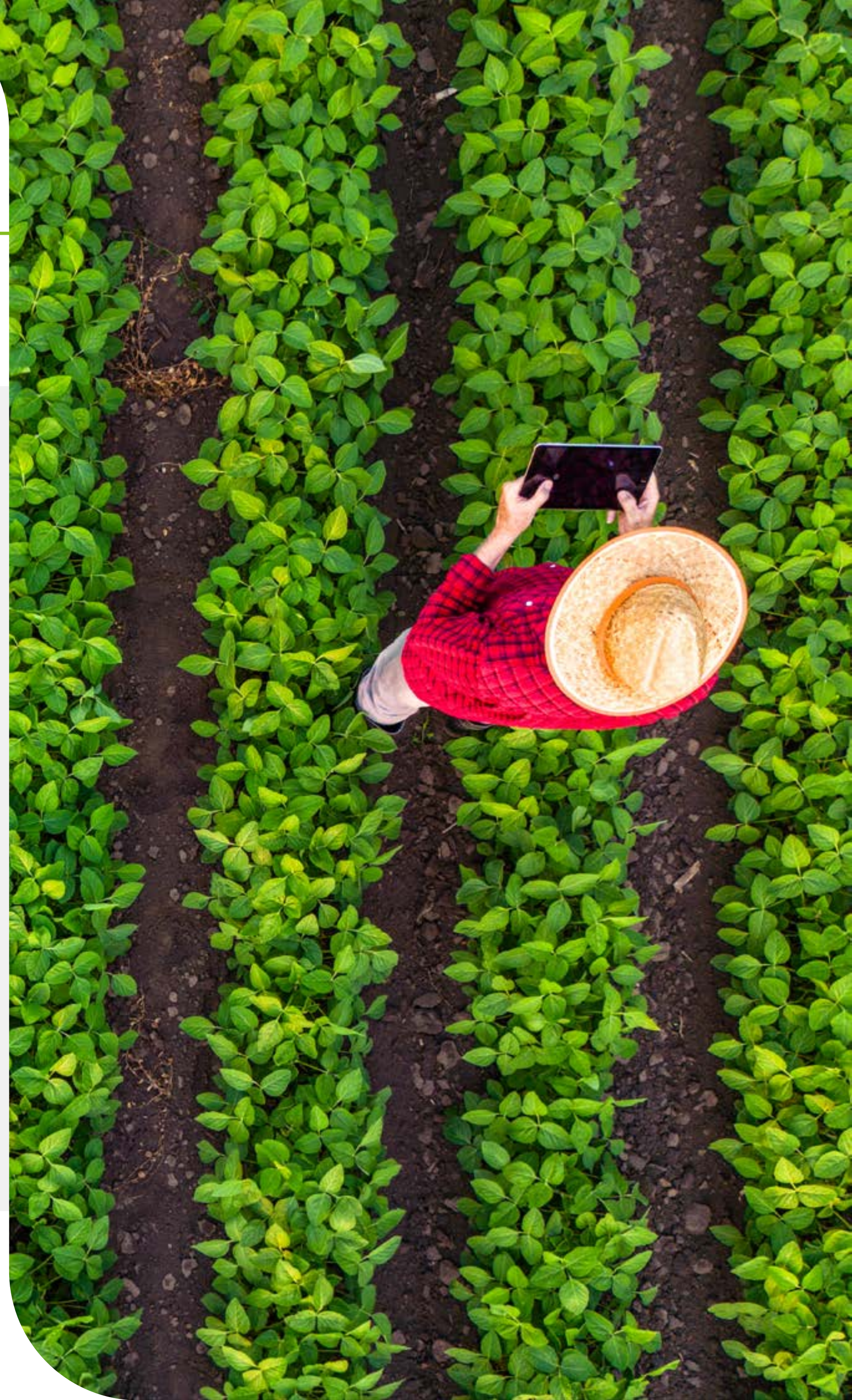
Sustain and enhance.

Current Takeaways for Reporting

- Comply with current securities laws with commitments and targets: you need to have a reasonable basis that you will be meeting these commitments and targets, or you need to update disclosure
- Prepare for mandatory reporting (if any)
- Be specific on your targets and commitments – when you say “net zero” is this only scope 1 GHG emissions? Big difference between decarbonizing scope 1 and promises to decarbonize scope 1, 2 and 3
- Consider whether sustainability/ESG reports have material information that needs to be disclosed in your core regulatory documents
- Read up on greenwashing – and read disclosures with that lens; Are statements verifiable and supportable; Is the better, more specific descriptions that can be used instead of ‘sustainable’ ‘green’
- Create cross-functional teams to tackle reporting

Final thoughts

- Know your why
- Know your audience and select a complimentary reporting framework
- Select an assurance strategy
- Select a reporting strategy



Thank you