

Q4 2022

CORPORATE ENGAGEMENT PROGRESS REPORT: NUTRIEN

Sector

Materials

Focus theme; sub-theme(s)

Net-zero alignment | Governance

Related UN Sustainable Development Goal(s)



Engagement activity

Solo check-in

Responsiveness

Responsive

Holding status (subject to change without notice)

NEI Canadian Equity RS Fund, NEI Canadian Dividend Fund, NEI ESG Canadian Enhanced Index Fund

Nutrien confident in net-zero trajectory

Objective: Hear about climate strategy and steps to net zero; gain confidence in CEO succession plan.

Nutrien appears to have righted the ship after a string of leadership changes, with president and CEO Ken Seitz taking the permanent reins in August after being appointed interim leader in January. We met with the company in November to discuss their approach to succession planning and to hear an update on their climate strategy.

Whenever a company faces turmoil at the top, the question of board oversight and corporate culture arises. Nutrien explained the enhanced vetting process they established for Ken, noting that other senior executives have remained consistent and there has been no significant change to strategic direction.

They pointed out that culture and safety are top priorities for the new CEO.

Nutrien said they are making headway in setting net-zero targets. External consultants are helping them better understand materiality around scope 3 emissions, and they are engaging the Science Based Targets initiative to design targets specifically for the fertilizer industry. They are also looking at carbon “insets,” a tool designed to credit a company’s emissions reduction efforts within its value chain and industry. Nutrien has established itself as a leader in collaborating with upstream and downstream players to reduce climate impact.

One of Nutrien’s main contributions to a low-carbon economy may come from the production of clean


ammonia. The company said in a press release in May it is evaluating an existing facility in Louisiana that could achieve the “lowest carbon footprint of any plant at this scale and has the potential to transition to net-zero emissions with future modifications.” In a related project, Nutrien is partnering with Exmar, a provider of offshore transportation solutions, to deploy an ammonia-fueled vessel as early as 2025.

Next steps: Review how the board oversees and utilizes corporate culture assessments and share our expectations of companies regarding our climate strategy.

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