



CEO Message

Driven to Excel

The business of agriculture and broader commodities markets were challenging in 2015.

Crop prices fell as the world's farmers harvested a third consecutive huge crop, and prices for farm inputs—including fertilizers—dropped along with oil, iron ore and other commodities.

Tough times like these can test companies' resolve, and they can reveal the strength of long-term commitments.

At Mosaic, our resolve is strong, and our commitments will not waver.

This sustainability report is my first as Mosaic's CEO, so I want to be clear about my priorities: The momentum we have generated across our sustainability pursuits will continue. In my time leading Mosaic's operations, we made tremendous progress on employee safety, operating efficiency and managing our environmental impact. Our new targets—to reduce greenhouse gas emissions, energy use and freshwater use by 10 percent per finished product tonne—demonstrate that we push for continuous improvement. Because at Mosaic, we are driven to excel, at everything we do. And sustainability *is* a part of everything we do—every action we take contributes to our ability to operate a thriving enterprise.



In 2015, we were named as one of *Corporate Responsibility Magazine's* 100 Best Corporate Citizens for the sixth consecutive year

All of us at Mosaic take great pride in our achievements. In 2015 we were once again named to the CDP Climate A List, and

Corporate Responsibility Magazine's 100 Best Corporate Citizens for the sixth consecutive year. Moreover we remain committed to the United Nations Global Compact and its Food and Agriculture Business Principles. While we have earned significant recognition, validation does not drive us. What drives us is day-to-day progress, small and large.

We take pride in that progress, yet we know we always have room for improvement.

In 2015, our overall safety and environmental performance was strong; in fact, our recordable injury frequency rate reached an all-time low. Nevertheless, we experienced an increase in the number of serious incidents and near misses. The lessons from those incidents weren't lost, and we have implemented new precautions to avoid similar incidents in the future.

Also in 2015, we were pleased to reach settlements with federal and state environmental agencies that, when effective, will resolve long-standing claims about how the company managed certain waste materials at facilities in Florida and Louisiana. We agreed to pay \$8 million in fines, invest at least \$200 million in capital improvement projects, and put \$630 million in trust as financial assurance to support closure and long-term care of our phosphogypsum systems.

Our goal is zero incidents and injuries, and we take seriously our responsibilities to keep people and the environment safe. We will maintain this strong focus.

To me, innovation is a critically important pillar of sustainability. Companies that consistently deliver product, process and management innovation beat the competition—which is a true test of sustainability. Mosaic has made significant strides in innovation, and now we are working to advance even further by harnessing the power and ingenuity of our people. The nature of innovation is such that defining goals limits its potential, so I cannot predict specific outcomes, but I believe Mosaic will grow, endure and thrive in large part because of the innovation potential that exists across our company.

Despite difficult business conditions, we have made bold moves for growth and earnings leverage



Most of Mosaic's products are agricultural commodities. Both the commodities and agricultural industries are cyclical, which means that managing costs across the cycle—so we have the ability to succeed in good times and bad—is essential to our sustainability. We can sustain our business for the long term if we continually enhance our competitiveness, which means pushing innovation, meeting stringent safety and environmental performance goals and maintaining low-cost operations. Mosaic has made important strides in our cost controls, and we are working to drive costs even lower. Over two years ago we announced a goal to achieve \$500 million in cost savings across the organization by the end of 2017. We are well ahead of schedule—and we are working to achieve additional savings.

As a result of our work to optimize our performance and meaningful share repurchases, Mosaic delivered a second consecutive year of earnings per share growth in 2015—despite an approximate 35 percent drop in prices for our potash and phosphate products. Resilience during cyclical troughs equals long-term sustainability.

Resilience cannot be achieved exclusively through cost-cutting; smart and timely investments for growth are also required. At Mosaic, we have done just that. Since 2013, we have invested or committed to invest approximately \$12 billion to grow the company and return capital to shareholders.



We are proud to maintain our commitments as good neighbors in the midst of challenging business conditions

Our 2014 acquisition of CF Industries' Florida phosphate business and Archer Daniels Midlands' fertilizer distribution business in Brazil and Paraguay are delivering solid returns. Our joint venture to develop a phosphate enterprise in Saudi Arabia with expected annual production capacity of 3.5 million tonnes is proceeding well. Our \$3 billion potash expansion at our Esterhazy, Saskatchewan facility continues on budget and on schedule. And we have returned \$4.8 billion in capital to shareholders since 2013 through share repurchases and dividends. Despite difficult business conditions, we have made bold moves for growth and earnings leverage.

We have also delivered on our commitments to be good neighbors in the communities where we operate, with financial support and countless volunteer hours spent by our employees. In 2015, we once again contributed more than 1 percent of the company's net income to support a wide range of community initiatives.

We are proud to have continued our community commitments in the midst of exceptionally challenging business conditions. Agricultural commodity prices, the broader malaise in commodity prices that was preceded by declines in oil, and the strong U.S. dollar against all major currencies combined to create one of the most difficult market environments in Mosaic's time as a public company.

That said, we believe demand for our products will remain strong, and we have no doubt that future demand will grow. Demand for our products is underpinned by the global demand for food—and that will only grow as the global population expands and as more families around the world ascend to the middle class.

Agriculture simply cannot meet global food demand without good crop nutrition. Farmers must feed two billion additional people with production from essentially the same amount of land that is being farmed now—which means fertilizer, and the higher crop yields it drives, will remain essential.

Mosaic, one of the world's largest producers of two necessary crop nutrients—phosphate and potash—will remain essential as well. That is why all of us—at our mines and in offices, and across Brazil and China and India—are so deeply committed to sustainability in its fullest sense: we know that it is incumbent upon us to deliver value to all our stakeholders if Mosaic is going to thrive and serve its critical mission—to help the world grow the food it needs—for the long term.

Best regards,

James "Joc" C. O'Rourke
President and Chief Executive Officer
June 2016





Strategy & Performance

2015 Comparative Highlights

Helping the world grow the food it needs is no easy task. Mining, producing and delivering millions of tonnes of fertilizer each year to customers around the globe is complex. It requires teams of dedicated professionals making responsible decisions each day and at every step in the production and supply chains. We've built a resilient, responsible, financially strong and innovative enterprise, capable of responding day by day, quarter by quarter and decade by decade to the ever-changing agriculture markets. Our recent moves to grow and become more efficient enhance the promise Mosaic holds for all of our stakeholders.

Economic Highlights

in Millions (except per share amounts)

	FY2012	FY2013	2013	2014	2015
Net Sales	\$11,107.80	\$9,974.10	\$9,021.40	\$9,055.80	\$8,895.30
Gross Margin	3,085.00	2,760.20	2,015.40	1,926.60	1,717.90
Operating Earnings	2,611.10	2,209.60	1,339.90	1,311.80	1,278.80
Net Earnings	1,930.20	1,888.70	1,062.90	1,028.60	1,000.40
Diluted Net Earnings Per Share	4.42	4.42	2.49	2.68	2.78
Cash and Cash Equivalents	3,811.00	3,697.10	5,293.10	2,374.60	1,276.30
Total Assets	16,690.40	18,086.00	19,554.00	18,283.00	17,214.40
Total Long-term Debt	1,010.50	1,010.50	3,009.30	3,819.00	3,834.10
Total Equity	11,999.40	13,442.90	11,320.60	10,720.60	9,565.00
Net Cash Provided by Operating Activities	2,748.30	1,880.50	2,095.90	2,122.10	1,807.60
Capital Expenditures	1,639.30	1,588.30	1,426.60	929.10	1,000.30
Dividends Per Share on Common Stock	0.275	1.00	1.00	1.00	1.08

Note: Change of year end from May 31 to December 31 occurred in 2013 (from a fiscal to a calendar year); first full calendar reporting year is 2014. For more detailed financial information, please refer to our [10-K](#). 2013 highlights are unaudited due to change of year end from May 31 to December 31 in 2013.

Environmental Highlights

	2011	2012	2013	2014	2015
Total					
Water Withdrawals¹ 000m ³	268,763.00	288,274.00	319,004.00	309,371.00	300,683.00
Energy Consumption² indirect and direct energy, million GJ	92.90	97.70	97.13	105.91	105.76
Greenhouse Gas (GHG) Emissions million tonnes CO ₂ e	3.59	4.51	4.41	4.73	4.78
Intensity					
Freshwater 000m ³ per tonne of finished dry product ¹	4.37	5.43	5.07	4.59	4.86
Energy GJ/tonne dry product ²	2.24	2.73	2.63	2.59	2.60
GHG (Scopes 1 and 2) tonnes CO ₂ e/tonnes finished dry product	0.21	0.28	0.27	0.26	0.26

¹Total water withdrawal metric includes once-through cooling water. Freshwater intensity metric is aligned with our sustainability targets. The intent of our freshwater intensity target is to drive water efficiency improvements across our business and to increase the use of alternative sources. "Freshwater" is defined as ground and surface water, and excludes reclaimed water, brine, seawater and once-through cooling water.

²Energy consumption includes electricity, fuels and energy from waste heat consumed by Mosaic operation including mines, manufacturing plants, distribution sites, offices and agricultural operations. 2012 and 2013 figures include energy consumed in sinking the K3 mine shaft in Esterhazy and the operation of Streamsong Resort. Prior years were restated with the exclusion of steam as an energy source.

Social Highlights

	FY2012	FY2013	2013	2014	2015
Direct Economic Impact³	\$1.71B	\$1.56B	\$1.45B	\$1.75B	\$1.93B
Community Investments⁴	\$23.6M	\$22.6M	\$27.1M	\$17M	\$16M
Number of Employees⁵	8,000	8,400	8,200	8,717	8,523
Recordable Injury Frequency Rate	1.27	1.20	1.11	1.02	0.88
Lost Time Incident Frequency Rate	0.12	0.10	0.09	0.08	0.09
Fatalities	1	0	0	1	0
United Way avg. pledge per employee	\$475	\$514	\$535	\$502	\$435

³Direct economic impact is wages and benefits + income taxes paid + Canadian resource taxes and royalties + community investment contributions.

⁴Mosaic focuses its community investments in food, water, and local philanthropic or civic partnerships in areas where Mosaic has offices and operations. Figures reflect investments made in communities where targeted beneficiaries are external to the company. This may include contributions to research institutes unrelated to Mosaic’s research and development activities, funds to support community infrastructure and other philanthropic efforts.

⁵This figure, which differs from the number of employees reported in our 10-K, excludes long-term leaves, co-ops, seasonal and temporary employees.



About This Report

2015 Sustainability Report

(G4-17, G4-22, G4-23, G4-32, G4-33) Our 2015 Sustainability Report is based on the Global Reporting Initiative’s (GRI) G4 Guidelines ‘in accordance’ option core. The content of this report has been shaped by the issues identified through a

significance study, the results of which we analyze on an ongoing basis. The process is summarized in the [Significant Indicators](#) section of this site. This report primarily summarizes the activities occurring in the period of calendar year 2015. Unless otherwise noted, all data is presented on a calendar year (CY) basis. In 2013, Mosaic changed our fiscal year-end to December 31 from May 31. Accordingly, some historical data is presented on a fiscal year (FY) basis. We encourage readers to refer to our [10-K](#) report for 2015 and our [2015 CEO Review and Outlook](#) for additional information about Mosaic.

This report covers our global operations, including entities over which Mosaic exercises majority control, including all their operations and departments that have the potential to generate significant impacts. Except for financial and select environmental data, this report does not specifically reflect equity-method investments, including joint ventures. Please see our [10-K](#) (page F-57) for more information about those investments.

In 2015, Mosaic realigned our business segments to more clearly reflect our evolving business model. Our international distribution activities, which had previously been reported in our Phosphates business segment, were moved into a separate International Distribution segment.



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Mosaic commissioned iCompli, a division of BPA Worldwide, to provide independent third-party assurance over the sustainability content within the Mosaic 2015 GRI Indicators (the "Report," covering activities occurring in the period of calendar year 2015). This engagement has been managed in accordance with AccountAbility's AA1000AS (2008) assurance standard, where the format of the engagement was structured to meet the AA1000AS Type I (Moderate) requirements.

Mosaic authorized Trucost Plc to perform a third-party verification of waste, energy, water withdrawals and greenhouse gas emissions data and calculations of Scope 1, Scope 2 and Scope 3 emissions for 2015. Trucost evaluated Mosaic's data, methodologies and calculations, and provided a statement of assurance to the AA1000AS standard.

Throughout the report, "tonnes" refers to metric ton unit of measurement equaling approximately 2,204.6 pounds, whereas the occasional reference to "tons" refers to the unit of measurement equaling 2,000 pounds. References to sulfur are in "long tons," which is equal to 2,240 pounds.

Mosaic is committed to better understand the sustainability efforts of our supply chain partners. Many of our largest suppliers report their environmental and social impacts through their own sustainability reporting efforts; however, we recognize the importance of communicating some of the most critical information here for our stakeholders. We are currently working with a third party firm to assess and quantify environmental impacts across our value chain, and expect to complete this exercise in the second quarter of 2016.



GRI

Content Index

MORE INFORMATION

[Assurance Statement](#)

[Environment Metrics Supplement](#)

[Annual Review and Archive Reports](#)

[Mosaicco.com](#)

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[Code of Business Conduct and Ethics](#)

[Disclosure Statement](#)

[Privacy Policy](#)

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 [Print Page](#)

 [Back to Top](#)