



Knowledge grows

# Leading with a sustainable purpose



# Leading with a sustainable purpose

The ever-increasing demand for nutritious food, together with the opportunities that lie in the growing of a climate positive food future, promise an exciting outlook for our company. Supporting our vision of a world without hunger and a planet respected, we pursue a strategy of sustainable value growth, promoting climate-friendly crop nutrition and zero-emission energy solutions.

To achieve our ambition, we have taken the lead in developing digital farming tools for precision farming and work closely with partners throughout the food value chain to improve the efficiency and sustainability of food production. Through our focus on clean ammonia production, we aim to enable the hydrogen economy, driving a green transition of shipping, fertilizer production, and other energy intensive industries.

Companies with high ESG performance are also believed to be better positioned to anticipate future risks and opportunities. Yara drives sustainable performance and is on a mission to responsibly feed the world and protect the planet.



# Performance highlights 2020

At Yara, we do well by doing good. We take a holistic approach to measuring success. It is our firm belief that there is no contradiction between purpose and profit. In fact, having a clear purpose and operating in a sustainable way, is a pre-requisite for creating profit. As a response, we manage and measure our value creation along the three axes People, Planet, and Prosperity.

Read more about our value creation by clicking on the boxes.



People

## HEALTH AND SAFETY

# TRI 1.3

Total Recordable Injuries per million working hours for employees and contractors

## ENGAGEMENT

# 79%

engagement index score  
Industry norm, top quartile: 76%

## DIVERSITY AND INCLUSION

# 20%

women  
senior managers



Planet

## ENERGY

# 2%

reduction in energy consumption

## CLIMATE CHANGE

# 800,000

tonne CO<sub>2</sub>e reduction  
(scope 1+2)

## WATER STRESS

# 2%

of Yara's freshwater withdrawals were in water stressed areas



Prosperity

## RATING AND AWARDS

# Top 1

of 56 in Agricultural Chemicals industry, and top 8% in Chemicals, in Sustainalytics

## BUSINESS ETHICS

# 93%

completed the Code of Conduct e-learning

## VALUE CREATION

# 8.0%

return on invested capital (ROIC)

# What we offer

Yara is the world's leading producer of ammonia, nitrates, and NPKs, providing the foundation of our farming solutions, industrial solutions and in the future, clean ammonia.



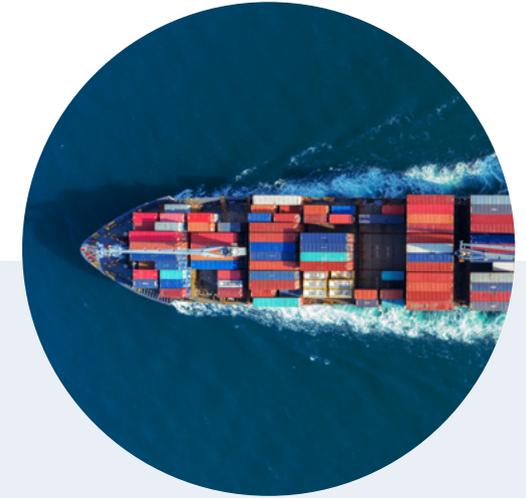
## Farming Solutions

We offer a complete range of crop nutrition products, backed by extensive knowledge and a growing range of services and new digital tools for modern farming. This unique combination of fertilizer products, knowledge, services and tools helps farmers to grow more on less land and supports sustainable farming practices.



## Industrial Solutions

We develop and sell environmental solutions and essential products for industrial applications. Our portfolio includes emission abatement solutions for the transportation and maritime sectors along with products for water treatment, odor control, and solar power plants. We also provide essential products to cement and mining companies.



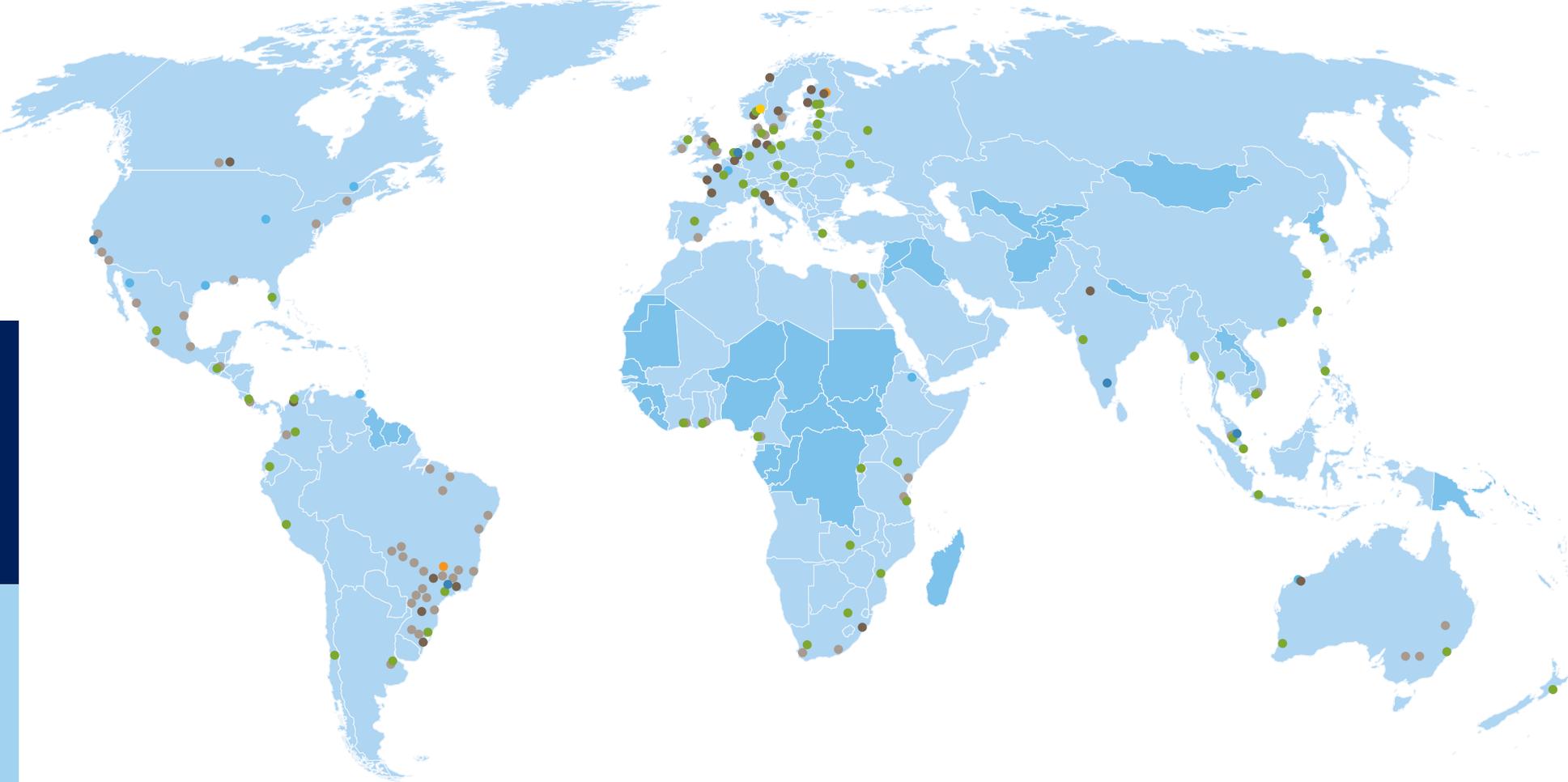
## Clean Ammonia

Our new Clean ammonia unit <sup>1)</sup> will leverage our leading positions across production, shipping, and distribution to develop and offer green ammonia. It will serve the maritime sector with zero-emissions fuel and help to decarbonize the food value chain.

<sup>1)</sup> Effective 9 February 2021

# Global presence

Yara is the industry's most global player. We combine production of premium products with a farmer-centric approach, turning a century of agronomic knowledge into value for millions of farmers around the globe.



Yara-branded retail outlets around the world	
10,800+	
Countries with Operations	Countries with Sales
60	160
Production sites	Terminals, warehouses, blending plants and bagging facilities
28	200

- Countries with sales <sup>1)</sup>
- Head office
- Yara Plants
- Phosphate mines
- Joint ventures
- Sales offices, R&D sites
- Smaller sites <sup>2)</sup>
- Digital Hub

<sup>1)</sup> More than 10,800 Yara-branded retail outlets around the world  
<sup>2)</sup> Yara operated terminals and logistical production sites

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**About the report**

This is Yara International ASA's 2020 Sustainability Report.

Our reporting reflects the way we manage our performance – holistically. Hence, our annual reporting for 2020 consists of this report alongside the Integrated Report, which builds on the guiding principles set out in the International <IR> Framework from the International Integrated Report Council (IIRC).

This Sustainability Report provides stakeholders with additional information on our performance and governance of key sustainability topics. People, Planet, and Prosperity are the three pillars around which we manage and measure our success.



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STRATEGY

# How we plan

Over the past two decades, the Yara business model has developed from focusing on our asset and product base – what we have – to focusing on farmers and complete solutions – how we can contribute. This development will continue with full force and establish a unique position for us to evolve as a food solutions company.

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CEO MESSAGE

# Decarbonizing the food systems

One could have thought that a global pandemic would slow down the momentum in the fight against climate change, that the short-term health crisis would overshadow the long-term climate emergency, but the opposite has happened. If anything, the crisis has united us and proven that we can overcome the most difficult challenges when we join forces.

At Yara, we are not passively following these developments, but actively participating in them. Yara is dedicated to working towards a carbon positive future. We are, therefore, focusing our efforts on decarbonizing food and building resilient and fair food systems, while also using our knowledge to decarbonize other industries and to support a clean hydrogen economy.

### A legacy of shared value

Our legacy, dating back to 1905, is all about creating shared value for our customers, society, and shareholders. We have more than 115 years of experience in combining purpose and profit. When farmers succeed, we also succeed. And when farmers are using best farming practices, the planet is also better off. Through technology, digital tools, and premium fertilizers, we are able to accelerate carbon positive farming by making agriculture more resource-efficient, productive, and environmentally friendly.



“We have more than 115 years of experience in combining purpose and profit.”

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Yara is in the very fortunate position of having employees recognize this positive impact. We cannot underestimate the feeling of having a purpose. Knowing that your job makes it possible for a smallholder farmer to send his or her children to school gives added meaning. I still remember a conversation I had with an operator at one of our plants a few years ago. I asked him what his job was, and the reply came immediately: “I contribute to increased food production. That more people have access to food.”

As with every large company, we, too, measure the level of employee engagement, and for 2020 we reached 79%, compared to the general industry engagement of 66%, according to the Korn Ferry survey. I am convinced that Yara’s increased employee engagement is linked to the strong sense of purpose, one that may even have been reinforced by the pandemic.

Still, there is no doubt that the Covid crisis has indeed been an exhausting marathon for us all. We have experienced fatigue and stress in the organization, and that is why we have taken significant steps to create a safe and stable working environment, one that also has the ability to lead to increased stability on a personal level. We have, for example, established global standards for paid sick leave, income security, and parental leave. We have also increased our efforts on mental health by training of our managers and making sure all employees have access to free counselling. In addition, we have stepped up our work on diversity and inclusion, with a Black Talent workforce as one important example.



**Committed partnerships**

In addition to being aware of our own contribution, we are also aware of our limitations. We are not able to solve the global challenges in isolation. That is why we are engaged in several global arenas, such as the World Economic Forum as a strategic partner and the Food and Nature Board at the World Business Council for Sustainable Development as co-chair, and the UN Global Compact as signatory.

We have demonstrated our ability to put words into action. Yara has partnered with a number of companies and organizations. We are, for example, working with Veolia to recycle nutrients, with the World Food Programme to give access to premium fertilizer and knowledge to smallholder farmers in some of the most vulnerable regions in Africa, and we are working with energy companies such as Engie, Ørsted, and NEL to develop fertilizer based on renewable energy.

Not least, we are partnering with the larger food companies, to support them in their quest for carbon neutrality. As a food solutions company, we have a significant impact on their value chain and how they source from farmers.

One of the highlights for me, before the pandemic hit us, was when I visited farmers in Colombia together with Magdi Batato, Chief Operating Officer of Nestlé. Historically, we have sold to the farmer and Nestlé has, in turn, bought from them. But what happens when we all meet in the field? We experienced first-hand how our joint trials have led to increased yield and farmer income, increased quality for the produce

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“The agricultural sector accounts for almost a quarter of global greenhouse emissions, and we must succeed with systemic change.”

Nestlé sources, and, not least, how increased organic matter in the soil enables carbon sequestration. In other words, a triple win.

**The path to decarbonization**

A value chain approach is the only path forward to help fix our broken food system. The agricultural sector accounts for almost a quarter of global greenhouse emissions, and we must succeed with systemic change. At Yara, we are working on three main routes to decarbonize the food value chain.

Firstly, through our products, services, and solutions used by farmers, we are able to optimize yield and minimize negative environmental impact. Secondly, through dedicated partnerships, we have introduced full transparency in the food value chain and thereby create green revenue streams for the farmers. By joining forces with other companies, as well as governments and regulators, we are creating a carbon marketplace, where farmers are paid for carbon capture and storage. Through the development of an open data exchange, we are also finally enabling carbon labeling of food, to let consumers make informed choices, rewarding farmers for their environmental efforts.

Our third route to decarbonizing the food value chain is through green ammonia. It is clear that clean hydrogen will drive the transition to a fossil free future and green ammonia is the gateway to such a hydrogen economy because it is the best and easiest way of transporting and storing hydrogen. Green ammonia will lead to the production of carbon-free fertilizers, it will serve as carbon-free fuel for the shipping industry,

and it will also enable the decarbonization of other energy-intensive industries. That is why Yara has taken the lead on this.

**Reaching the tipping point**

Former CEO of Unilever, Paul Polman, has said that it only takes 20 CEOs in any industry to come together and bring about transformative change. This is a philosophy we share, and that is why Yara is working with Polman and his team in IMAGINE. Together with some of the largest food companies in the world, we have joined forces to transform how we grow, transport, and consume food.

It is doable.

But we don't have all the time in the world.

Svein Tore Holsether  
President and CEO

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**Reverse land use**

45% of all GHG emissions from agriculture stem from land use change. We must end the new cultivation of natural land.



**Food loss and waste** accounts for 2.5 Gt GHG emissions, representing a substantial opportunity for improvement

**Sustainable nitrogen management**

Fertilizers are crucial to upholding agricultural productivity and soil health. The potential to reduce infield emissions, runoff, and leaching through precision farming and the selection of correct fertilizer is significant.



**Four key actions to making food systems sustainable**

**Consumers** are increasingly willing to pay a premium for sustainable products, demanding transparency and traceability.



**Digital tools** can increase productivity and nutrient use efficiency

**Improve rural livelihoods**

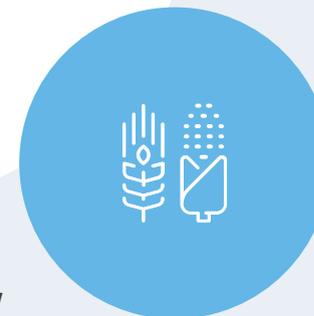
Agriculture can provide better jobs and growth in rural economies, but it requires the sharing of knowledge, technology, and digital tools, and access to inputs and efficient markets



**Nutrient recovery** can loop valuable resources back into food production, also supporting organic farm systems.

**Make food chains climate positive**

Climate positive food chains are initiated by ceasing land use change and stepping up efforts to turn soil and land into carbon sinks – including carbon-smart farming. Fertilizers from clean ammonia can provide plants with the nutrients they need – without the carbon.



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GLOBAL MEGATRENDS

# A changing landscape

Agriculture, the food value chain, and industries are undergoing profound changes. These are the megatrends significantly shaping our industry and markets.

	 Climate change	 Water stress	 Soil degradation
DESCRIPTION	<p>Changing climatic patterns are set to impact on agricultural production throughout the world, mainly impeding plant growth. Across most sectors, there are increasing pressure and expectations for climate actions and reduction of greenhouse gas emissions.</p>	<p>Water is crucial for plant growth. There is no substitute. Agriculture is a huge consumer of water, and lack of sufficient water quantity and quality is a major stress factor in crop production. Climate change disrupts precipitation patterns, while extensive irrigation taps aquifers and reduces water quality through salination.</p>	<p>Roughly one third of the world's soil is degraded due to a variety of factors, including soil erosion, biodiversity loss, and pollution. Farming without adequate replenishment of nutrients adds to the problem and results in productivity losses. Best farming practices focus on soil health, carbon capture, and regenerative agriculture.</p>
RISK	<p>Climate change could impact demand for our products as a result of land areas becoming unproductive or from new policies encouraging a reduction in fertilizer use. In some regions, notably Europe, the competitiveness of our fertilizer production can be challenged by carbon pricing and taxes.</p>	<p>Limitations on water supplies and sharper regulations can impact negatively on fertilizer demand or require new fertilizer formulations. Climate risks and farmer economics can reduce farmers' willingness to invest in water management systems and, hence, fertigation solutions.</p>	<p>Soil health is becoming a key topic globally and can lead to new fertilizer policies and consumption patterns, as fertilizers are often earmarked as a cause of soil degradation. While our crop nutrition and application knowledge can contribute to soil health, we face reputational risks and an overall reduced demand for fertilizer.</p>
OPPORTUNITIES	<p>Yara may capitalize on climate change and ensuing market adaptations along two main avenues: our agronomic knowledge can develop solutions that respond to the changing growing environments, and our low-carbon nitrate offering is a proven choice for reducing emissions from farming. Our decarbonizing efforts also include piloting of green ammonia and mineral fertilizers, fit for a zero emissions future.</p>	<p>Yara has identified a fundamental and close relationship between crop nutrition and crop water consumption. We employ new knowledge and innovative technologies to advance water use efficiency and offer solutions for water-scarce agriculture, as manifested in the Yara Water Solution, our fertigation solutions and products tailored for fertigation.</p>	<p>Yara is well positioned to improve soil health across the world, and to deliver the solutions required to do so. Our Analytical Services analyze soil, tissue, and water samples from all over the world. Our R&amp;D on soil health management includes learnings from ongoing field trials dating back several decades. This helps to deepen our understanding of different farming environments and best practices for improving soil health.</p>

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	 <b>Food industry integration</b>	 <b>Dietary shifts</b>	 <b>Circular economy</b>	 <b>Digitalization</b>
DESCRIPTION	<p>Agriculture and the food value chain is becoming increasingly integrated. Input providers are joining forces, farms are growing in scale and professionalism, the food industry is moving upstream, and conscious consumers are putting pressure on the food and agriculture industry to achieve new levels of sustainability</p>	<p>Climate and health conscious consumers, particularly in high income countries, are increasingly driving diets towards healthier and sustainable choices, and more plant-based nutrition. Globally, however, the trend towards higher calorie intakes and increasing shares of animal protein continues.</p>	<p>Resource scarcity, growing sustainability awareness and increased consumer pressure is creating a push towards a circular economy, including in the agri- and food value chain. Recycling and reuse of materials coupled with reduced waste and pollution are core ideas in this trend.</p>	<p>Digital innovation and technological transformation fundamentally change strategies and practices in decision making, fertilizer application, farm automation, and traceability. Opportunities offered by big data, artificial intelligence, and blockchains impact on the entire agricultural food industry value chain.</p>
RISK	<p>Agri- and food industry integration is changing our competitive landscape. New and larger players with holistic solutions can put pressure on our ability to stay relevant for farmers and to defend and expand our market share.</p>	<p>Changing dietary patterns impact agricultural demand and crop production regionally. Lower meat consumption can, in certain regions, reduce fertilizer demand in grass and feed production. Demand for our mineral fertilizers can also be impacted by growth in organic food, commonly perceived as clean and healthy.</p>	<p>Nutrient reuse, recycling and reducing losses, whether driven by regulations or raised awareness, can reduce demand or drive cost for fertilizer. In some regions, first and foremost Europe, recycled and organic fertilizers are promoted as a substitute for mineral fertilizers.</p>	<p>Digital agriculture is developing rapidly, with a number of multinationals and start-ups making large investments into digital platforms. Securing our competitiveness on delivering knowledge and solutions hinges on our ability to achieve scale, generate value, and protect our knowledge advantage.</p>
OPPORTUNITIES	<p>Our global presence, knowledge, and crop solutions make us well positioned to expand our collaboration with the food industry. Consumers are increasingly willing to pay for quality and sustainability, which we can help to achieve with better crop nutrition, application knowledge, and tools. By proving our value in these partnerships, we open opportunities for commercialization of our solutions in new market channels.</p>	<p>Yara is well positioned to respond to changes in dietary patterns. Nitrates - the backbone of our crop nutrition solutions – are the superior source of nitrogen for most applications. Combined with our on-the-ground presence, agronomic knowledge and tools, we are equipped to develop and always provide the best solutions to local needs.</p>	<p>Yara has taken an early position and is engaging in innovative partnerships to create and capitalize on new business models and revenue streams through recycling of nutrients in agriculture and food value chains. By increasing resource use efficiency and reduce raw materials costs, we aim to strengthen our competitive edge and add value to our brand.</p>	<p>Yara has made an early entry into the rapidly changing landscape of digitalized farming. This supports and supplements our existing business model, and it presents options to develop new crop nutrition business models. Digital services and solutions complement our existing offerings, enabling the creation of new revenue streams.</p>

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# What the changes mean to us

Megatrends and industry developments are disrupting business as usual.

1

## Climate emergency and political response

A wave of new regulatory and political initiatives addressing climate change is reaching shore. The 'EU Green Deal' positions Europe as a front-runner in the global food and industry transformation. It aims to reduce nutrient losses by half and expand organic farming to include a quarter of all farmland.

4

## Commoditization and slower demand

China's 'Zero Growth' strategy aims to stop further growth of nitrogen consumption after 2020. We expect demand growth in Latin America, Brazil, and Africa, but capacity additions have created an over-supply. Overall, we expect the global demand growth in the next 10 years to slow down.

2

## Decarbonizing food from field to fork

Consumer demand is driving food companies to take concrete actions. The traceability of food products, their origin, and environmental and carbon footprint, are key issues for the consumers. The food value chain needs to provide healthier and more sustainable food. Leading food companies have moved the decarbonizing of food to the top of the agenda. We can help them meet expectations by providing sustainable food solutions.

5

## Alternatives to natural gas are approaching

We expect natural gas to remain our main feedstock in the coming years. Nevertheless, decarbonized alternatives will likely challenge fossil fuel over time. Players are looking into alternative energy carriers to decarbonize hard-to-abate sectors. In the shipping industry, green hydrogen and ammonia is regarded as the most promising zero-emissions fuel.

3

## The 4th agricultural revolution is digital

The next agricultural revolution has started, enabled by digital tools, big data, and artificial intelligence to support farming best practices. Digital tools currently have a relatively small impact on the profitability of farms, but our studies have identified potential additional yield increases of 3-7% and up to 14% nitrogen fertilizer savings.

[>> Our strategy, p. 16](#)

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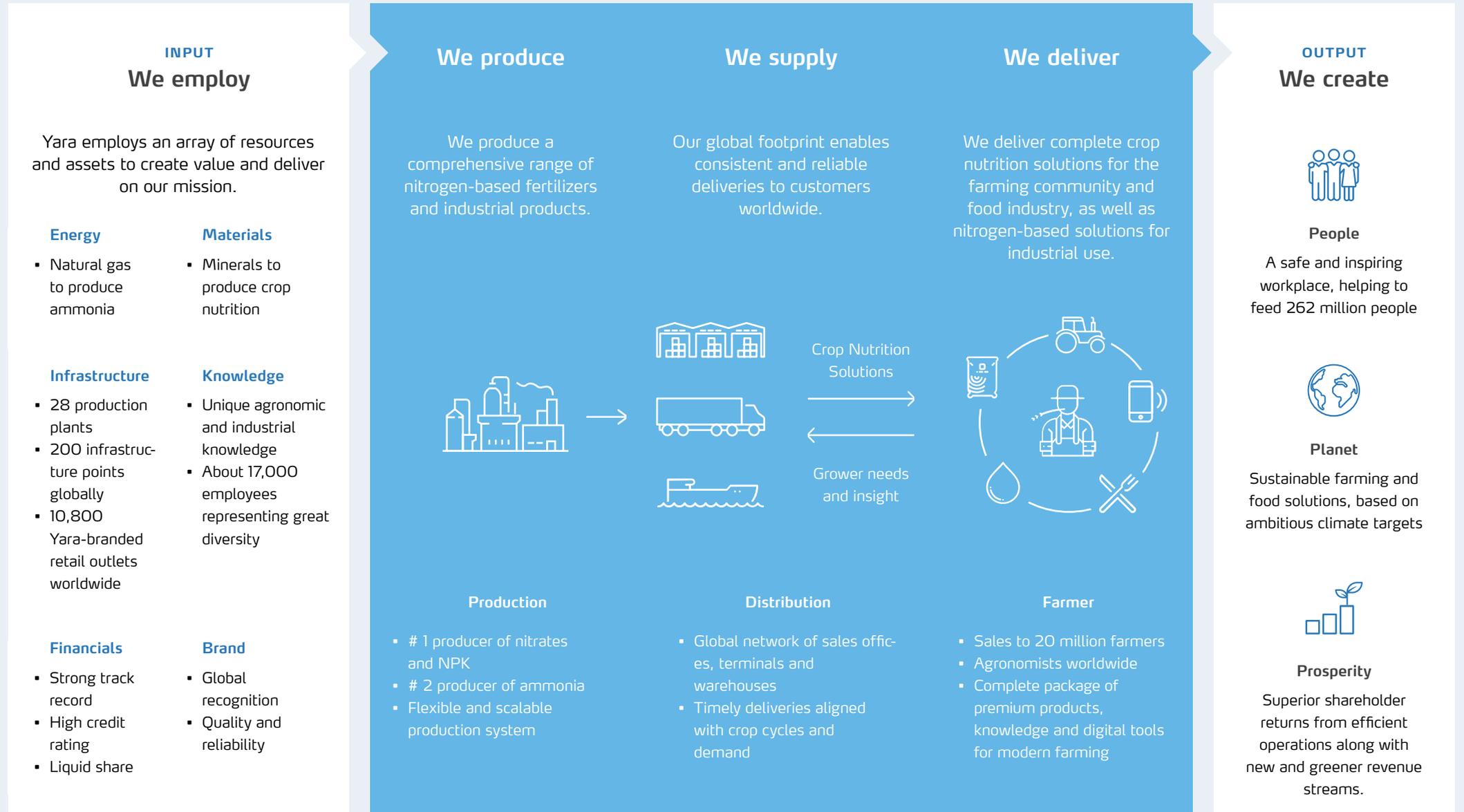
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HOW WE CREATE VALUE

# From field to fork

Our business model combines production, sales and marketing in one, global system. It enables us to deliver premium products, share knowledge, and develop innovative solutions to farmers, distributors and food value chains worldwide.



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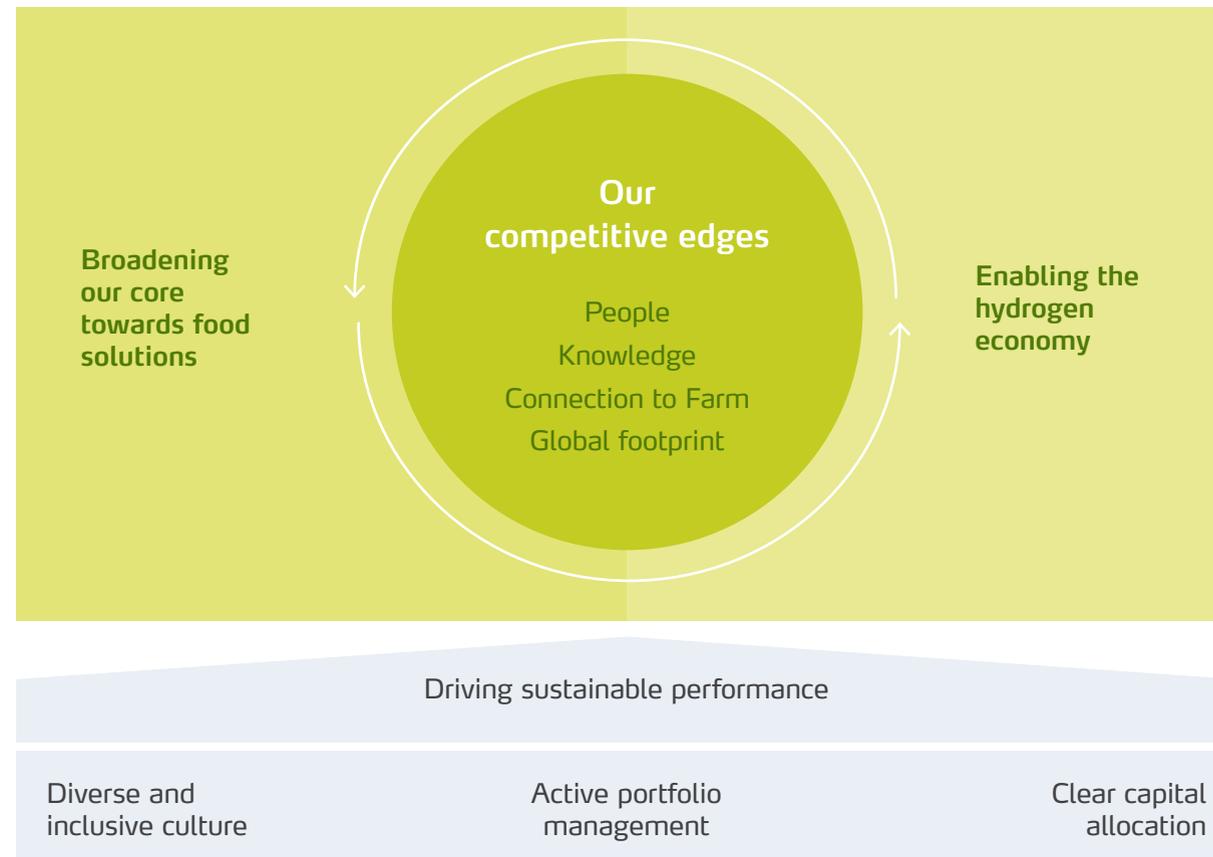
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OUR STRATEGY

# Growing a climate positive food future

We entered this decade with an updated strategy and the overarching goal of becoming a leading partner for farmers and food companies.

## Yara is broadening its business model



Over the past two decades, Yara's business model has developed from focusing on our asset and product base – what we have – to focusing on farmers and complete solutions – how we can contribute.

This development is reflected and emphasized in our latest strategy update, which we conducted in 2020. Essentially, our ambition is to be a leading partner to farmers and food companies by providing sustainable solutions to help them thrive and meet their goals and commitments. We will continue to improve our fertilizer production and competitive edge – what we have – but we are increasingly aiming to expand this core, tapping into the opportunities emerging in our business environment – how we can contribute.

### Strategic priorities

The outcome of the 2020 update was also a more streamlined strategy as we distilled our previous three strategic priorities down to two pillars.

These two strategic pillars represent equally sized value creation potential and form the foundation for our strategic responses:

- » [1. Accelerate operational excellence](#)
- » [2. Expand our commercial reach and offering](#)

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STRATEGIC PRIORITIES

# Accelerate operational excellence

We are embarking on a significant change journey, requiring shifts in mindset and behavior as well as efficiency.

Operational excellence is paramount to unlocking the potential of our strategy. It ensures a robust financial position as we expand our reach and offering and develop new business models. Our approach is multidimensional and covers our culture and people as well as the efficiency and footprint of our operations.

### Culture and people

Employee engagement, leadership, cultural evolution, diversity and inclusion, dynamic upskilling, and responsible business conduct are all topics of high priority as we venture into new territory.

### Efficient operations

Efficient operations form the very backbone of our business. We target improvements in both volumes and energy efficiency through the Yara Improvement Program 2.0.

### Holistic performance management

We manage our value creation along the three axes: People, Planet and Prosperity. Our ambition is to become climate neutral by 2050, and to reach a milestone of a 30% reduction in our scope 1 and 2 emissions by 2030.

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STRATEGIC PRIORITIES

# Expand our reach and offering

We will continue to operate with commercial excellence across markets every day, while broadening our core and enabling a hydrogen economy.

To reach our ambitions, we will build on our core platform as a leading food solutions company to expand our reach and offerings. Developing new commercial offerings and business models will be decisive in evolving our revenue base.

### New commercial offerings

Yara Farming Solutions and our regional units will explore new business models, selling services, new geographies and segments, and channel transformation to expand our reach and offerings. Low-carbon and organic offerings and sustainability services are among the opportunities we are eyeing.

### New business opportunities

We want to explore two business opportunities with fundamentally different value drivers. Carbon marketplace is our initiative to reduce emissions and sequester carbon at farms to create new revenue streams from carbon credits – an opportunity that will also reward farmers for climate-smart practices.

Green ammonia reflects the drive for a clean hydrogen and ammonia-based economy. We are running green ammonia production pilots in three sites to build knowledge and support market development.

### Focused growth

We seek growth to strengthen our Farming Solutions offering, such as in digital technology and reach, and in recycled and organic nutrients. Yara will also consider value-adding assets and scale in markets of strategic importance.

Disruptive innovation in adjacent sectors  
We will direct venture investments into clearly defined themes such as climate smart crop solutions, decarbonization of fertilizer production, farm connectivity, and new revenue models in agriculture



Green ammonia is the most promising zero-emissions fuel for the shipping industry.

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# Strategic goals

## People



YARA KPI	Measure	2020	2025 Target
Strive towards zero accidents	TRI	1.3	<1.0
Engagement index	%	79	Top quartile
Diversity and inclusion index	%	74	Top quartile
Female senior managers	%	20	>35

1) Energy efficiency target is for 2023. It excludes 51% of Tringen reflecting Yara ownership share in JV, while Cubatão and Babrala are out of scope. Performance numbers reflect Yara sites of operational control.  
 2) GHG absolute emissions scope 1+2 target is for 2030 from a 2019 baseline.  
 3) The indicator definition is being updated, meaning the historic figures and 2025 target are not fully aligned, ref. to indicator definition on [p. 53](#).

## Planet



YARA KPI	Measure	2020	2025 Target
Energy efficiency <sup>1)</sup>	GJ/t NH <sub>3</sub>	33.8	32.7
GHG emissions, intensity	t CO <sub>2</sub> e /t N	3.0	2.7
GHG emissions, scope 1+2 <sup>2)</sup>	% CO <sub>2</sub> e	-4	-30
Hectares under management <sup>3)</sup>	Mha	14.5	150
Carbon marketplace	TBD	TBD	TBD

4) Documentation for the KPIs that were launched at the ESG seminar in December 2020 is ongoing.  
 5) Production output measured on rolling 12 months, adjusted for major turnarounds and market optimization effects. Adjustments are done to better reflect the underlying production performance. Numbers exclude Qafco and Lifeco volumes. 2018 baseline includes growth and debottleneck projects already communicated, and is adjusted related to Galvani and Pardies portfolio effects.

## Prosperity



YARA KPI	Measure	2020	2025 Target
Ammonia production <sup>5)</sup>	Mt	7.7	8.9
Finished fertilizer production <sup>5)</sup>	Mt	21.3	23.9
Premium generated <sup>4)</sup>	MUSD	TBD	TBD
Revenues from new business models <sup>4)</sup>	BUSD	TBD	1.5
Revenues from online sales <sup>4)</sup>	BUSD	TBD	1.2
Working capital	Days	113	92
Capital return (ROIC)	%	8.0	>10
Fixed costs	MUSD	2,322	2,314
Capex	BUSD	0.8	1.2
Net debt/EBITDA	Ratio	1.36	1.5-2.0
MSCI rating	Score	BBB	A
Sustainalytics rating	Score	Med	Med

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“The new structure will sharpen our customer focus in each region, while also driving the transformation of our business for the future.”

Svein Tore Holsether, CEO

# New organizational strategy reinforces strategy execution

Yara moved from a segment structure (Production, Sales & Marketing, Supply Chain), to a regional organizational structure – Europe, Africa & Asia and Americas, effective 1 June 2020.

The three regional units got all responsibility for production, supply chain, and commercial operations, empowering them to run daily operations in a fully integrated set-up. They produce and deliver existing Yara solutions, in addition to commercializing and selling new offerings under the guidance of Farming Solutions.

The Global Plants & Operational Excellence unit operates Yara’s largest production plants (Porsgrunn and Sluiskil), and drives operational improvement and competence development across Yara’s production units.

The Farming Solutions function got a global mandate to drive the transformation of Yara’s core crop nutrition business, developing both existing and new solutions including premium products, digital business, food value chain collaboration, and climate-neutral solutions.

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OUR STAKEHOLDERS

# Committed partnerships



AKER HORIZONS

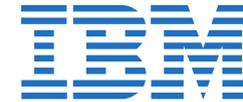
## Partnership for green energy transition

Yara, Statkraft, and Aker Horizons aim to establish Europe's first large-scale green ammonia project in Norway. The partners will target green hydrogen and green ammonia opportunities within shipping, agriculture, and industrial applications by electrifying Yara's existing ammonia facility in Porsgrunn. The conversion of the Porsgrunn plant has the potential to become one of the largest climate initiatives in Norway's industrial history, targeting annual CO<sub>2</sub> reductions equivalent to the emissions from more than 300,000 fossil fuel passenger cars.



## Introduction of certified fossil free fertilizer

Lantmännen, an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy, and food products, has a goal of achieving overall carbon neutrality by 2050. Lantmännen and Yara are now taking a pioneering role in the transformation of the food system by launching a pilot project to introduce a certified fossil free fertilizer. The collaboration builds on Yara's efforts to produce mineral fertilizer from renewable energy. The fertilizer, which Yara aims to bring to market by 2023, will reduce the total CO<sub>2</sub>-impact of grain farming by 20% and enable consumers to make sustainable food choices.



## Advancing agriculture through technology

IBM and Yara share a vision to advance agriculture through technology, leading to transparent, sustainable food production. In 2019, the two companies launched a strategic partnership combining Yara's agriculture expertise and digital farming capabilities with IBM's world-leading technology and services. The first initiative uses IBM's hyperlocal weather insights to power Yara's digital solutions. Furthermore, Yara is spearheading the connection of farms with the food chain and ultimately global consumers through the IBM Food Trust, a network that aims to establish connectivity and traceability from farm to fork.



## Green ammonia from renewable hydrogen

Yara has joined forces with Ørsted, the world's leading offshore wind developer, in a pioneering project to utilize renewable hydrogen in the production of ammonia. A 100 MW wind-powered electrolyser plant for renewable hydrogen production can replace fossil feedstock, with the potential to abate more than 100,000 tonnes of CO<sub>2</sub> per year. If the required public co-funding is secured and the right regulatory framework is in place, the project could be operational in 2024/2025.

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# Engaging with our stakeholders

We engage with a wide range of stakeholders both globally and locally. Engaging and keeping good relations with stakeholders is integral to our transformation to become the Crop Nutrition Company for the Future.

With agronomists on the ground worldwide, we have a deep understanding of farmers' needs and capacity to meet them. We engage with our customers in a variety of ways, such as through farmer meetings, digital platforms, and surveys.

**Farmers**

We nurture a culture of openness and accessibility to senior management. Employee engagement and diversity are corporate KPIs and we run regular surveys to measure our performance.

**Employees**

We collaborate with food industry at an institutional level as well as directly, to support their efforts to provide healthier and more sustainable food, and to promote food system reform and climate smart agriculture.

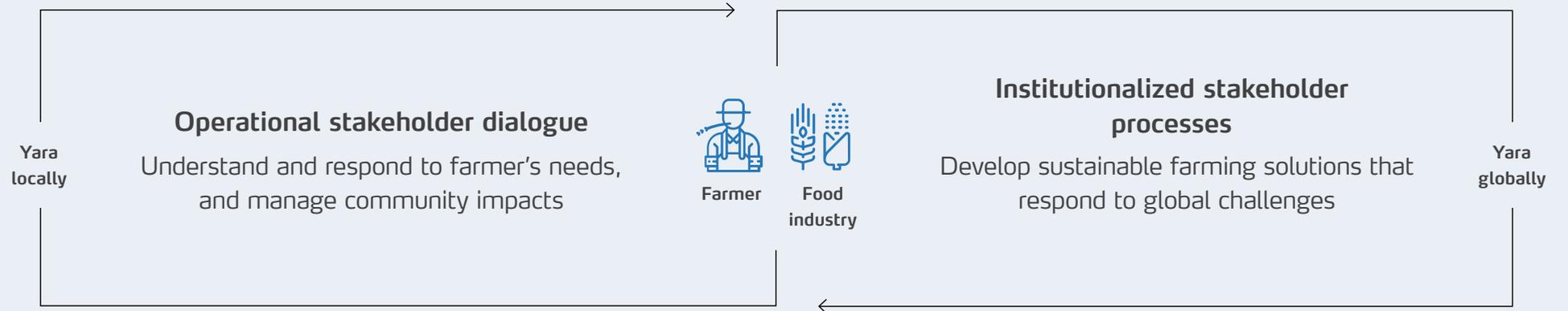
**Food industry**

As members of industry associations, we are able to share best practices and speak with one voice. We are also committed to raising the standards and performance in the fertilizer industry.

**Industry organizations**

Civil society drives sustainability commitments. We collaborate actively with stakeholders in the civil community through our institutional engagement and directly with NGOs and farmer associations, among others.

**Civil society**



**Local communities**

Trust and support from local communities is fundamental to Yara's license to operate. We aim for an open dialogue and take every complaint seriously and handle them promptly.

**Suppliers**

Our suppliers range from global suppliers of raw materials to local service providers. We stay in regular contact with them and expect them to comply with our codes and support our commitment to Product Stewardship.

**Investors**

Our strategy targets superior shareholder return from sustainable solutions. We engage continuously with our shareholders based on the principles of openness and the equal treatment of all shareholders.

**Academia**

Yara supports a science-based approach to sustainable agriculture. We engage with academia to learn and share, and have initiated open innovation and collaboration with a number of academic institutions.

**Governments**

Our emphasis is on building and maintaining constructive relations with governments. We believe that more public-private collaboration is crucial to reach the SDGs and the Paris agreement.

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# Sustainability memberships



## UN Global Compact signatory:

We are a member of the action platforms UNGC initiatives Caring for Climate and CEO Water Mandate. Through these platforms we aim to contribute in scaling innovative solutions for a low-carbon economy and to adopt better water stewardship practices.

## Key memberships and alliances:



We engage in several WBCSD initiatives, most notably Scaling Positive Agriculture, Natural Climate Solutions, Food Reform for Sustainability and Health, the Redefining Value Program, and the Vision 2050 Refresh initiative. Yara's CEO is a member of WBCSD's Executive Committee and chairs WBCSD's Food and Nature Board.



The World Economic Forum (WEF) is an important platform for dialogue and collaboration to meet the SDGs and accelerate climate actions. We are a WEF Strategic Partner and have signed the Partnering Against Corruption Initiative (PACI). Yara's CEO participates in the WEF CEO Climate Leaders group.



We play an active role in the International Fertilizer Association (IFA), aiming to raise industry performance and to promote sustainable farming solutions. Through IFA, we engage in several high-level processes in the UN as well as the Global Business Alliance and the multi-stakeholder coalition Farming First.



As a member of Fertilizer Europe, we engage in the development of more sustainable agricultural policies and practices in Europe. We also promote the principles of Product Stewardship, which we have helped to develop in order to raise industry standards.

In addition to the above, we collaborate with several other organizations and in numerous partnerships and projects to promote sustainable practices in business and agriculture. We have resources dedicated to public and regulatory affairs throughout the business regions, and hold a modest governmental relationship capacity in Brussels, reflecting our footprint in Europe.

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Yara is committed to the Common Agricultural Policy (CAP) which aligns agriculture with the European Green Deal.

# Stakeholder engagement in 2020

Agriculture is often perceived as a major contributor to several of the biggest global challenges of our time. Our view is that agriculture also holds the solutions to many of them, and our strategy is designed to enable such solutions.

Throughout 2020, we engaged extensively in institutional stakeholder processes related to sustainable food solutions on the global level. Locally, we continued to focus on understanding and responding to farmer's needs and managing community impacts. By gathering insights locally, we enable development of better products and practices.

## EU policies including Green Deal

In December 2019, the European Commission launched the European Green Deal, an umbrella of strategies and priorities with overall goals of reaching climate neutrality in the EU by 2050 and transforming the food system, among other ambitions. We have carefully assessed the potential impacts of the Green Deal on our activities and believe that Yara's strategic priorities are aligned with this transformative agenda. On a particular note, we will contribute to the upscaling of precision farming in Europe by boosting our activities in digital farming.

Yara is committed to the Common Agricultural Policy (CAP) which aligns agriculture with the Green Deal. In this context, we promote balanced crop nutrition strategies and higher resource use efficiency as avenues to meeting reduction targets for ammonia emissions, an issue many EU countries are struggling with.

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Yara is a partner of the African Green Revolution Forum and one of six partners committed to the Farm to Market Alliance.

We also welcome initiatives in the CAP post 2020 to support and mainstream the use of FaST (Farming Sustainability Tools) and the development of FAS (Farm Advisory Services) as ways to accelerate the digitization of EU agriculture.

**Food systems transformation**

Yara is involved in multiple dialogues on how we can make systemic changes in the way food is grown and delivered. We believe that by transitioning to regenerative agricultural approaches, food systems can support the demand for food without driving land expansion. Such a transition can substantially reduce GHG emissions and support farming profitability through resource optimization. Land management, including restorative growth, can potentially create carbon sinks, making the agriculture and forestry sectors part of the climate solution.

In 2020, Yara took an active role in accelerating the transformation of food systems and preparing the 2021 United Nations Food Systems Summit. We also participated in regional and global Food Systems Dialogues (FSDs) to discuss food systems policies and economics, science-based targets and pathways, the potential for innovation, and the inclusive approach required for a just transition.

Yara recognizes the critical role of the next generation in the transition, and in 2020 continued to promote youth entrepreneurship with Generation Africa's Go-Gettaz Agripreneur Prize, awarded at the Africa Green Revolution Forum in September.

Yara is a partner of the African Green Revolution Forum and one of six partners committed to the Farm to Market Alliance, a global public-private consortium addressing current agricultural barriers and seeking collective actions.

**Climate Engagement**

In 2020, Yara signed a letter of commitment to the Science Based Targets initiative to help build a Sector Decarbonization Approach for the nitrogen fertilizer industry in line with the 1.5C target. We continued to participate in the WBCSD Climate Smart Agriculture working group, which in 2020 expanded its scope to include, among other things, biodiversity perspectives and was consequently renamed Scaling Positive Agriculture.

We believe that better sustainability performance should be rewarded in the market. To this end, we participate and sponsor the True Cost of Food work in WBCSD. This includes a collaboration with Oxford University on measuring and valuing externalities from agriculture and the food system, a private sector guidance document, and investor dialogues.

Yara's CEO participated when the WEF CEO Climate Leaders group met in Davos in January 2020 and convened virtually throughout 2020, agreeing to take the lead on net zero commitments. Despite COP26 being postponed to 2021, building a roadmap for climate neutrality remained a critical business priority.

We also participate in discussions on Natural Climate Solutions through WBCSD and WEF. Thematically

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linked to regenerative growth, this work aims at linking climate finance to effective solutions based on making nature a carbon sink. Through this work, we are also involved in the global update of the GHG Protocol, aiming to incorporate carbon sinks into climate reporting.

**Regenerative agriculture and soil health**

Yara is committed to an ambitious and integrated agenda to halt nature loss. We recognize that failure to do so has tangible economic impacts. For example, the negative impacts of land degradation are estimated to be as high as 5% of total GDP in some countries. Societal losses from soil degradation are estimated to be USD 100 billion per year.

In 2020, we continued to work with partners such as One Planet Business for Biodiversity (OP2B) to share knowledge on digital tools and crop nutrition solutions that improve soil health and nutrient use efficiency. We have also taken an active role in the Business for Nature Coalition, raising ambitions globally to reflect nature's critical role as the infrastructure that underpins humanity's prosperity and existence.

Furthermore, we are engaged in the promotion of biostimulants as well as biopesticides and biofertilizers through our memberships in the European Biostimulants Industry Council (EBIC) and the Biological Products Industry Alliance (BPIA).

**Circular economy**

Engaging on the emerging topic of circular economy, Yara is a partner of the Ellen MacArthur Foundation Food Initiative (EMFFI), which aims to tackle climate change, create healthy cities, rebuild biodiversity, and create new business opportunities to deliver solutions for a healthy, regenerative food system.

The Ellen MacArthur Foundation also supports Yara with circular economy knowledge in the development of the Nutrient Upcycling Alliance (NUA), a project we have launched together with Veolia. Partnering with other food value chain players, we aim to upcycle food waste from cities to deliver circular and regenerative crop nutrition solutions to farmers.

To further support our circular economy progress, we have also joined the European Sustainable Phosphorous Platform (ESPP), The Platform for Accelerating the Circular Economy (PACE), the European Biogas Association (EBA), and the German Association for Water, Wastewater, and Waste (DWA).

**Product quality and customer satisfaction**

In an effort to better serve our customers and exceed their expectations, we are harmonizing the way we define and measure product quality and customer satisfaction across markets, targeting roll-out late in 2021. We also intend to implement additional customer research tracking to gather insights for product innovation and improvements in service and customer interaction for all aspects of the Yara Farming Solutions offerings.

In 2020 we ran customer research projects through our distribution networks in India and Europe to identify how we can add value to our distribution network and customer service. We also gathered feedback from local Sales & Marketing initiatives, such as online surveys, focus groups, social media engagement, crop clinics, field days, demonstration trials, training sessions, tradeshows, customer phone calls upon delivery of our products, and participation in farmer meetings, to collect feedback.

Generally, Yara is recognized for its high-quality products and application knowledge across all markets. Complaints about product quality occur from time to time. All complaints are logged and we follow-up and investigate each complaint to find its root cause.



Yara is a founding member of the Cool Farm Alliance which has published the online GHG farm calculator Cool Farm Tool.

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# Key concerns raised in 2020

2020 drew significant attention to our relations in Belarus. We continued to manage closures of sites in Trinidad, France, Brazil, consulting unions and local stakeholders to minimize any negative impacts on their communities.

## Belarus

Belarus has seen mass protests since the August 9 presidential election, which incumbent Alexander Lukashenko said he won – an assertion contested by his opponents, who claimed the vote was rigged and wanted him to leave office. While Yara received calls from elements of the Belarus political opposition to stop buying from state-owned companies, our approach has been to seek influence through continued presence. This approach was supported by the Belarus Independent Trade Union (BITU) and The Belarusian Congress of Democratic Trade Unions (BKDP) and IndustriALL as well as the Norwegian Confederation of Trade Unions (LO) and Industri Energi.

Yara was a leading buyer of potash from Belarus' state-run potash miner Belaruskali throughout 2020. We were particularly concerned over numerous reports

of dismissals of workers who expressed their democratic rights in a peaceful manner. In a message from Yara CEO Svein Tore Holsether in December 2020, he stated firmly that the current situation is not tenable for Yara, and that he had made Yara's position very clear in conversations with a number of stakeholders, including the Belarus Ambassador to Scandinavia Dmitry Mironchik, about the need to see imminent and substantial improvements in the conditions for, and relations with Belaruskali's workforce.

Following a series of meetings with Yara, Belaruskali announced steps to improve the situation for and relations with its workforce, including reintroducing allowance and bonus schemes for workers who had previously been subject to disciplinary penalties, and offering to re-employ terminated workers. The company also declared its readiness to cooperate with Yara on industrial health and safety improvements. Yara saw these steps as positive but continued monitoring the situation closely, expecting Belaruskali to further improve the situation for its workforce.

## Environmental grievances

At a local level, communities adjacent to production facilities raised concerns regarding noise, odor, and dust.

Fifteen Yara sites received environmental grievances from neighbors or other stakeholders during 2020. A total of 140 environmental complaints and concerns were reported in 2020, slightly more than the 135 reported in 2019. The cases were all addressed and investigated, and 97% of them were closed during the year.

## Montoir

The local community and media have raised concerns over environmental non-conformities at our site Yara Montoir, in France. The plant has focused on two aspects of its environmental permit: dust emissions from a prilling tower and nutrient discharges to the Loire river. These aspects of the permit have been challenging due to the fact that the plant's environmental permits are more stringent than the European Best Available Technology reference levels. Yara Montoir's environmental performance is in line with the rest of the fertilizer industry, and we have made numerous improvements and tested novel technologies to meet the permit requirements.

## Trinidad

In November 2019, Yara announced its plans to close its wholly-owned ammonia plant in Trinidad. The Yara Plant was one of three ammonia plants operated

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by Yara Trinidad Ltd. The remaining two plants, Tringen I and Tringen II, are jointly owned by Yara International ASA and National Enterprises Ltd (NEL).

At the time of the announcement, there were 68 employees either working directly on or supporting the plant. Following the closure, Yara and the recognized majority union commenced discussions to mitigate the total retrenchment and job losses. As an outcome of this consultation process, formal notices of retrenchment were issued to 15 employees. Each separated employee received a separation payment based on years of service and job category. They also received financial support for retraining, and continued support from the Yara's social service providers. Yara is committed to rehiring retrenched employees if appropriate vacancies arise within one year of retrenchment. The plan fulfills both legal requirements and after-care norms in Trinidad and Tobago.

**Pardies, France**

Yara closed the main part of its operations in Pardies, France in June 2018. The announcement was made in March 2017, and at that time, the site had 85 employees, of which 46 were laid-off. While most of these former employees found other jobs, two were still searching for a job at year-end 2020. Both are supported by an outplacement firm to find job opportunities, establish their own business, or enter training or education.

**Lagamar, Brazil**

The phosphate mine Lagamar, Brazil, operated by JV Galvani, was closed in 2018. The closure process was planned several years in advance and is being carried out according to the schedule filed with relevant entities. Stakeholders have been consulted throughout the process, in which Yara has provided labor qualification programs and training courses for employees and members in the community as well as support for several community projects, including activities to combat the spreading of Covid-19.

**Pilbara, Australia**

For Yara's plants in the Pilbara region of Australia, concerns were previously raised about the Aboriginal rock art of Murujuga (the Burrup Peninsula). In 2020, Yara continued partnering with scientists, heritage experts, and the local Aboriginal owners. This included another partnership to monitor the rock art, support for the owners in seeking World Heritage Listing for the cultural landscape, and work to identify shared opportunities in renewable energy development. Over the four years of studies, the rock art experts have not found any indication that Yara's plants are having an impact on the rock art, and these findings will be formally published in 2021.

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OUR MATERIAL TOPICS

# Determinants of our value creation

In 2020, Yara further developed and detailed its strategy, updated its governance structures, and implemented integrated reporting. The strategy update was presented at an ESG Seminar in December 2020, numerating company level KPIs according to the People, Planet, and Prosperity dimensions.

### Defining materiality

Yara made its first materiality assessment in 2015, in a process initiated and led by Yara’s Head of Sustainability Management, and supported by Harvard professor Robert Eccles. We used the Sustainability Accounting Standards Board’s (SASB) standards for chemicals and mining industries as a starting point.

The materiality assessment has since been reviewed in internal follow-up processes. In 2020, the materiality matrix was revisited as part of the 2020 risk and strategy processes. The review was informed by an update on megatrends, the integrated reporting process, and the corporate scorecard. A key topic for 2020 was the socio-economic impacts of and company response to the pandemic. As a result of this process, Yara updated its strategic priorities, as presented on [p. 16](#).

Key value drivers

Megatrends



Capabilitites and position

License to operate

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## Our Material Topics

This report covers materiality as also accounted for in Yara's Integrated Report 2020. In addition, this Sustainability Report covers topics we consider to be of significance to our stakeholders.

We have defined material topics as belonging to four main areas: megatrends, key value drivers, company capabilities and position, and license to operate. The topics' boundaries are discussed and defined in Yara's Sustainability Network, and disclosed in the Report scope and details chapter on [p. 114](#).

## Megatrends

Megatrends shape our industry and markets, and constitute both risks and opportunities. They have been prioritized according to their relevance to Yara's business model, and to company ability to interact with such megatrends. The identified megatrends did not change during 2020. These are presented in full in the Global megatrends section on [p. 12](#) and therefore only briefly listed here. Three megatrends are of a bio-physical nature: climate change, soil degradation and water stress. Four megatrends are of a socioeconomic nature: dietary shifts, circular economy, food industry integration, and digitalization.

## Key value drivers

**Covid-19:** The outbreak of the global pandemic had significant socioeconomic impacts.

**Nitrogen fertilizer prices:** Changes in global and regional fertilizer production and capacity impact fertilizer prices and our profitability.

**Natural gas prices:** Hydrocarbons, mostly natural gas, are Yara's main raw material and our main cost. Affordable access to natural gas is therefore a competitive advantage, and energy price swings impact Yara's costs.

**Availability of raw materials:** Our fertilizer production plants depend on consistent supplies of raw materials, most notably phosphate and potash.

**Food prices:** Increasing food prices can support higher investments in agriculture and sustainable crop nutrition solutions.

**Regulatory changes:** A wave of new regulatory and political initiatives addressing climate change is coming, which has both upside and downside risks for Yara.

## Company capabilities and position

**Knowledge margin:** Yara's deep understanding of crop nutrition, farmers, and industrial markets allows us to sell highly profitable premium products and solutions that also benefit society.

**Production reliability:** Increased plant reliability is a key driver of organic growth in our production system.

**Global scale and presence:** We operate across six continents, in various commercial segments, and in 28 production plants and mines. Our global distribution network allows us to optimize product flows and plant inputs across geographies and to adjust production volumes to match market conditions.

**Infrastructure and logistics:** Yara operates 200 infrastructure points across the world and has 10,800 Yara-branded retail outlets worldwide, providing an unmatched market reach.

**Human capital:** We have a passionate workforce. This enables the company to take on new tasks, drive profitability, optimize productivity, and propel innovative thinking. In our markets, digital technology is making rapid progress, a trend in which Yara actively engages based on our knowledge and a diverse, talented workforce.

**The Yara Brand:** Our brand represents our values and the company personality. Embodying our knowledge, quality, vision, mission, and values, the brand represents the trust we earn from partners, customers, and suppliers.

**Connection to Farmers:** We sell to more than 20 million farmers and we have almost 15 million hectares under management through our digital platforms. This uniquely positions us to drive the development of the food system in a way that works with, not against, the farmer.

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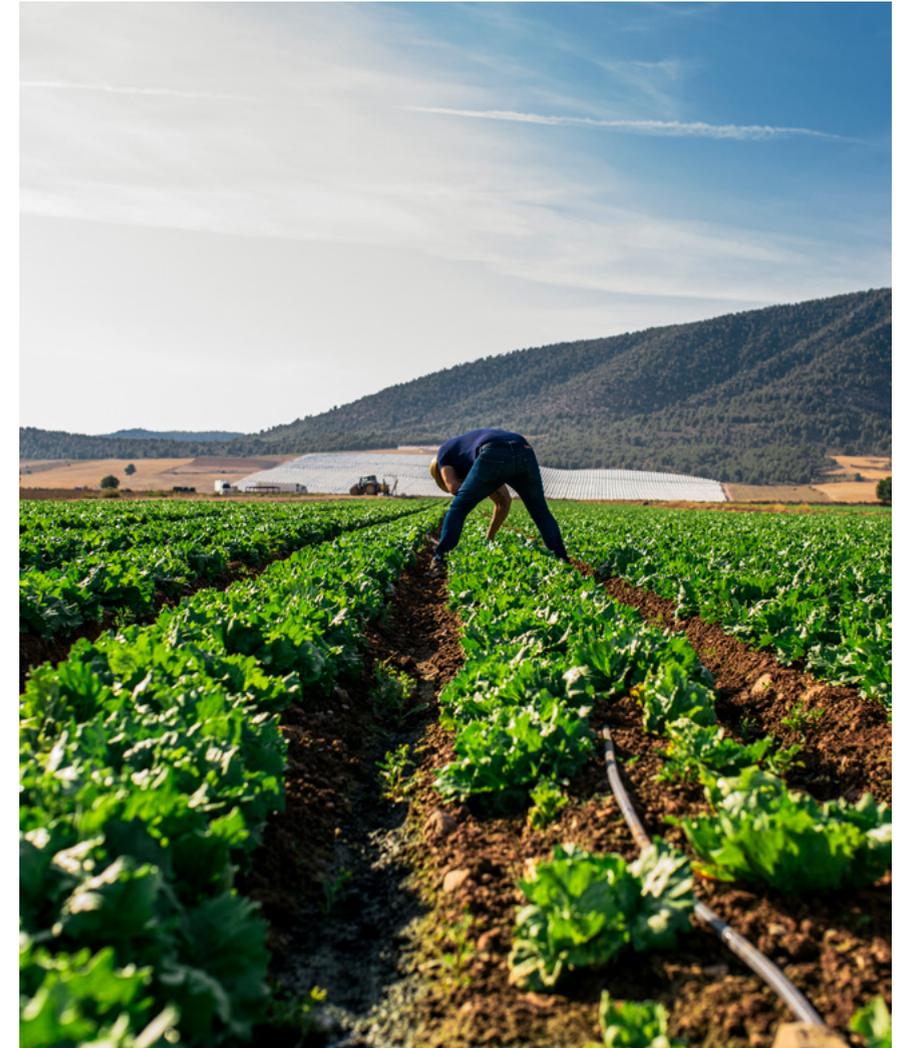
## License to operate

**Health and safety:** We value our employees, and safety is therefore a key priority at Yara. Our employees represent a knowledgeable and diverse workforce, and every one of them has the right to a safe working environment. A safe and healthy workplace is good for business. We believe that all accidents are preventable, and our goal is zero injuries.

**Product stewardship:** Ensuring that the right product of the right quality arrives safely to the farmer is fundamental to building trust. Through our Product Stewardship principles and a dedicated security function, Yara carries out extensive work to determine the best and safest way to transport, store and apply fertilizers and industrial products. Our work on quality review and the monitoring and handling of our products is the foundation of industry standards.

**Environmental performance:** Yara expects increased awareness of sustainable agricultural practices and an increasing pressure on sustainability from governments and regulations globally. Soil degradation, water stress, biodiversity loss, and nutrient pollution are issues which will impact Yara's operations and value chain. Yara's strategy to become the Crop Nutrition Company for the Future responds to these trends.

**Ethics and compliance:** With operations in more than 60 countries and sales to about 160 countries, Yara is exposed to different cultures, traditions, labor conditions, and threats. We are dedicated to responsible business conduct throughout our own operations and value chain. This means respecting recognized labor and human rights, existing laws and regulations, and having safeguards in place for combating corruption. Responsible business conduct is crucial in earning the trust of our stakeholders and key to our success.



We sell to more than 20 million farmers and we have almost 15 million hectares under management through our digital platforms.

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**agoro**<sup>™</sup>  
CARBON ALLIANCE

Through the Agoro Carbon Alliance, we will incentivize farmers to adopt carbon-smart practices

**CO<sub>2</sub>**

One gigatonne  
decarbonization  
potential

CASE

# Carbon Cropping

Targeting carbon- and sustainability-focused business lines, Yara has launched a pilot project to create a sustainability income for farmers by paying them to store carbon in their soil and avoid emissions in their fields.

The agriculture sector faces major climate challenges, as the food value chain contributes a significant share of global greenhouse gas emissions and is also negatively impacted by a changing, more variable climate. For Yara, this presents both challenges and opportunities, and the company is acting on both.

To fight climate change, Yara is cutting emissions from production, transport, and use of its fertilizers. At the same time, Yara is working with farmers to generate carbon credits – value – by reducing agricultural emissions and sequestering carbon.

### Unlocking nature's potential

Nature-based solutions are earth systems that are managed to provide environmental, social, and economic benefits simultaneously. Soil carbon sequestration is one such solution.

Soils are one of the most important carbon sinks. Human activities can positively affect these processes by helping to ensure carbon is stored and not released over time. This also creates soil health benefits in the long-term. However, human activity such as extended cultivation and disturbance can also do harm to soil's natural ability to store carbon if it is not managed carefully.

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What if farmers were paid to store carbon in their fields? That is exactly what Yara aims to do in a new US pilot project. Together with about 20 farmers managing 50,000 acres, Yara will create a new income stream for farmers based on storing carbon in their soil, helping to offset the risk and cost of switching to climate-positive farming practices through improved financial incentives and agronomic support, and lay the foundations for a sustainable business for the next generation of farmers.

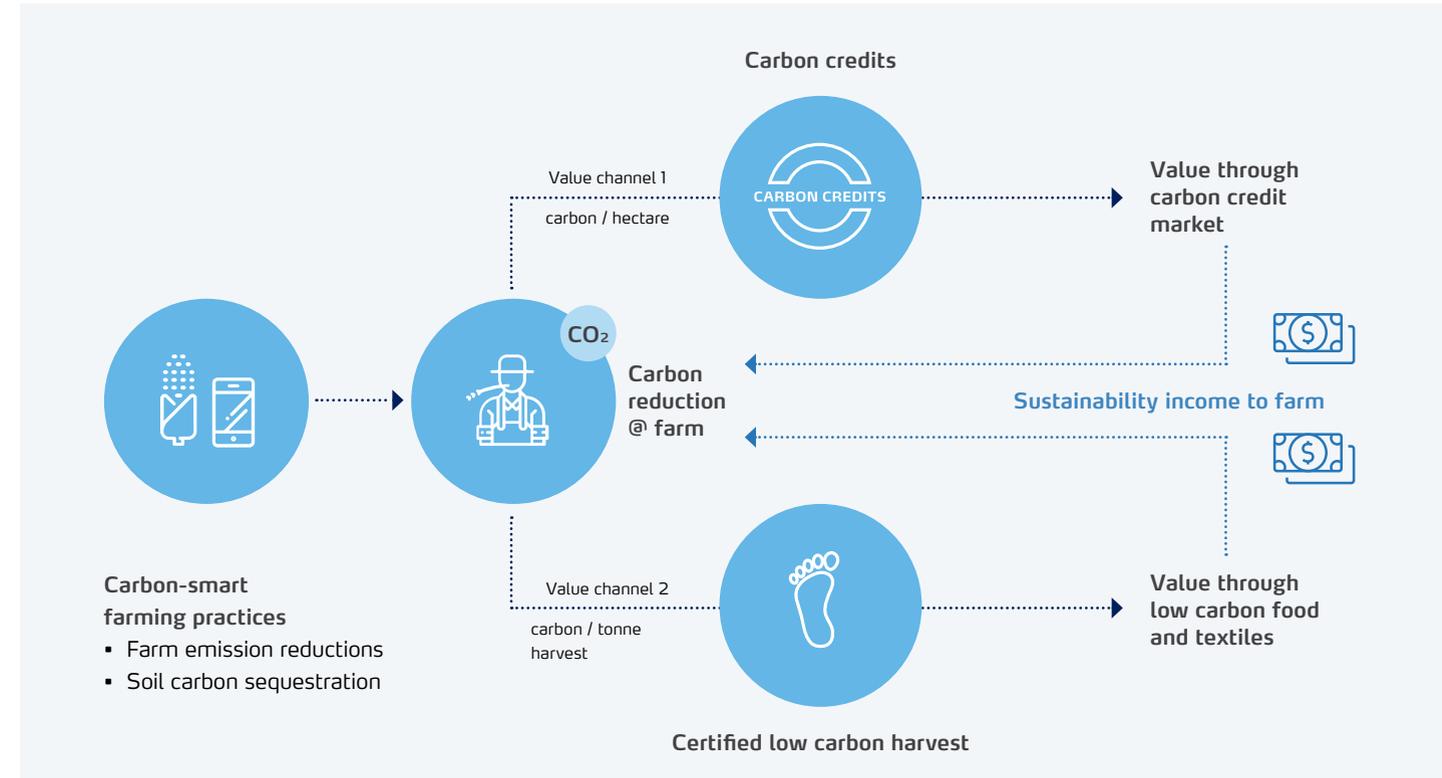
Yara is developing sustainability assets including agriculture-based carbon credits which are units for measuring the carbon stored or emissions avoided on farms.

The farmers in Yara’s US pilot project will be able to generate carbon credits by transitioning to climate-smart agriculture practices such as improved tillage management, use of cover crops, and improved nitrogen use efficiency. A third-party verifier will quantify and certify the credits to ensure real value is being created for the environment.

**An agriculture carbon market**

In addition to paying farmers for implementing sustainable practices and storing carbon, this credit scheme will offer companies looking to offset some of their harder-to-reduce or -avoid emissions, an avenue to reach their climate commitments while supporting farmers and sustainable food production.

Devin Moon, one of the Carbon Cropping pilot farmers, has joined the project to be in the vanguard when



sustainable farming becomes the norm. “Our hope is to get on board with carbon sequestration not only before certain practices are mandated, but to beat the flood of folks to market who jump in when the carbon price rises. We will be set up and hit the ground running if and when it becomes mandatory for certain businesses to purchase carbon offsets,” Moon says.

Although it’s early days, the potential is massive. Analyses show up to one gigatonne of CO<sub>2</sub> storage potential and

a possible USD 10 billion market potential. Starting with the US pilot, Yara is now positioning itself to take a leading role in this fast-growing market and expects to generate the first millions of carbon credits over the next 2-3 years. When an agriculture carbon market is fully developed, we will not only be responding to the one of the greatest challenges we face, but we will be building the foundation for sustainable food production and a sustainability income for millions of farmers.



Devin Moon

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CFO message

PEOPLE

Health and safety

Engagement

Diversity and inclusion

Skills and development

Workforce

People case

PLANET

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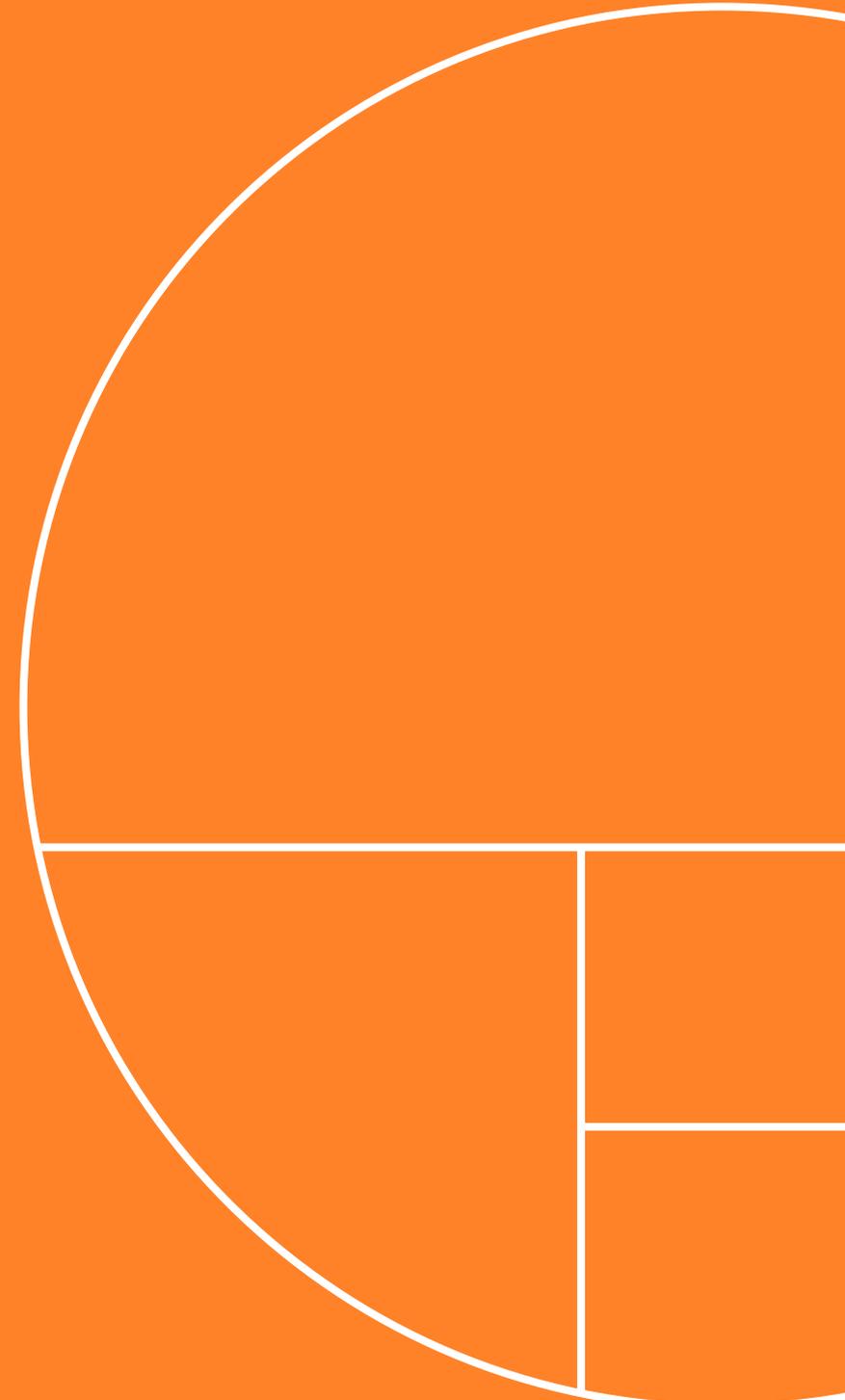
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# How we perform

Leveraging our leading position on sustainable agricultural practices implies that we also require excellence in our own operations.

We strive to outperform our competitors by focusing on operational excellence and best-in-class safety performance. In response to increasing expectations on People, Planet and Prosperity dimensions, we report diligently on how we measure progress.



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# Sustainable value creation driven by our purpose

When looking in the rearview mirror of 2020, I think we can safely say that it was a year like none other, during which our society was put under immense pressure and the suffering from the pandemic was rampant.

The world was faced with the Covid-19 pandemic starting already in the first quarter of 2020. This disease severely disrupted society, markets, businesses, and most importantly, millions of peoples' lives. At Yara, as part of the food chain, we prioritized safeguarding people, behaving responsibly and in accordance with government guidelines, and to keeping the business running in order to help feed the world.

### Integrated management

This crisis created a strong case for why it is important for businesses to work in an integrated manner. To me, as a CFO, it is crystal clear that as companies, we must move performance management well beyond safeguarding cash flows and balancing the budget. It is my strong belief that long-term shareholder value creation is best optimized through a holistic approach to people, planet, and prosperity.

As Yara employees, we are united behind a strong company purpose: responsibly feed the world and protect the planet. The 2020 performance shows that there is no trade-off between safeguarding people and the planet, while improving prosperity.



“We must move performance management well beyond safeguarding cash flows and balancing the budget.”

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We also continued to improve our employee engagement, reduce our emissions, and improve our safety performance.

Despite all the hurdles of the pandemic, with restrictions and uncertainty, our teams have also kept the underlying production running slightly above the 2019 level. 2020 deliveries were slightly up from 2019, and we delivered the tenth consecutive quarter with improved capital returns, a free cash flow of USD 2.3 billion, and committed NOK 52 per share in shareholder returns.

This was made possible through a can-do attitude, strong competence, and high engagement from our employees.

The Yara Improvement Program has continued its roll-out, though slightly more cautiously than before, in order to not cause disruption in production due to pandemic-related outages.

**A shift in finance**

2020 also brought what seems to be a tipping point. Yara was not the only purpose-driven company to manage the crisis situation in a strong way. Investors recognized that companies with high ESG performance also tended to do better. Legislators, with the EU and its Green Deal in the front seat, have also delivered significant signals to the markets.

At the onset of the pandemic, many were convinced that given the economic, social, and human crisis situation, other global issues such as climate change and nature loss would need to become second priorities.

What we have witnessed is quite the opposite. The already strong trend of investors in search of green or sustainable assets did not diminish – it has trended upwards. The speed and spend brought by regulators in making sure the economic recovery also supports a more sustainable future is remarkable. As a CFO, I have never before fielded so many questions on how we, as a company, manage sustainability.

I am pleased to say that we were well prepared, and we had taken significant additional steps towards the full integration of sustainability already ahead of the curve. Our strong company purpose dates back to the onboarding of our CEO and President in 2015, coinciding with the Sustainable Development Goals and the Paris agreement.

**Governance changes**

In the CFO area, we initiated integrated reporting as a process for the 2019 report, also co-organizing the financial and non-financial performance management and reporting. Through the process, Yara's Board approved an updated mandate for the Audit Committee, changing it into the Board's Audit and Sustainability Committee (BASC).

While sustainability reporting has long been part of Yara's annual reporting, this shift indicates that the emphasis we put on extra-financial reporting will be as strong as for the financials. Through the BASC, the way extra-financial performance is organized within the financial department is connected to the Board's structure of work.

Similarly, the core processes of Yara are undergoing updates to reflect this integrated perspective on how we work. The Capital Value Process has a strengthened sustainability focus, including an internal carbon price for large investment projects.

We have also set up a system of establishing internal ownership of indicators, in order to allow for systematic follow-up and improvement against best practices. This also covers diversity, which I believe is a key dimension for future success: diverse teams make better decisions than homogenous teams.

Therefore, diversity and inclusion is embedded into our strategy. In addition to our ambition of having 35% women in senior leadership positions by 2025, we aim for more diversity in Yara in all its forms and for having an inclusive work environment in which employees feel safe to be themselves.

I sometimes get questions about the conflicts of interest between sustainability-linked goals and Yara's profitability. To me, if we do not get this right, we will erode value. I see no likely future scenario in which people and companies will prosper without businesses strategically integrating both people and planet dimensions into how we generate value.

This is what I like to call the CFO 2.0 role, one we are shaping as we move forward.

Lars Røsæg  
CFO

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# People

Successful implementation of our strategy depends on our knowledge and access to human capital, measured as diversity and engagement scores.

Safety is a top priority, and we set high goals for ourselves within an already industry-leading level, based on our belief that all accidents are preventable.



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HEALTH AND SAFETY

# Safety comes first

We value our employees and contractors, and health and safety is therefore a key priority at Yara. Our belief is that all accidents are preventable, and we set high goals for ourselves within an already industry-leading level. We care for our employees' and contractors' physical and mental health, which we consider equally important in our ability to be productive and make good decisions.

**Performance measures**

- Strive towards zero accidents
- Preventing serious incidents
- Process safety
- Sickness rate



**Strive towards zero accidents**  
2025 target: <1.0



Total recordable injuries (TRI) is the sum of loss time injuries (LTI), restricted work cases (RWI) and medical treatment cases (MTC).

The TRI rate is calculated as the TRI per million hours worked for employees and contractors combined.

**Strive towards zero accidents**

Our commitment to health and safety is firmly anchored in our corporate strategy and continuous work to achieve operational excellence. This was emphasized in the 2020 strategy update as our goal is to drive our TRI rate down to 1.0 and increase the focus on process safety and the mental health of our employees.

Since mid-2013, Yara has been working to further improve its safety performance through the implementation of the program Safe by Choice. Yara's TRI rate is already low compared to industry standards. It has steadily declined since the program was launched, from a TRI rate of 4.3 in 2013 to 1.3 in 2020. We have paid particular attention to safety among contractors, which have historically been more prone to accidents and injuries than Yara employees. Hence, we are satisfied to see the TRI rate for contractors reaching the same level as that of Yara employees.

[» Safe by Choice, p. 92](#)

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**Preventing serious incidents**

In 2019, Yara initiated the Potential Serious Injuries and/or Fatalities (PSIF) program to work more systematically on the prevention of incidents with the potential for severe injuries and/or fatalities. This new way of working was rolled out in 2020 along with a new KPI of maintaining a PSIF rate of less than one. We measure the PSIF rate as the number of potential serious PSIF incidents per million hours worked for employees and contractors. In 2020, we recorded 56 incidents with potential for severe injuries and/or fatalities and a PSIF rate of one.

[» PSIF program, p. 92](#)

**Process safety**

The process safety management system in Yara is based on Risk Based Process Safety. Steering documents, guidelines and risk assessment tools are created and available in the Yara Steering System to support the implementation of process safety. Yara recorded no severity 1 or 2 process safety incidents in 2020.

**TRI per million hours worked**

	2020	2019 <sup>4)</sup>	2018 <sup>3)</sup>	2017 <sup>2)</sup>	2016 <sup>1)</sup>
TRI rate employees	1.4 <sup>6)</sup>	1.5 <sup>5)</sup>	0.9	1.5 <sup>5)</sup>	2.2
TRI rate contractors	1.2	1.4	1.9	2.3	3.0
TRI rate employees and contractors	1.3	1.4	1.4	1.8	2.5

1) Cartagena and Galvani operations included in 2016.  
2) Serra do Salitre construction site included in 2017.  
3) Babrala operations included included in 2018.

4) Cubatão operations included in 2019.  
5) Figure updated as it was incorrectly reported in 2019.

6) TRI 2020 target was <1.4. There were no fatalities (either employees or contractors) in 2020.

**Sickness rate**

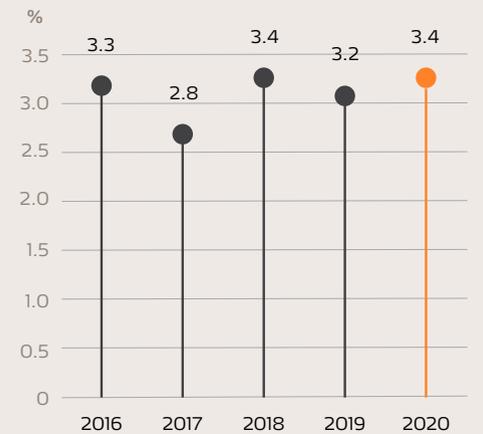
The pandemic had deep impacts on our employees' work situation and personal lives in 2020. Yara managed well through the year and we were able to run our operations without material interruptions. Yet, we recognize that challenges and demand both from private life and work may be difficult to manage, and that the pandemic has amplified this.

In order to better support our employees in this area, we launched the Work-Life Balance and Well-being framework in 2020. A key element of this framework is to provide employees in all locations access to counselling to support mental health. We will also develop tools for employees and managers for managing fatigue and stress.

[» Worker health, p. 92](#)

**Sickness rate**

The rate is calculated as the percentage of Yara employees' sick leave hours against the total number of working hours.



**Priorities**

- Continue our quest for zero injuries through the Safe by Choice and/or Potential Serious Injuries and Fatalities program
- Strengthen process safety
- Roll out the Work-Life Balance and Well-being framework across all locations

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ENGAGEMENT

# Passionate people

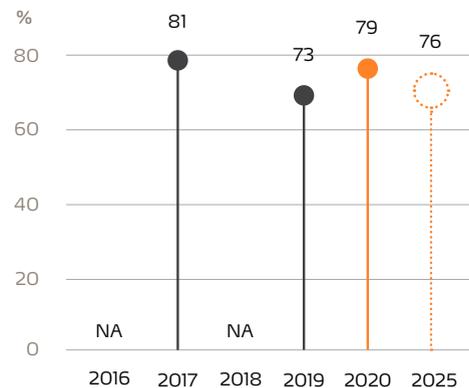
Our purpose-driven and loyal people are our greatest asset. Surveys consistently show that our employees are proud of working at Yara, that they are engaged, and that they would recommend Yara as an employer. We rely on their passion and eagerness to take on new tasks and drive innovation and productivity. Their engagement will be ever more important in the coming years in building a culture of entrepreneurship and continuous improvement.



Performance measures

- Engagement of our employees
- Engaging with union

Engagement index  
2025 target: Top quartile



Employee engagement is measured through surveys done by an external third party, providing a data-driven analysis against international benchmarks. The KPI was updated from previously being >80% to being in the top quartile. This threshold was at 76% in 2020. The 2017 score is drawn from a different supplier database and is therefore not directly comparable to later years.



Engagement of our employees

The pandemic influenced all areas of engagement at Yara in 2020, and we focused our actions on the primary health, safety, and well-being of our employees. Line managers were encouraged to increase their engagement with employees through active partnership on managing the Covid-19 situation through local initiatives.

Despite the difficulties of the pandemic, the 2020 Engagement Index survey shows no decline in employee experience for the company as a whole. On the contrary, the score improved considerably in many areas. The survey points to increased clarity on the goals and objectives of the organization, indicating that employees have a better understanding of how their day-to-day jobs contribute to these goals and objectives. It is also clear that most employees feel treated with respect. Given the overall positive employee experience, significantly more employees feel proud to work for Yara and significantly more employees are effective advocates of the organization.

The 2020 survey had a response rate of 74% among all permanent employees, a significant increase from 69% in the 2019 survey.

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**Engaging with unions**

Yara values its good relationship with employees and their organizations and engages with them on a regular basis. Each region and location have autonomy to establish relations with unions, building good relationships and respecting local legislation and requirements.

In 2020, about 66.8% of Yara employees were covered by collective bargaining agreements.

[» Human rights due diligence, p. 74](#)

**Employees covered by collective bargaining agreements (percentage)**

	2020	2019	2018	2017	2016
Africa	25.7%	27.4%	30.5%	24.8%	22.2%
Asia & Oceania	12.0%	14.2%	8.8%	14.3%	17.8%
Brazil (2016-18 including Galvani)	90.2%	91.4%	100.0%	98.8%	99.9%
Europe	81.9%	80.2%	78.7%	80.7%	83.7%
Latin America	6.4%	6.7%	6.5%	6.5%	6.5%
North America	26.9%	29.4%	29.7%	30.5%	33.1%
<b>Yara</b>	<b>66.8%</b>	<b>69.8%</b>	<b>70.7%</b>	<b>72.5%</b>	<b>74.0%</b>



**Priorities**

- Continue to address the engagement among our employees and implement tools for simultaneous tracking and response
- Implement a common change management methodology, supported by leadership training
- Continue to build mutually supportive relationships with union

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DIVERSITY AND INCLUSION

# Appreciating all

At Yara, we believe that creating a diverse and inclusive work environment is not only the right thing to do but also the smart thing to do. A diverse and inclusive work environment in which employees feel valued for their uniqueness and feel safe to speak up benefits our business. Not only do companies that commit to diversity perform better financially, they are also more innovative and have a higher employee engagement. While we have had gender diversity on our leaders' agenda for quite a few years, Diversity and Inclusion is now firmly anchored in Yara's updated business strategy.

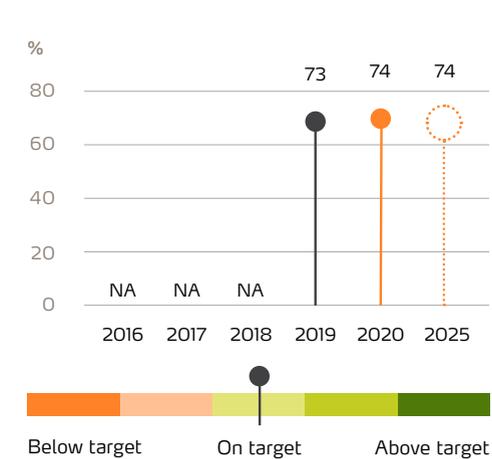


Performance measures

- Diversity and inclusion index
- Gender mix
- Female senior managers
- Gender pay gap
- Discrimination
- Employee benefits
- Parental leave



Diversity and inclusion index  
2025 target: Top quartile



The Diversity and inclusion index is measured through surveys done by a third party, providing a data-driven analysis against international benchmarks. The threshold for being in the top quartile was at 74% in 2020.

Female senior managers  
2025 target: >35%



The female senior managers indicator is measured as the percentage of top positions defined in Yara's position level system held by women. Our 2020 target was 20%, and the 2025 target has been raised from 25% to 35%.

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**Diversity and Inclusion index**

Results from the Diversity and Inclusion index point to positive developments from the actions we have taken to promote diversity and inclusion in our workforce. While we reached our target in 2020, further actions are needed to maintain and improve this level and to tap into the business value that diverse teams can bring.

We implemented a number of Diversity and Inclusion (D&I) initiatives in 2020, including:

- D&I organizational set-up with over 400 ambassadors and communication management aligned with Yara’s regional set-up. Yara’s CEO is the global sponsor and is committed to driving our D&I agenda, influence leaders across the organization, and represent Yara externally on D&I matters.
- Development of a global Work-Life Balance and Well-being framework for launch in Q1 2021
- Expanded e-learning offerings on topics such as: Inclusive Leadership, Understanding and Tackling Gender Bias, Tackling Race Bias at Work, Becoming Disability Confident, Trans and Non-binary Awareness and The Effective Bystander
- Launch of an Inclusive Talent Acquisition Guide
- Celebrations on dedicated UN days to raise awareness, e.g., the International Women’s Day, the International Day of People with Disabilities, and Pride Week
- Numerous local webinars and virtual workshops to raise awareness and build knowledge

During 2020, our regional and local D&I ambassador networks continued to raise awareness and build knowledge about minority groups and selected D&I

topics. Following the death of George Floyd and the subsequent increased awareness of racial inequalities and systematic racism worldwide, we established our Black Talent Initiative. The aim of the Initiative is not only to create the right conditions for open conversations about race and ethnicity, but to build an inclusive culture where Black talent at Yara is fully appreciated, valued and able to thrive. It is not a project, but rather the first step on our journey to becoming a high performing, racially diverse, inclusive organization.

We follow up succession candidates to senior management positions based on gender and nationality/ethnicity, and seek to grow diversity through our talent review and succession management processes.

[» Talent and leader development, p. 46](#)

**Gender mix**

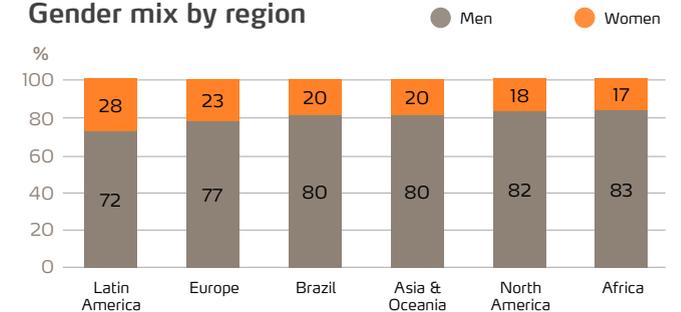
The chemical industry has traditionally been a field dominated by men. Yara currently employs too few women across all areas, with the exception of administration. At the end of 2020, 22% of Yara employees in permanent positions were women, unchanged from 2019. The ratio of women to men in non-permanent positions was higher at 31%. Among permanent employees the representation of women is highest in Latin America and lowest in Africa.

We aim to increase the overall share of women at Yara. In 2020, 30% of new-hires were women. Of newly hired employees under 30 years of age, 33% were women. The representation of women varies between our operational regions. Of newly-hired employees in Latin America and

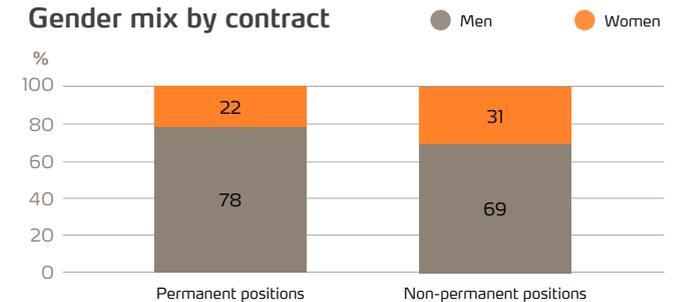
Europe, 37-39% were women. In Asia and Africa, however, only 17-19% of new-hires were women.

Women’s share of exits in 2020 (22%) was on par with their representation in the workforce. There were more exits in Europe (32% women) than in Asia and Brazil (17% each).

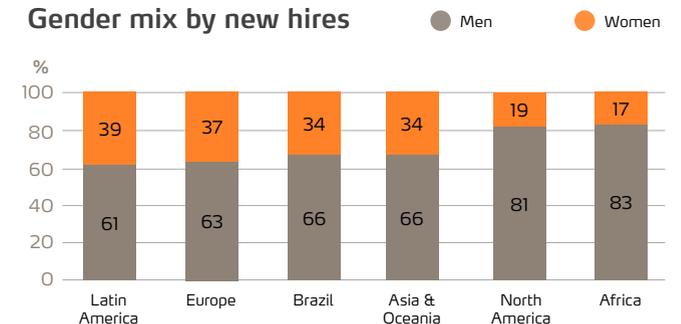
**Gender mix by region**



**Gender mix by contract**



**Gender mix by new hires**



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### Women senior managers

We focus on two indicators to monitor the representation of women among managers and we will introduce a third in 2021:

- Female line managers refers to the percentage of positions with direct reports that are held by women. At year-end 2020, we had 2,222 line managers at Yara.
- Females in senior management positions refers to the percentage of positions graded 15 or above by our global grading scale that are held by women. At yearend 2020, this included the top 406 positions.
- In 2021, we will sharpen our focus on gender diversity among line managers at the top three levels in the company, currently 253 managers. We aim to introduce a practice in line with peer companies and benchmarkable with industry indices. In this subset of the broader group of senior management positions, 23.7% were women at the end of 2020.

We have decided to address the gender diversity imbalance more assertively and have raised our ambition to have a minimum of 35% women in senior management positions by 2025. Our previous goal was a minimum of 25%. The new target has been cascaded to all regions and functions, and progress is tracked and reported on both a monthly and quarterly basis.

While the share of women in senior management positions remained unchanged at 20% from 2019 to 2020, we saw an increase in women line managers from 20% to 22%. At the year-end, 40 of the top 210 management positions in Yara were filled by women.

74 were held by Norwegians, 89 by other Europeans, 8 by North Americans, 26 by Latin Americans, 7 by Asians, and 6 by Africans. 56% of the position holders were age 50 years or older, 44% were between 30 and 50 years of age.

At year-end 2020, the Management team consisted of ten members, of whom four were women. Six management team members were Norwegian, one was French, one was Chilean, one was Spanish, and one was British. Yara does not have a corporate assembly, and the shareholders' representatives on the Board of Directors are therefore elected directly at the Annual General Meeting.

Yara's Board of Directors consists of ten members, with six shareholder-elected Board members and four employee-elected Board members. Three of the shareholder-elected and one of the employee-elected Board members are women.

### Gender pay gap

In 2020, we recorded a gender pay gap of 3.96%, which we intend to close by 2025. The gender pay gap was identified in a study of 16 countries covering more than 5,000 employees. The scope of the study was non-tariff contract employees, as tariff schemes provide strong protection against gender bias. The gaps reported ranged from zero in Finland to 14% in Colombia, and the overall weighted average gender pay gap was 4%. Yara did a similar analysis of six countries in 2018, identifying gender pay gaps in Yara ranging from 2.1% in Norway to 16% in Colombia. In 2020, the gap on a like for like basis for the original

six countries had closed from 5.5% to 4.8% since the 2018 study.

Yara is committed to paying employees fairly, regardless of personal beliefs or any individual characteristics. Individual remuneration will vary based on specific factors such as country, employment market conditions, position, performance, and competence. We are committed to closing the gender pay gap and have implemented stricter rules for salary review and recruitment. The rules apply to both men and women in order to prohibit negative discrimination. Additional targeted actions by regions will be implemented in 2021.

» [Compensation Policy, p. 89](#)

### Discrimination

In 2020, Yara's Ethics and Compliance Department received a total of 49 notifications classified as harassment or discrimination. Of the 49 notifications, 42 were resolved within the reporting period and 13 of these were substantiated.

The cases resolved within the reporting period had the following outcomes:

- 4 employees were dismissed
- 3 employees were given a written warning
- 3 employees were given a verbal warning
- 2 employees received coaching/training
- 1 case without disciplinary measures

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**Employee benefits**

We provide a wide range of benefits to our employees, including disability coverage, flexible working hours, health care facilities, and life insurance. Provisions of benefits vary between regions and locations. There are also some variations in benefits provided to permanent employees as opposed to temporary employees, as shown in the chart below. The percentages represent

	Disability coverage	Flexible working hours	Health care facilities / subsidies	Life insurance	Paid maternity above the legal requirements	Retirement / pension plan	Stock ownership
Permanent employees	79.4%	69.9%	91.9%	91.3%	20.9%	81.0%	14.6%
Temporary employees	82.8%	42.9%	93.2%	84.8%	11.8%	81.6%	2.1%

the share of employees eligible for a selection of commonly offered benefits across our operations. Other benefits provided to employees in certain countries are educational assistance, matched savings plan, and paid matched vacation.

[» Employee benefits, p. 100](#)

**Parental leave**

In late 2020, we announced a global standard for parental leave with the launch of our new Work-Life Balance and Well-being framework. This global standard entitles all Yara employees to six months full pay for primary caregivers and one month full pay for secondary caregivers.

A relatively high share of Yara employees who take parental leave return to work after the leave ends. In 2020, this return to work rate was 98.6%. Similarly, a large share of those who return to work from parental leave remain with us a year after their return, giving a retention rate of 98.7%.

[» Work-Life Balance and Well-being framework, p. 102](#)

	Entitled to parental leave	Took parental leave	Returned to work after parental leave ended	Still employed 12 months after their return from parental leave
Female	246	189	169	155
Male	586	433	444	430

**Priorities**

- Continue to roll out Diversity & Inclusion initiatives to build a high performing, diverse, and inclusive organization
- Increase the use of data analytics to gain further insight and develop measures to close the gender pay gap
- Progress with Black Talent initiative, including awareness training and audits to gather insights and track progress
- Roll out the Work-Life Balance and Well-being framework
- Launch a pilot program to build a strong pipeline of women talent in the agronomy field
- Raise awareness through global Diversity & Inclusion days and celebration of initiatives such as Women's Day and Pride week

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SKILLS AND DEVELOPMENT

# Investing in upskilling

We need new commercial, digital, and continuous improvement capabilities to fulfill our strategic ambitions. Dynamic upskilling is key, and we aim to achieve this by providing opportunities for the upskilling and reskilling of employees and leaders.

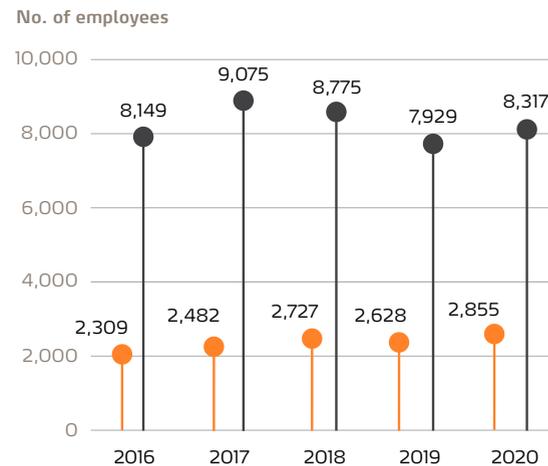
**Performance measures**

- Regular job appraisals
- Talent and leader development
- Learning and training
- Transition programs



**Regular job appraisals**

● Women ● Men



Yara aims to give all employees the opportunity to participate in regular performance and career development reviews. We run these job appraisal processes in annual cycles, and completed 11,172 reviews in 2020.

**Regular job appraisals**

Yara runs all major people processes globally and on all levels of the organization. These processes are supported by Yara PeoplePath, our global HR platform. All employees and managers have access to this platform, which serves as a tool and hub for job appraisals and people and talent development.

» [Internal competence development, p. 100](#)

In 2020, all Yara employees had the opportunity to take part in the Performance Management and Talent Development processes. These job appraisal processes follow an annual cycle with formal development discussions early in the year and follow-ups concentrated in the summer months when career and development discussions are taking place. Managers are also expected to follow up and provide frequent feedback, coaching, and support to the employees.

**Talent and leader development**

In 2020, we also strengthened the talent review and succession management process across the entire organization. 4,640 employees were included in an annual talent review, assessing potential and performance, and of these, 1,179 employees were nominated as successors to positions or nominated to succession pools. Diversity was in focus in this process, with age, tenure, nationality, and gender all being monitored.

Yara normally runs various Leadership Development programs to further develop and grow our leaders. Many of these were postponed due to the pandemic in 2020.

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**Learning and training**

Yara PeoplePath also serves as our interactive learning platform. It offers a single repository for all global learning programs and contains a wide range of training material. Of the 15,500 employees and contractors that have IT accounts, about 14,500 undertook training on the PeoplePath Learning platform in 2020. All in all, the consumption of e-learning courses rose by 175% from 2019 to 2020, as acceptance of e-learning increased and the online offerings were expanded.

In addition to interactive courses, our operations around the world conduct a number of regional and local training activities. These include mandatory training related to, for example, HESQ and leadership development adapted to local or regional needs.

In 2020, Yara spent approximately USD 4.9 million on external training, equating to approximately USD 320 per employee. This was a reduction from the USD 6.3 million spent in 2019, as Covid-19 restrictions hampered many external training activities.

In addition to the investment made in external training, Yara also launched globally customized internal training programs, as well as project and people management courses available to the employees who have this as development actions in their development plans.

Knowledge is a strong part of the Yara culture and key to our future success. To this end, we will invest an additional USD 15 million annually in competence development, effective from 2021. This will enable an expansion of our learning offerings and their reach,

as well as an evaluation and implementation of new technologies.

**Transition programs**

Yara operations have the autonomy to tailor their provision of transition assistance programs to local needs, regulations, and expectations. The tables below show the share of countries that provide assistance programs in our regions of operation and the types of assistance offered across all countries.

**Percentage of countries that provide assistance programs**

	2020	2019
Africa	33.3%	50.0%
Asia & Oceania	28.6%	30.8%
Brazil	00.0%	00.0%
Europe	40.0%	64.0%
Latin America	22.2%	10.0%
North America	66.7%	66.7%
Yara	34.4%	44.4%

**Types of assistance offered**

	2020	2019
Percentage of countries that offer assistance when transit to retirement	17.7%	18.5%
Percentage of countries that offer outplacement services	16.1%	22.2%
Percentage of countries that offer pre-retirement planning	19.3%	16.6%
Percentage of countries that do not offer severance pay	32.2%	40.7%
Percentage of countries that offer training for ones continuing professional career	16.1%	29.6%

**Priorities**

- Implement new Learning and Development strategy along with new upskilling initiatives
- Adopt a community approach in which employees involved in designing, building, and delivering learning can come together to share best practices
- Start shaping the project to build our own Yara Academy in Porsgrunn, designed to deliver both physical and virtual training
- Increase efforts to build digital skills and dexterity to increase the penetration of new technologies across our organization
- Step up investments in competence development, develop our learning programs, and exploit technology to expand the reach of our learning activities

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WORKFORCE

# Great diversity

**Performance measures**

- Total number of employees by contract and gender
- New employee hires
- Exits
- Employee turnover



**Total number of employees**

Employees by employment contract and gender

	Gender	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand Total
Permanent	Female	96	333	1,046	1,401	363	116	3,364
Permanent	Male	476	1,333	4,201	4,591	927	524	12,043
Yara Marine Tech			33		112			145
<b>Total permanent</b>		<b>572</b>	<b>1,699</b>	<b>5,247</b>	<b>6,104</b>	<b>1,290</b>	<b>640</b>	<b>15,552</b>
Non-permanent	Female	13	33	194	107	35	8	390
Non-permanent	Male	26	47	372	311	100	20	876
<b>Total non-permanent</b>		<b>39</b>	<b>80</b>	<b>566</b>	<b>418</b>	<b>135</b>	<b>28</b>	<b>1,266</b>
<b>Total permanent and non-permanent</b>		<b>611</b>	<b>1,779</b>	<b>5,813</b>	<b>6,522</b>	<b>1,425</b>	<b>668</b>	<b>16,818</b>
Position contractor	Female	3	2		49	2	3	59
Position contractor	Male	17	5		193		9	224
Yara Marine Tech			1		87			88
<b>Total position contractor</b>		<b>20</b>	<b>8</b>		<b>329</b>	<b>2</b>	<b>12</b>	<b>371</b>
<b>Total permanent, non-permanent and position contractors</b>		<b>631</b>	<b>1,787</b>	<b>5,813</b>	<b>6,851</b>	<b>1,427</b>	<b>680</b>	<b>17,189</b>
External contractor		93	807	777	303	7	4	1,991

Figures in this table were updated after the performance indicators were calculated. A manual data control led to a headcount of 18 being removed from the data set post calculation of indicators. This might imply an error at the scale of 0.1% due to rounding on people indicators. Yara Marine Technology is not included within the scope of people indicators as they are an autonomously managed unit and do not use the corporate global HCM solution, PeoplePath.

At the end of 2020, Yara had 16,818 employees worldwide, of which 15,552 were employed on a permanent basis, representing an increase of 581 employees compared to the previous year. The main increases are in Asia (202), Brazil (261), North America (216) accompanied by a decrease in Latin America (211).

The headcount increase overall is partially attributable to the pandemic, where the health and well-being of employees was the main priority, and measures were taken to ensure operational continuity. Furthermore, growth in job functions related to the focus on market expansion, digital offerings, and farming solutions, cornerstones of Yara's strategy, contributed to this rise.

Any worker whose duties are being directed by an external supplier/vendor and is not on a Time and Material contract will be considered an External Contractor. Any worker who has an approved position in the organization chart, is integrated in the team, and receives specific instructions from a Yara employee, covers a temporary position or a temporary project role, is considered a Position Contractor.

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**New employee hires**

Total number of new employee hires in 2020, by age, gender, and region

Gender	Age groups	Africa	Asia & Oceania	Brazil	Europe	North America	Latin America	Grand Total
Female	Under 30	3	43	107	64	12	14	243
Female	30-50	10	30	102	82	10	14	248
Female	Over 50		1	2	10	1		14
Total Female		13	74	211	156	23	28	505
Male	Under 30	26	162	185	85	16	23	497
Male	30-50	38	152	224	167	24	20	625
Male	Over 50		4	8	16	4		32
Total Male		64	318	417	268	44	43	1,154
Grand Total		77	392	628	424	67	71	1,659

**Employee turnover**

The rate is calculated as the number of permanent staff terminations in the period divided by the starting permanent employee headcount. The global figure incorporates substantial variability, as each labor market has different characteristics. For 2020, Yara regions had the following turnover rates: Brazil, 15%; rest of Latin America, 12%; Asia & Oceania, 9%; Europe, 8%; North America, 7%; and Africa, 8%. The overall turnover is a result of the 1,531 terminations divided by the headcount at the start of 2020 (14,775)

**Employee exits**

Total number of employee exits during 2020, by age, gender, and region.

Gender	Age groups	Africa	Asia & Oceania	Brazil	Europe	North America	Latin America	Grand Total
Female	Under 30	1	11	60	28	5	8	113
Female	30-50	4	9	60	83	5	23	184
Female	Over 50	3	1	3	33	2		42
Total Female		8	21	123	144	12	31	339
Male	Under 30	8	39	180	52	7	18	304
Male	30-50	22	59	350	102	27	59	619
Male	Over 50	7	8	74	156	19	5	269
Total Male		37	106	604	310	53	82	1,192
Grand Total		45	127	727	454	65	113	1,531

**Turnover rate**

Number of permanent staff terminations in the period divided by the starting permanent employee headcount

	2020	2019	2018	2017	2016
	10.4	14.4	11.4	17.3	10.5

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**Pandemic response:**

- Work-Life Balance and Well-being framework
- Income security for employees and contractors
- One-off bonus to all employees

CASE

# Lessons from lockdown

How 2020 taught us that people's well-being is intimately linked to business performance, and why this lesson is here to stay at Yara.

## Work-life balance

Throughout the pandemic, Yara has managed to run its operations without significant disruption. However, the immense pressure on people's personal and professional lives left many feeling vulnerable, not only physically and financially, but also psychologically.

Months in home office, reduced social interaction, and heightened concern for family and friends took a toll on the mental health of Yara employees at all levels of the organization.

Yara's observance of Mental Health day in October 2020 brought these issues to the surface, and in December, we announced a comprehensive work-life balance framework, one that will outlast the pandemic.

The framework notably includes giving all employees access to counseling, ensuring 6 months parental leave for primary caregivers globally, and support for flexible working. This will not only help to safeguard the

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mental well-being of Yara employees, but also position us to deliver on our human capital KPIs post-pandemic. Ensuring that employees can do their job and take care of themselves and their families is essential to attracting – and keeping – top talent, and is especially important to attract more women, a key goal for Yara.

### An engaged workforce

It was also the hope that Yara taking a more active role in ensuring the well-being of employees would positively affect employee engagement. This has shown to be the case.

The most recent employee survey, published in January 2021, and measuring the overall employment experience and effectiveness, covered parameters such as motivation, pride, and employee loyalty. This survey showed a positive development, with an overall engagement score of 79%, up from 73% in 2019.

It's also well above the industry benchmark of 66%, and 6 percentage points above the average for “High Performing” companies.

### Meeting the moment

Being a forward-leaning company that ensures the work-life balance of its employees is key to attracting top talent, and vital to realizing the full potential of each employee. As a company whose competitive advantage is knowledge, what could be more important?



### Yara's Work-Life Balance and Well-being framework:

- Mental health initiatives: All employees will get access to counseling. New and improved tools for employees and managers to deal with mental health.
- Parental leave: New global parental leave standard of 6 months full pay for primary caregiver and 1-month full pay for secondary caregiver.
- Flexible working when it increases productivity for the employee and Yara
- Reduced travelling post-pandemic
- Follow-up after extended leave
- Multipurpose rooms at all locations for praying and breastfeeding etc.
- Family caregiver leave
- Toolkit for support in domestic violence situations
- Reduction in standard meeting times from 30 and 60 minutes to 25 and 50 minutes to encourage more frequent breaks

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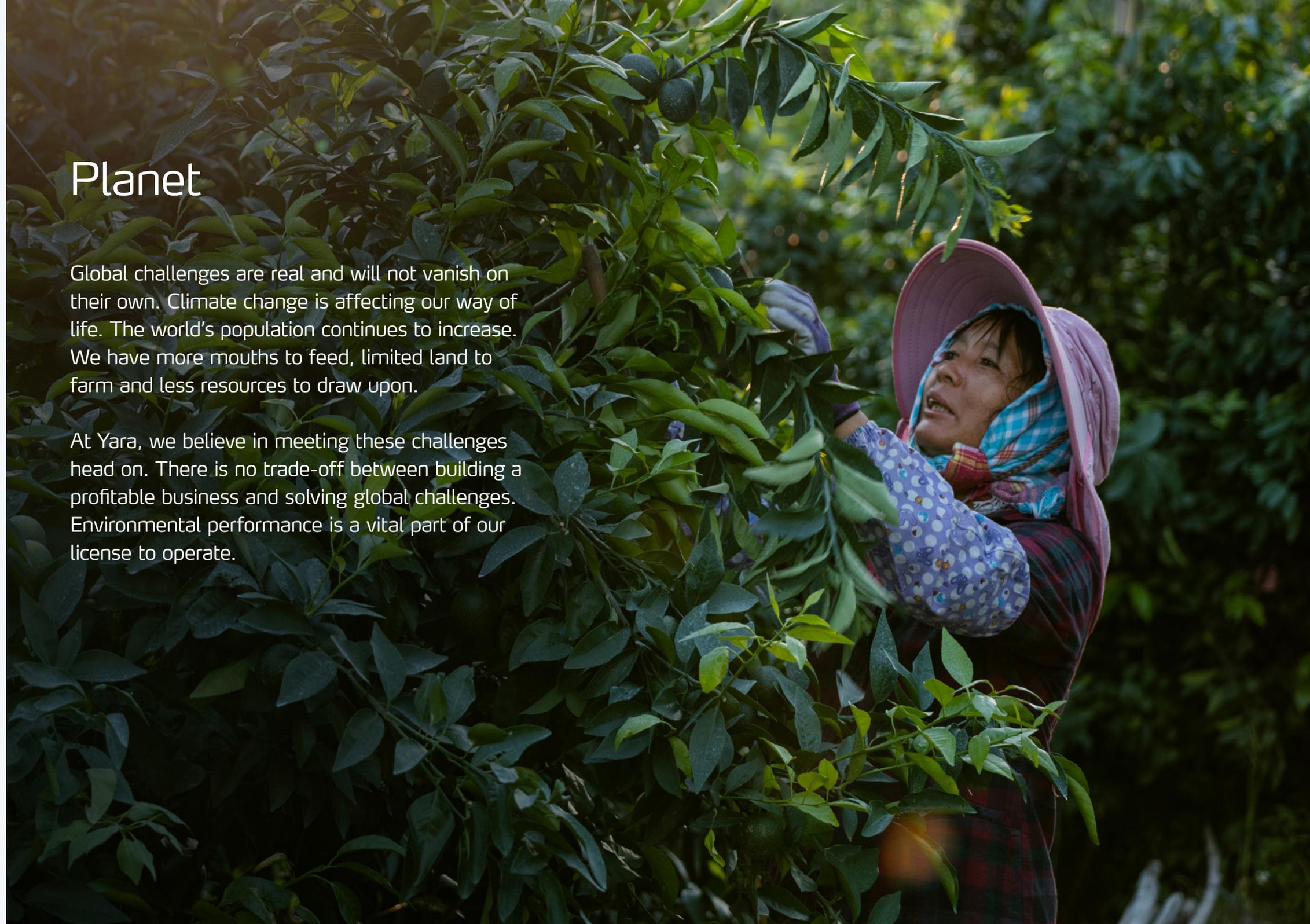
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# Planet

Global challenges are real and will not vanish on their own. Climate change is affecting our way of life. The world's population continues to increase. We have more mouths to feed, limited land to farm and less resources to draw upon.

At Yara, we believe in meeting these challenges head on. There is no trade-off between building a profitable business and solving global challenges. Environmental performance is a vital part of our license to operate.



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CLIMATE CHANGE

# Climate neutral by 2050

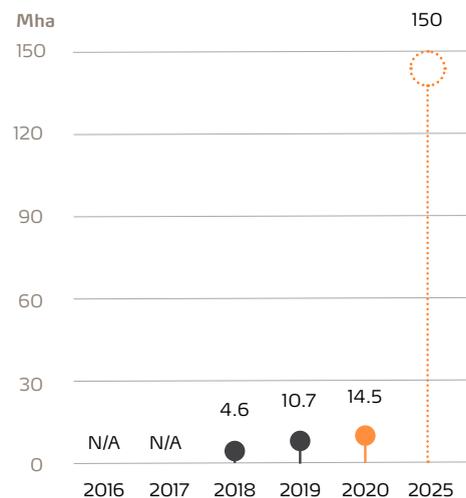
Climate change is a major global challenge and a serious threat to agricultural productivity in many parts of the world. The quest to decarbonize food has long been underway, but efforts are stepping up, driven by new regulation and consumer demand. We are contributing along two main avenues: reducing greenhouse gas emissions from our own operations, and offering and exploring new, sustainable solutions for farmers and food companies as well as for a clean hydrogen and ammonia-based economy. Our ambition is to become climate neutral by 2050

Performance measures

- Hectares under management
- GHG emissions, intensity
- GHG emissions, scope 1 and 2
- Energy intensity
- Energy consumption
- Energy management system certification



Hectares under management  
2025 target: 150 million hectares



Knowledge transfer to farmers is a lever which can contribute to multiple benefits, including improved productivity, farmer income, and environmental performance. Yara is establishing its digital farm services, and until 2020 the performance is reported as Hectares owned by farmers, who have registered them in our digital tool(s). The 2025 KPI is measured as millions of Ha under active management, which adds an activity qualifier to the indicator. As of Q1 2021 the reporting of the indicator will be updated in accordance with the new definition.

GHG emissions intensity  
2025 target: 2.7 t CO<sub>2</sub>e/t N



1) From 2018 onwards, Scope 1 emissions from own generation or electricity has been included.



Yara's goal is to reduce our carbon intensity by 10% or more from 2018 to 2025. We measure GHG intensity as tonnes emissions of CO<sub>2</sub>e per tonne nitrogen in Yara's own produced products. The CO<sub>2</sub>e emissions include scope 1, scope 2 (purchased electricity consumption), and scope 3 (emissions from purchased ammonia only). Since 2018, we have reduced the GHG intensity by 2%. The effect of the GHG emission reductions from planned initiatives are expected from late 2021 onwards.

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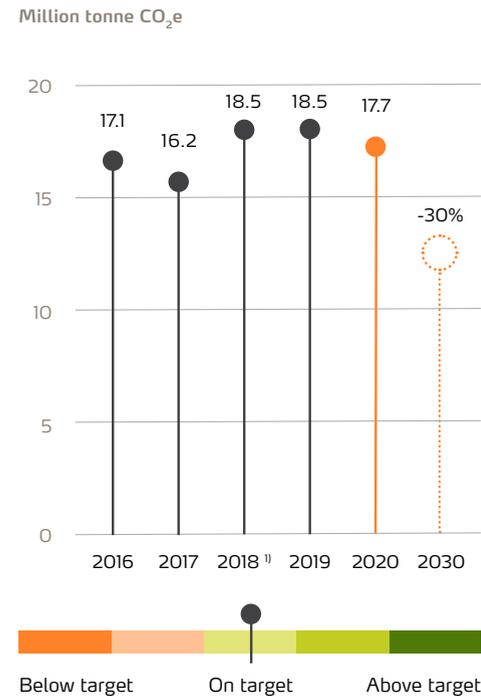
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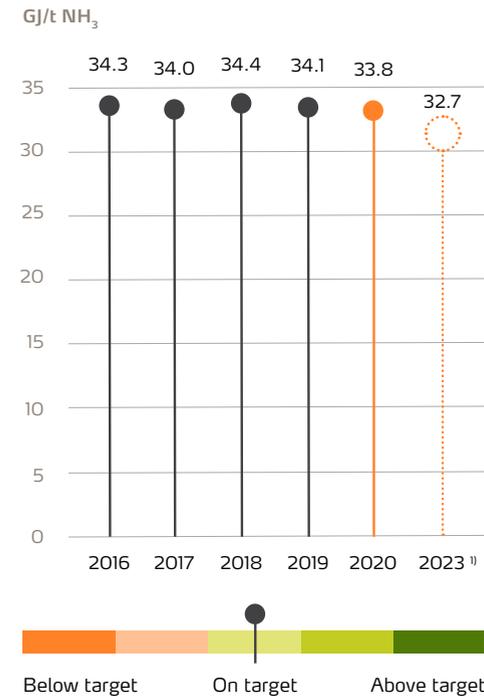
**GHG emissions, scope 1+2**  
2030 target: -30% from a 2019 baseline



Yara has established a goal of reducing absolute scope 1 and 2 emissions (market-based) by 30% by 2030 from a 2019 baseline. We achieved a 4% reduction in these emissions from 2019 to 2020. To learn more about how we calculate scope 1 and 2 emission, see the full carbon reporting on [p. 56](#).

<sup>1)</sup> From 2018 onwards, Scope 1 emissions from own generation or electricity has been included.

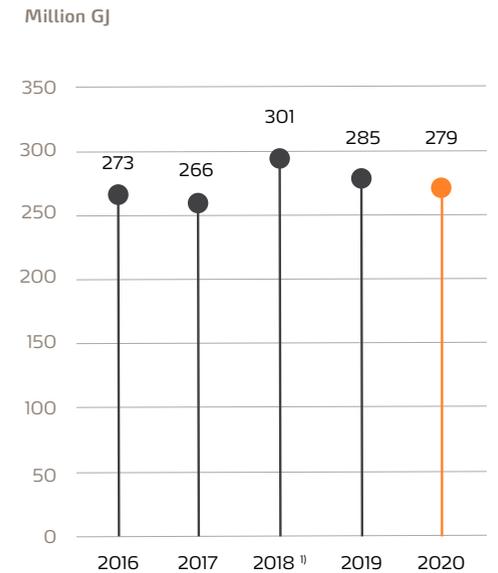
**Energy intensity**  
2023 target: 32.7 GJ/tonne ammonia



We measure energy intensity as the amount of energy used to produce one tonne of ammonia, expressed as GJ/tonne, as ammonia is the starting point for all nitrogen fertilizers and the most energy intensive step in their production. The indicator includes all energy used in ammonia production, including electricity and steam consumption, and energy used during shutdown and startup periods. In 2020, we used 2% less energy per tonne produced ammonia than we did in 2018.

<sup>1)</sup> 2023 target excludes 51% of Tringen reflecting Yara ownership share in JV, while Cubatão and Babrala are out of scope. Performance numbers reflect Yara sites of operational control.

**Energy consumption**



Yara records its energy consumption in production in million gigajoules (GJ). From 2019 to 2020, we saw a 2% reduction in our overall energy consumption.

<sup>1)</sup> Babrala and Cubatão plants included from 2018 onwards.

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## Greenhouse gas (GHG) emissions

For more than a decade, Yara has made good progress in reducing its carbon footprint. Our most significant initiative to reduce GHG emissions so far is the development and installation of N<sub>2</sub>O catalyst technology in our nitric acid plants. This technology removes about 90% of the N<sub>2</sub>O emissions in Yara's plants and is also commercially available to third parties. It has enabled a circa 45% reduction of our scope 1 and 2 emissions since 2005.

In 2020, Yara's GHG emissions totalled 71.1 million tonnes of CO<sub>2</sub> equivalents (CO<sub>2</sub>e) for scopes 1, 2, and 3 combined. We have reduced the GHG intensity by 2% compared to the 2018 baseline. Most of this improvement was achieved in 2020 and attributed to lower emissions from own produced fertilizer, greener sourced electricity, and a lower purchase quantity of ammonia from third parties. We are on good track to reaching the 2025 goal of a GHG intensity of 2.7 tonne CO<sub>2</sub>e/tonne N. The implementation of GHG reduction projects is expected to deliver significant decreases in emissions from 2021 and onwards.

In order to continue reducing our GHG emissions, we have systematically assessed opportunities for improvements in our operations, developed roadmaps for each production site, and integrated them into business plans. All ammonia plants and nitric acid plants have set GHG targets up to 2025. In early 2020, we introduced the active GHG portfolio management of more than 70 GHG projects with a combined potential of bringing our 2025 within reach. The projects that had reached the execution phase in 2020 are showing

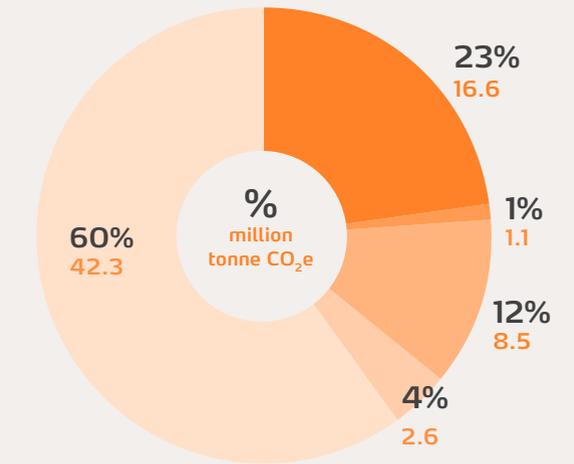
potential to realize 40% of the GHG reduction needed to accomplish the 2025 target.

Yara's European nitric acid and ammonia plants are covered by the European Union Emissions Trading System (EU ETS). In 2020, Yara emitted approximately 8.65 million tonnes CO<sub>2</sub>e from European plants. At the same time, Yara will receive approximately 8.0 million EUAs (EU Allowance unit, one tonne of CO<sub>2</sub> under the EU ETS) in total, creating a shortage of 650,000 tonnes CO<sub>2</sub> in 2020. It should be noted that the EU ETS figures are estimates as, at the time of publication, Yara had not received the audited figures but were not expecting significant deviations.

Yara estimates scope 3 emission based on the emission factors used in the Fertilizers Europe Carbon Footprint calculator. The same emission factors are used in the Cool Farm tool. The use phase includes calculations for formation of N<sub>2</sub>O from the use of nitrogen fertilizer, and CO<sub>2</sub> from lime application via CAN fertilizers. The use phase emissions are calculated with the emissions factors in the IPCC Fourth Assessment Report (2007).

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## GHG emissions from fertilizer production and use



- Scope 1: Yara production
- Scope 2: Purchased electricity (marked-based)
- Scope 3: Purchased fuels and raw materials
- Scope 3: Transport (upstream and downstream)
- Scope 3: Use of fertilizer

The most significant climate-related phase of the fertilizer life cycle is use at farms. 60% of total greenhouse gases are formed at the farm. Despite Yara's global supply chains, transport is only a minor contributor to the total GHGs.

Yara maintains the carbon footprint calculations for its fertilizer products, using a calculation tool specifically designed for the fertilizer sector. The carbon footprint for the different fertilizer grades is verified by a third party. The carbon footprint values (in kg CO<sub>2</sub>/kg product) represent the carbon footprint for the specific fertilizer product and production site. Currently product carbon footprint calculations are being updated and verified covering the major products and grades at 15 of Yara's main fertilizer sites. The major products and grades at additional sites will be calculated in 2021.

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GHG scope 1, 2 and 3 emissions from Yara production plants in million tonnes of CO<sub>2</sub> equivalents

	2020	2019	2018	2017	2016
Scope 1 <sup>1),2),3)</sup>	16.6	17.1	17.1	14.9	15.5 <sup>4)</sup>
Scope 2 (location based) <sup>5)</sup>	0.8	0.9	1.0	0.9	1.3
Scope 2 (market based) <sup>6)</sup>	1.1	1.4	1.4	1.3 <sup>8)</sup>	1.6 <sup>7)</sup>
Scope 1 and 2 (market based)	17.7	18.5	18.5	16.2	17.1
Scope 3, category 1 and 3 <sup>9),10)</sup>	8.5	9.0	8.7 <sup>13)</sup>	9.3 <sup>13)</sup>	7.6 <sup>13)</sup>
Scope 3, category 4 and 9 <sup>11)</sup>	2.6	2.9	2.9	2.7	2.5
Scope 3, category 11 <sup>12)</sup>	42.3	43.8	40.5	34.9	35.7
Scope 3 total	53.4	55.7	52.1	46.9	45.9 <sup>14)</sup>
Scope 1, 2 (market based) and 3	71.1	74.2	70.6	63.0 <sup>14)</sup>	62.9 <sup>14)</sup>

1. In 2017, in alignment with the Greenhouse Gas Protocol and the European Emission Trading sector guidance, Yara included CO<sub>2</sub> used as feedstock in on-site chemical production processes, such as urea production, in scope 1 emissions. The historical figures have been adjusted accordingly.
2. From 2018 onwards scope 1 includes CO<sub>2</sub> emissions from the generation of own electricity.
3. The greenhouse gases relevant to Yara's production plants are CO<sub>2</sub> from use of fuels N<sub>2</sub>O from nitric acid and NPK production and CO<sub>2</sub> generated in calcium carbonate processing. These are calculated as CO<sub>2</sub> equivalents using the following factors, corresponding to the emissions factors in IPCC Fourth Assessment Report (2007), that is CO<sub>2</sub> to air: 1 and N<sub>2</sub>O to air: 298.
4. Reported as 15.7 in 2019 – amended to exclude Lifeco.
5. Reference for the location-based factors used in calculations: Grid Mix 1kV-60kV, Reference Year: 2016 from GaBi v9.2.1.68, 2020.
6. Reference for the market-based factors used in calculations: 2019 Association of Issuing Bodies European Residual Mix. Location-based factors were used for calculation of non-European countries.

7. Not reported in 2016 – calculated during the development of the GHG intensity KPI using 2018 factors.
8. Incorrectly reported in 2017 and adjusted accordingly.
9. Scope 3, category 1 – GHG emissions from purchased goods and services.
10. Scope 3, category 3 – GHG emissions from fuel and energy related activities.
11. Scope 3, category 4 and 9 – GHG emissions from upstream and downstream transportation and distribution.
12. Scope 3, category 11 – GHG emissions from the use of sold products.
13. Corrected values due to errors identified in 2019 during the development of the GHG intensity KPI.
14. Rounding adjustment.

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## Energy

As almost 90% of Yara's energy consumption and 80% of direct GHG emissions are related to ammonia production (the key component in our fertilizers), we focus on optimizing the energy efficiency of these units to reduce GHG emissions. We do this by setting specific energy and GHG reduction KPIs for each plant, regularly undertaking both internal and external benchmarking activities, and by carrying out energy efficiency diagnostics and audits that result in systematic improvement actions.

In 2020, Yara's total energy consumption in production was 279 million GJ. 87% of the energy was consumed as feed or fuel in ammonia production. Natural gas is the main fuel used at Yara, with close to a 94% share of the total fuel use. Brazilian units use some renewable fuels, most notably wood chips. However, wood chips make up less than half a percent of the total fuel use in 2020. We purchased about 3,298 GWh of electricity for use in production, 8% of which was certified green.

Due to the dominant energy intensity of ammonia production, Yara's key energy intensity indicator is energy efficiency in ammonia production. Benchmarks show that the average energy intensity in Yara's ammonia plants in 2020 was 2.0 percentage points better than the 2016-2017 benchmark: global average of ammonia plants.

Energy efficiency and plant reliability are closely connected, and both are priorities in the Yara Improvement Program 2.0. We pursue increases in energy

efficiency in a number of ways. Our new Digital Production unit has already shown potential and rolled out new digital tools to several units in order to help operators optimize energy use. Energy efficiency diagnostics in our plants in Sluiskil (The Netherlands) and Trinidad (Trinidad and Tobago) have also identified medium-scale projects to reduce local energy use and GHG emissions.

Yara aims to have all major production sites certified to the ISO 50001 Energy Management standard by 2022. Seven sites were certified at the end of 2020. Certification was planned for another ten sites in 2020, but only one attained such before Covid-19 related restrictions hampered progress. We plan to proceed with the remaining sites in 2021, and to complete the certification process in 2022.

[» Management system certification, p. 92](#)

Yara has a well-established Community of Practice for Energy & Environment, which brings together employees from our entire global organization, from a variety of disciplines (e.g. chemical engineers, HESQ personnel, plant operators, energy sourcing - and plant management) in bi-weekly meetings to increase energy awareness and capabilities and share knowledge and experiences across the operation plants globally.

## Recognition of GHG program

"Yara's ambitions towards GHG emission reduction has been stated, unified KPI's have been established and are measured at relevant units and sites. Performance is followed up by identifying potential gaps at planned intervals (monthly). CAPEX investments to back up the ambitions have been identified and linked to performance status. This methodology, to identify and follow up both high level ambitions and timelines, interconnected with business unit and site level initiatives, having identified resources to back it up, seems to be a strong approach – and will increase the likelihood of success."

DNVGL, third party auditor of Yara's management system umbrella certificate

## Priorities

- Progress with GHG portfolio projects
- Continue process to attain energy management system certification for all major sites
- Focus on energy efficiency and plant reliability in the Yara Improvement Program 2.0

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CIRCULAR ECONOMY

# Creating nutrient loops

Mineral fertilizers are made from naturally occurring raw materials. In addition to air and natural gas, Yara uses rock phosphate and potassium salts extracted from mined rock, as well as other crop nutrients that are sourced in smaller volumes. In a resource-constrained world, we are increasingly searching for ways to use recycled materials on a more material scale and to support nutrient recycling in the food value chain. At the same time, we have to be conscious of the potential risks related to introduction of waste and waste-based materials into the food chain via fertilizer.

Performance measures

- Raw material consumption
- A circular agriculture and food chain



	2020	2019	2018	2017	2016	Unit of measure
Raw materials: Natural gas	239,061,933	249,258,646	245,429,308	219,982,380	227,708,686	MMBtu
Raw materials: Phosphate	2,046,221 <sup>1)</sup>	1,758,096	1,532,427	1,676,671	1,492,123	tonne P <sub>2</sub> O <sub>5</sub>
Raw materials: Potash	2,356,358	2,057,282	2,143,023	2,302,813	2,352,442	tonne K <sub>2</sub> O

**Natural gas**

Yara uses natural gas as a feedstock to produce ammonia and, to a lesser extent, to provide process heat and energy.

**Phosphate**

Phosphorus (P) is a naturally occurring mineral, which we use to produce granular and feed phosphates and compound fertilizers.

**Potash**

Potassium salts, or potash (K), are mined from naturally occurring deposits that were formed as seawater evaporated. We use K to produce compound fertilizers.

<sup>1)</sup> The scope of products covered has been expanded for the 2020 figure, which is therefore not directly comparable to previous years.

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### Raw material consumption

A large part of Yara's overall costs are variable and related to sourcing. We source a wide variety of goods and services from more than 20,000 suppliers worldwide. Close to 94% of Yara's operating expenses are related to the purchase of raw materials, energy costs, and freight expenses.

Yara used approximately 9.9 million tonnes of purchased materials in 2020 compared to 9.7 million tonnes in 2019. The main materials used were key fertilizer raw materials such as ammonia, phosphate rock, potassium salts, and dolomite. These represent the majority of the purchased volume.

We source natural gas, and in some cases other forms of hydrocarbons, for the production of nitrogen fertilizers and industrial products. The largest energy suppliers are Gail (India), Equinor (Norway), Engie (France), RWE (Germany), BP (UK), ENI (Italy), National Gas Company of Trinidad and Tobago (NGC), Comgas (Brazil) and Santos (Australia).

Phosphorus (P) occurs in natural geological deposits of phosphate rock, which is mined from the earth's crust. Yara sources P to produce granular and feed phosphates and NPK fertilizers. The largest suppliers are Phosagro (Russia), OCP (Morocco), and Bayovar rock via Mosaic (Brazil). Yara also mines phosphate rock in two fully owned sites; Salitre (Brazil) and Siilinjärvi (Finland). In addition to phosphate rock, Yara also sources granulated phosphates. The largest suppliers are, Maaden (Saudi Arabia), OCP (Morocco) and Mosaic (Brazil).

Potassium salts, or potash (K), are mined from naturally occurring ore bodies that were formed as seawater evaporated. Yara sources K for NPK fertilizers mainly from nine suppliers: BPC (Belarus), Uralkali (Russia), K+S (Germany), ICL (Israel), Canpotex (Canada), SQM (Chile), Kemira and Tessenderlo (processors based in Finland and Belgium respectively).

We also sources ten additional crop nutrients, all of them in smaller volumes and with a combined volume below that of potash.

» [Circular economy and new raw materials, p. 94](#)

### A circular agriculture and food chain

Our circular economy activities are rooted in the much-needed transformation towards more efficient food systems. Today, recovered or recycled nutrients generally see little to no use as raw materials in the global fertilizer industry. Our ambition is to change this, and we are focusing on three ways in which to achieve it:

» [Sustainable food systems, p. 11](#)

#### 1 Recycling nutrients in NPK production

We are exploring opportunities to use recovered nutrients as raw materials in our NPK plants. Through our collaboration with Veolia, we are targeting nitrogen from composting as well as phosphorus from wastewater (see separate article below). We are also collaborating with other partners and have launched a high-level program on R&D and commercial partnerships for phosphorus recycling.



Our circular economy activities are rooted in the much-needed transformation towards more efficient food systems.

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2 Waste based organic fertilizers

Organic fertilizers are among the avenues we explore to develop new commercial offerings. We have recently launched two organic fertilizers, one in Finland and second one in the Spanish market. Furthermore, we are looking into the use of manure, which is often applied inefficiently, causing loss of nutrients to the air and waterways. New farming practices and tools can help to solve these issues and add to the upsides of using manure.

3 Address the key concerns of food waste

We are also engaged in efforts to combat food waste through strategic collaborations with waste management and food companies, such as Veolia and Nestle. The Nutrient Upcycling Alliance, which we launched with Veolia and the Ellen McArthur Foundation in 2019, is an ambitious initiative, promoting the redesign of the whole value chain to enable nutrient upcycling in the agriculture and food sector. It is now supported by several key food value chain players.

As fertilizers are input materials to the food chain, safeguarding food and animal feed safety always comes first. Most of the materials under research are, as of today, not yet accepted fertilizer component materials in the CE labelled fertilizers in Europe, which is seen as the main market for such products. Wider commercialization of these products depends on the future amendments of the European Fertilising Products Regulation to allow such materials.



Yara – Veolia Collaboration

Our collaboration with Veolia is bearing fruit. We set out to lead nutrient recovery and revalorization across markets and to promote industrial symbiosis. In 2020, two projects have reached the early commercial stage:

- Recovery of nitrogen from composting sites for odor control products in our industrial portfolio
- Marketing of an organic fertilizer made from fish by-products and guano. The product is being launched in the Italian and Spanish markets in 2021.

Together, we are also exploring the use of phosphorus from sewage sludge ashes in our production processes. Lab trials are positive and work continues to confirm the full-scale potential. Another project addresses the recovery and use of food waste from cities for organomineral fertilizers.

Priorities

- Continue exploration of recovered nutrients as raw materials in our fertilizer production
- Market and expand penetration of new bio-organic fertilizers
- Develop pilots for recovery of nutrients from food waste streams

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WATER STRESS

# Promoting efficiency

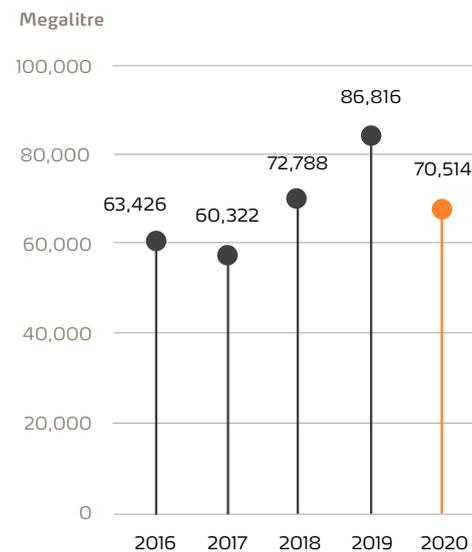
Water stress is a major global challenge and a threat to crop production. Water is also essential in our fertilizer production processes, but it is primarily used for cooling, which means that we return nearly all of the water unpolluted. With agriculture consuming 70% of the global freshwater resources, our largest opportunity for contributing to solving the global water challenges occurs in the fields, at the hands of farmers across the world. Proper crop nutrition has a positive effect on water use efficiency, and we share knowledge and offer solutions that support better water management in agriculture.

Performance measures

- Water consumption
- Water risk assessments
- Water discharges
- Water use efficiency in agriculture

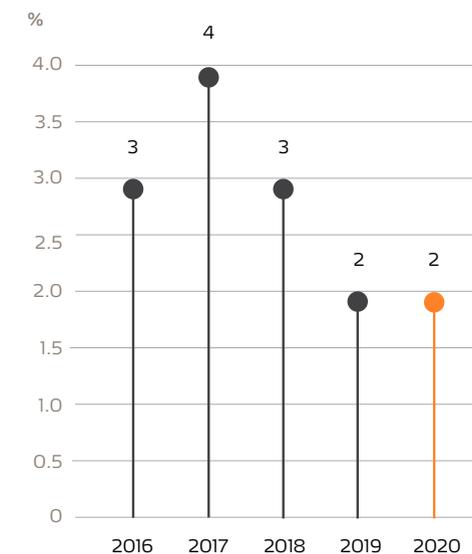


## Water consumption in Yara's production sites



While we use some water for steam and to produce liquid products, the majority of the water we withdraw is used for cooling purposes. In 2020, our total water withdrawal amounted to 905,877 megalitres of which 92% was returned. The decrease in consumption in 2020 was a consequence of the increased volume of fresh water returned to a watercourse downstream of the Salitre mine. The volume returned is determined by the environmental agency.

## Water withdrawal in water stressed areas



We use the WRI Aqueduct risk atlas tool to determine areas of high or extremely high baseline water stress. In 2020, only 2% of our fresh water withdrawals were in water stressed areas.

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**Water risk assessments**

Yara's plants are located across several continents, and operate under highly variable environments. Our sites have undergone an initial water risk screening using the WRI Aqueduct water risk atlas tool. This tool includes aspects related to the availability of water and risks of flooding as well as risks of eutrophication of receiving water bodies.

Fifteen of the 28 production sites have been assessed as having a high or extremely high risk of either riverine or coastal flood. Four sites were identified as extremely high or high risk with respect to baseline water stress. A detailed assessment will be carried out for those. These four sites accounted for 14% of the total water consumption, but only 2% of the total fresh water withdrawn.

» [Environmental performance and compliance, p. 94](#)

**Water discharges**

In Yara's production, water is primarily used for cooling purposes, and to a lesser extent, for steam production and the production of liquid products. Thus, nearly all the water that we withdraw is returned to the water source, unpolluted. The discharges to water from Yara's production are mainly nitrogen and phosphate, both nutrients that can cause eutrophication of waterways.

All our production plants are subject to environmental permits. Compliance with these permits and statutory requirements is a minimum expectation for all our operations. The control of emissions complies with each site's environmental permits and is continuously monitored and reported to the local environmental authorities.

The sites continue to work together with local communities and other stakeholders to discuss water quality and address water risks and issues. This includes, for instance, flooding emergency procedures, risks related to rivers providing the main water supply, and improvements in sanitary water treatment systems.

**Water withdrawal, discharge, and consumption**

Total for Yara's production sites, in megaliters

	2020	2019	2018	2017	2016
Total water withdrawal	905,877	947,213	913,316	782,654	850,591
Fresh surface water	36%	36%	36%	98% <sup>1)</sup>	98% <sup>1)</sup>
Brackish surface water/ seawater	61%	62%	61%		
Groundwater	2%	2%	2%	1%	1%
Produced water	0%	0%	0%	0%	0%
Third-party	1%	1%	1%	2%	1%
Total water discharge	835,363	860,396	840,527	722,332	787,165
Fresh surface water	19%	17%	17%	15%	13%
Brackish surface water/ seawater	80%	82%	82%	85%	87%
Groundwater	1%	1%	2%	0%	0%
Third-party	0%	0%	0%	0%	0%
Total water consumption	70,514	86,816	72,788	60,322	63,426

<sup>1)</sup> Total fresh surface water and brackish surface water/seawater

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**Water use efficiency in agriculture**

Agricultural practices hold significant potential for better water management and improved water use efficiency. Our primary focus is on our downstream operations and value chain engagement. Yara engages with farmers and partners to share knowledge and collaborate on projects seeking to sustainably intensify agricultural production, including through better water management.

Our Research & Development activities have identified a fundamental and close relationship between crop nutrition and crop water productivity and has convincingly demonstrated the positive effects of crop nutrition on water use efficiency. We continue to investigate and quantify the effects of crop nutrition on water use efficiency through agronomic trials, and to bring this knowledge to growers across the world.

We also offer innovative technologies to advance water use efficiency and offer solutions for water-scarce agriculture, such as the Yara Water Solution which enables farmers to irrigate on-demand and save up to 20% water. Furthermore, we have helped to develop methods for reducing emissions related to the use of mineral fertilizer, including runoff into waterways, with tools such as the N-Sensor and N-Tester.



**Nitrogen and phosphorus discharge**

Total in wastewater from production sites in tonnes

	2020	2019	2018 <sup>1)</sup>	2017	2016
Nitrogen	3,369	3,606	4,056	2,292	2,423
Phosphorus	284	347 <sup>2)</sup>	470 <sup>2)</sup>	39	40

1) The increase in both N and P in 2018 is directly related to the acquisition of the Babrala plant in January 2018 and the Cubatão plants in May 2018.

2) Values corrected from earlier reporting due to errors identified in data

The parameters for water quality correspond with the European BAT defined for the fertilizer sector. To the extent to which they are monitored, discharges and quality parameters are reported according to national regulations and sites' permits. Collected rainwater discharged from the product handling areas is only included in the figures if the site is required to collect and monitor it. Sewage water is also included in the figures, but the treatment of sewage water is not reported separately.

**Priorities**

- Develop environmental roadmaps for each production site, including the four sites identified as having extremely high or high risk with respect to baseline water stress
- Continue investigation of our water risks through the ongoing climate risk assessment and upcoming water scarcity risk assessment
- Continue development of solutions for increasing water use efficiency in agriculture

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# Compliance is a minimum

Yara is committed to complying with all applicable laws, rules, and regulations in the countries in which we operate. We monitor compliance and assess risk in order to fully adhere to changing and stricter environmental laws and regulations and we engage with stakeholders to find new solutions to satisfy their needs.

**Performance measures**

- Environmental compliance
- Emissions to air
- Biodiversity
- Waste management



**Environmental compliance**

Twenty Yara sites reported permit breaches to local authorities in 2020. Their root causes have been investigated and corrective measures are ongoing to ensure future conformity. We are working continuously to reduce the number of permit or regulatory breaches, and in 2020, we launched a new strategic initiative to reduce the environmental footprint of our production plants with a specific focus on compliance with environmental regulations and permits.

Four Yara sites received fines or other sanctions from local authorities for environmental breaches in 2020, totaling USD 340,500. Three sites received fines for breaches in wastewater discharge. The remaining fine is being challenged with the environmental agency and pertained to the submission of a dam safety plan

required by the regulatory agency. Notwithstanding the issuance of the fine and its challenge, a dam safety plan was and is currently in place.

» [Environmental performance and compliance, p. 94](#)

Yara has an Integrity Due Diligence (IDD) framework implemented in all Yara companies. By reviewing potential and existing suppliers, and working with them to explain our standards, Yara manages the performance of its vendor base. In 2020, Yara did not record any significant environmental breach related to its supply chain.

» [Integrity Due Diligence, p. 87](#)



# Zero

**high severity environmental incidents in 2020**

High severity environmental incidents, including spills, are incidents assessed as having severe environmental harm with long-lasting loss of natural value or restricted use of the area, or major environmental harm with extensive clean up, remediation, or compensation measures. Our target is zero high severity environmental incidents.

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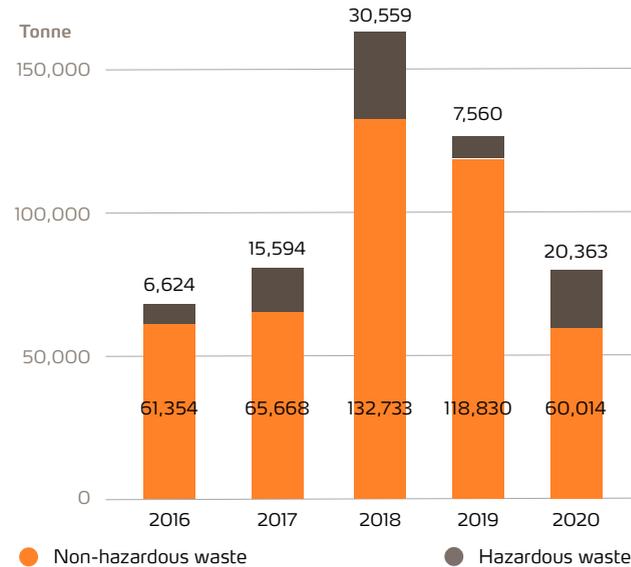
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Waste from production plants

By waste type, excluding phosphate mining-related wastes, gypsum, and iron oxide



Depending on the activities on site, the volume of both non-hazardous and hazardous waste from year to year can vary considerably.

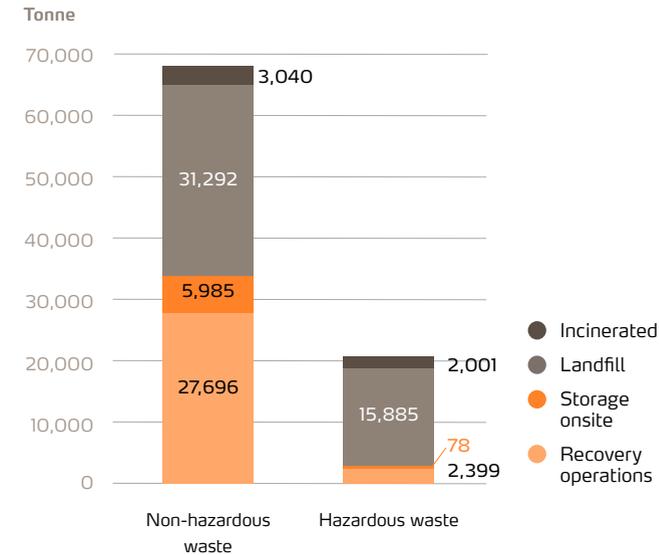
Waste management

Waste is less of an issue in the fertilizer industry than in many other industries. Nevertheless, we carefully manage our waste streams to minimize impacts on the environment, recycle valuable materials, and sell useful by-products. Whether it be hazardous or non-hazardous waste, a Yara sites' management of waste is risk-based and implements a typical waste hierarchy of avoidance, reduction, recycling through to disposal operations.

There are very few wastes relevant specifically to fertilizer manufacturing. Two exceptions are gypsum, generated in the phosphoric acid production, and iron

Waste handling

By waste type and disposal method, excluding phosphate mining-related wastes, gypsum, and iron oxide

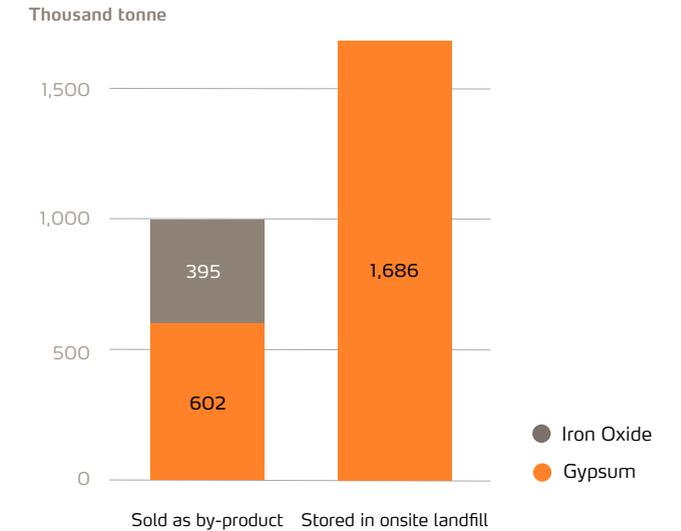


oxide, generated in the production of sulphuric acid. In 2020, we sold all of the iron oxide and part of the gypsum as by-products. Remaining volumes of gypsum were stored in on-site landfills.

Typical hazardous wastes from fertilizer manufacturing are waste oils, catalysts removed and replaced during shutdowns, chemical residues, and other wastes from maintenance activities. Typical non-hazardous wastes are construction and demolition materials and scrap generated through investment and demolition activities. In 2020, 40% of our non-hazardous waste was recycled.

Handling of by-products

By type



Incineration treatment of waste also includes recovery of energy. Disposal methods are typically informed by the waste contractors unless default methods are known by the site.

Yara's mining operations dealt with approximately 26.7 million tonnes of materials from extractive activities. Waste rock in the quantity of 13.5 million tonnes and overburden of 0.2 million tonnes were removed to process the ores. Tailings and sludges totaled 13.0 million tonnes in 2020. These were stored in onsite tailings ponds and stock piles.

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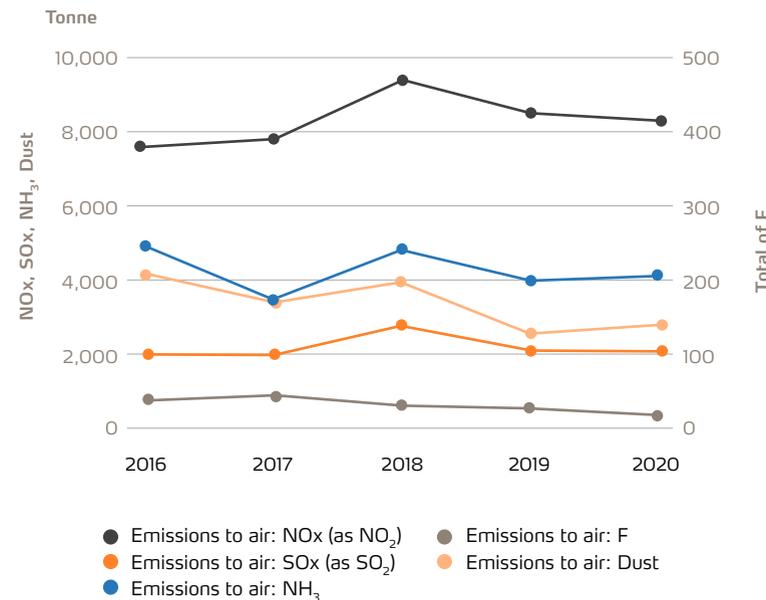
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Emissions to Air



Fertilizer production causes emissions to the air. Some emissions, such as dust, can be of nuisance to local communities while others can lead to eutrophication or acidification of waterways. We continue to upgrade and invest in our production plants to limit any impacts on our neighbors and the environment.

The main emissions to air from fertilizer plants and phosphate mines are nitrogen oxides (NOx), sulphur oxides (SOx), ammonia (NH<sub>3</sub>), fluorides (F), and dust. All of our production plants have environmental permits, which specify limits for emissions to air.

1) Emissions are included in the data to the extent that monitoring is in place at the plants.  
2) The decrease in the total F from 2019 to 2020 is attributable to a plant's emissions decreasing significantly from a higher than expected level in 2019.

Biodiversity

Biodiversity impacts are regarded as material for Yara's mining operations, but not for the fertilizer production sites. Neither of Yara's two operational mining sites are in or adjacent to protected areas or areas of high biodiversity, nor are either of them required to prepare a biodiversity management plan. A voluntary biodiversity assessment at the Siilinjärvi mine is planned for 2021 as part of the site's Sustainable Mining commitment.

No significant, negative impacts on biodiversity, protected habitats, or endangered species have been identified as a consequence of Yara's mining operations. On the contrary, the tailings areas are resting and nesting areas for birds, some of which are endangered species. Meadows, wet lands and deadwood areas have been formed in the tailings areas, providing suitable living environments for various species.

Yara's total mining area covered approximately 3,300 hectares in 2020. Operation expansion disturbed approximately 25 hectares of new area, while approximately 25 hectares were rehabilitated. No households were resettled in 2020, and the mines did not receive any complaints related to land use or rights.

	Measure <sup>1)</sup>	2020	2019	2018	2017	2016
Emissions to air: NOx	tonne NO <sub>2</sub>	8,300	8,500	9,400	7,800	7,600
Emissions to air: SOx	tonne SO <sub>2</sub>	2,100	2,100	2,800	2,000	2,000
Emissions to air: NH <sub>3</sub>	tonne	4,100	4,000	4,800	3,500	4,900
Emissions to air: F <sup>2)</sup>	tonne	20	30	31	44	38
Emissions to air: Dust	tonne	2,800	2,500	3,900	3,400	4,200

Priorities

- Develop environmental roadmaps for each production site
- Identify and develop tools to support environmental performance and achieve compliance
- Strengthen the reporting and analysis of environmental incidents

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The project core team Sven Kohnke, Yves Bauwens, and Matthias Schenk (Project Manager)

## GHG 2025 Program

- Yara's GHG intensity target was announced in 2019
- The KPI is followed up through a GHG Program
- The KPI has been cascaded to the organization and linked to Yara's incentives program
- The GHG Program has a dedicated investment budget
- Continuous support is given to business units to find new GHG reduction initiatives and projects
- Currently, the GHG Program has a portfolio of more than 70 projects
- This portfolio is on schedule to reach the GHG 2025 target, delivering approximately 2 million tonnes of CO<sub>2</sub>e reductions
- Current achievements and projects already commenced show a reduction of 800,000 tonnes of CO<sub>2</sub>e reduction
- The portfolio includes N<sub>2</sub>O emissions reduction as well as energy efficiency projects

CASE

# Future proofing through electrification

Yara's Brunsbüttel plant makes a win-win investment which both removes GHG emissions and helps prepare future optimization such as increased capacity or flexibility for green production.

Through a USD 28 million investment, the plant will electrify a compressor. The investment has a payback time of 4-5 years, and will reduce the annual emissions by 85,000 tonnes of CO<sub>2</sub> – equivalent to removing more than 18,000 fossil fuel cars from the road.

“The investment both eliminates emissions and removes a bottleneck for improved plant capacity or future production based on hydrogen,” says Yves Bauwens, Plant Manager.

The project is quite complex as it involves many processes at the plant, and the new infrastructure equipment has to be fitted in an existing physical location.

“We have involved all disciplines from the local plant as well as experts from other parts of Yara. Collaboration was key to presenting a good investment case,” says Senior Site Developer Sven Kohnke, who had the original idea.

The project has been enabled in part by public funding for the reduction of GHG emissions, and is ready to start execution in the last half of 2021.

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# Prosperity

Yara delivered its tenth consecutive quarter with improved capital returns. Our industry fundamentals are robust, as the twin challenges of resource efficiency and environmental footprint require significant transformations within both agriculture and the hydrogen economy.

Yara's leading food solutions and ammonia positions are well placed to both address and create business opportunities from these challenges.



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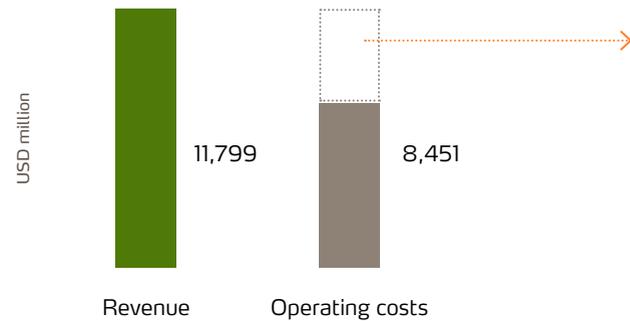
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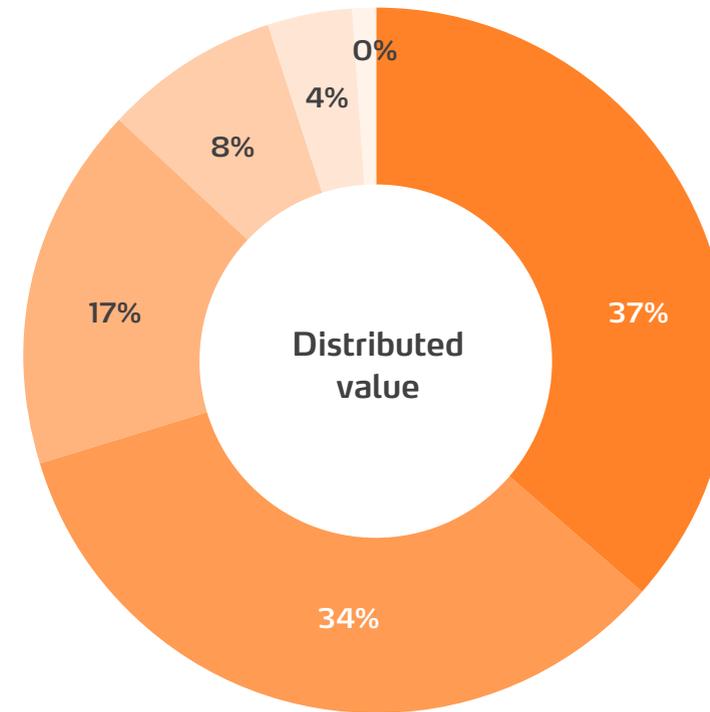
# Delivering and adding value

In 2020, our total revenue amounted to USD 11,799 million. Of this, about 72% went to purchasing costs and other operating expenses. The remaining USD 3,348 million were distributed to our employees, shareholders, and other providers of capital, paid in taxes to governments, or retained in the company.

Our value generation and distribution



The graph shows our direct economic value generated in 2020 of which USD 8,451 million went to operating costs and expenses. A large part of these costs were purchases of raw materials, energy costs, and freight expenses



The pie chart shows our value distribution in 2020, excluding purchasing costs and operating expenses. The retained value, 'To Yara', amounted to USD 559 million.

- **To Shareholders:** USD 1,235 million was paid to shareholders. We aim to be an attractive investment for shareholders and were able to increase dividends in 2020, despite the pandemic. Total dividends and share buybacks committed or paid equalled NOK 52/share.
- **To Employees:** USD 1,136 million was paid in employee wages and benefits. In December 2020 Yara announced an extraordinary USD 1,000 bonus to every employee with the January 2021 salary.
- **To Yara:** USD 559 million was retained in the company. According to a company assessment done by CICERO Shades of Green, more than 40% of Yara's revenue in 2020 was from fertilizers, products and services shaded green. 64% of 2020 investments went to assets and activities shaded green.
- **To Government:** USD 264 million in income taxes was paid to governments. Yara takes an operational and commercial approach to tax. We do not seek artificial tax structures, and believe tax should be paid where profit is generated.
- **To Banks:** USD 135 million was paid in interest expenses to banks. In 2019, Yara signed a USD 1,100 million five-year multicurrency revolving credit facility (RCF) with margin linked to our Carbon Intensity Target.
- **To Communities:** USD 20 million was paid in donations and sponsoring. Our biggest donation in 2020 went to Action Africa, read more on [p. 79](#). Other donations in 2020 were largely related to Covid-19, for example cash donations to hospitals in Brazil and Thailand.

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### Prosperity goes beyond profit

Yara has adopted the definition of prosperity from the WEF Stakeholder Capitalism Metrics framework: “An ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social, and technological progress occurs in harmony with nature.” Prosperity for us highlights the importance of prosperous societies and the role of businesses in fueling economic growth, innovation and shared wealth.

### What gets measured gets done

Transparency through measurement is our key tool in running an accountable business. We use metrics from both reporting standards and ratings, and have set up a system of establishing internal ownership of indicators in order to allow for systematic follow-up and improvement against best practices. We are proud to be a signatory of the WEF Stakeholder Capitalism Metrics, with disclosures focusing on people, planet, prosperity, and principles of governance, as we support improved approaches on how to measure and drive sustainable performance.

Guided by our mission – to responsibly feed the world and protect the planet – we integrate sustainability in every decision we make and everything we do. We take a holistic approach to measuring success.

#### 1. Combining profit and purpose

Our company purpose goes beyond profit. We apply knowledge to address global challenges so that when we succeed, society succeeds. Sustainability is deeply embedded in our strategy, priorities and actions. We strongly believe that long-term shareholder value

creation is best optimized through a holistic approach in which we help people and the planet thrive, while maintaining or increasing prosperity.

» [Our strategy, p. 16](#)

#### 2. Contribution towards the Sustainable Development Goals

Yara is committed to doing business responsibly, a commitment expressed by us being a signatory to the UN Global Compact, and embracing its ten principles. In December 2020, the World Benchmarking Alliance ranked Yara among the top twelve performers in its World Benchmarking Alliance Food & Agriculture Baseline Assessment, a study of 350 influential food and agriculture companies and their contributions towards the SDGs.

» [Strategic goals, p. 19](#)

#### 3. Environmental commitment

Our ambition is to become climate neutral by 2050, and to achieve a 30% reduction in our scope 1 & 2 emissions by 2030. We are aligning our GHG targets with the Paris Agreement, collaborating with Nutrien along with the World Business Council for Sustainable Development (WBCSD) on a Sectoral Decarbonization Approach (SDA) for the nitrogen fertilizer sector. We are also carrying out a dedicated climate risk and opportunity analysis based on the framework of the Task Force on Climate related Financial Disclosure.

» [Climate Change, p. 93](#)

#### 4. Supporting local communities

We aim to create shared value for the company and society. While our most substantial contribution is to help the 20 million farmers that buy our solutions



“An ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.”

Definition of prosperity from the World Economic Forum's white paper Measuring Stakeholder Capitalism.

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increasing their crop yield and productivity, we also engage in community projects in the regions and communities where we operate. An example from 2020 is our donation of fertilizer in East Africa, where we, amid Covid-19, help to turn a time of crisis into a catalyst for transformation in rural communities. Through Action Africa, 250,000 farmers could provide food for up to one million people for one year, while 2 million smallholder farmers were connected to ongoing advice through Yara's ground-breaking new digital platform.

[» Case: A catalyst for transformation, p. 79](#)

5. Creating a fair workplace

We create safe and secure jobs for more than 16.000 employees worldwide, and through innovative projects and initiative we also create jobs for future generations. During 2020, our regional and local diversity and inclusion ambassador networks continued to raise awareness and build knowledge about minority groups and special diversity and inclusion topics. We have the ambition to increase the proportion of women working at Yara, particularly in senior management positions. We are making efforts to close the gender pay gap, and we have a specific project related to black talent. In 2020, we also announced the global Work-Life Balance and Well-being framework which will be implemented early in 2021.

[» Diversity and inclusion. p. 42](#)

[» Work-Life Balance and Well-being framework, p. 102](#)

Returns from sustainable solutions

In 2020, it became evident that we needed to sharpen our customer focus and speed up our strategic responses to external challenges, in particular the strong push to decarbonize the food system. As a response, our corporate strategy has two very clear strategic priorities: accelerating operational excellence and expanding our commercial reach and offerings, including sustainable solutions. Our new regional organizational structure puts the customers center-stage and by establishing the Clean Ammonia unit in February 2021, we took concrete steps to enable the hydrogen economy.

[» Our strategy, p. 16](#)

Tax Policy

Yara Tax Policy is approved by the Board and executed by Yara Management. Within the framework of tax laws and regulations, Yara optimizes the tax cost in the same way as it does other costs. We seek open and transparent interaction with the tax authorities and policy makers. Our approach to tax risks is based on Yara's overall risk strategy with continuous reviews to ensure control and risk mitigation as needed. We report in line with local and global regulations and our Code of Conduct.

As set forth in EU regulation 2013/34 and in the Norwegian Accounting Act, we produce a full country-by-country report. For our 2020 country-by-country report, please refer to our Investor Relations [annual reporting webpage](#).

[» Yara Tax Policy on yara.com](#)

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BUSINESS ETHICS

# Doing business responsibly

Success can only be celebrated when it is achieved the right way. Our way of conducting business defines who we are as a company, and doing business responsibly is the only way to maintain our license to operate.

Performance measures

- Training and awareness
- Notifications of misconduct
- Business Partner monitoring
- Human rights due diligence
- Public affairs
- Socio-economic compliance



3,042

employees received ethics  
and compliance  
face-to-face training

2020 target:  
2,700 employees



93%

completed the  
Code of Conduct e-learning

2020 target:  
90%



574

guidance requests

2019:  
616 guidance requests



139

notifications

2019:  
222 notifications

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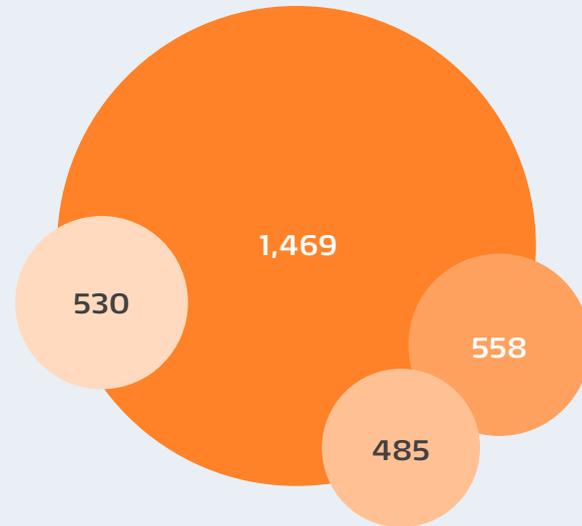
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Face-to-face training in 2020  
Participants



- Americas
- Asia and Africa
- Europe
- Corporate functions

Our dedicated regional compliance managers delivered Ethics and Compliance training to 3,042 employees in 2020. This training includes anti-corruption as a distinct topic.

Training and awareness

All new hires with access to a PC are expected to complete the mandatory Code of Conduct (CoC) e-learning within three months. Current employees repeat the training biannually. In 2020, the total number of employees who had completed the CoC e-learning was 13,621 (of the 14,635 employees who had access to the learning platform). The mandatory e-learning includes all topics covered by the CoC, including anti-corruption and human rights.

Yara's key governance bodies include the Board of Directors and Group Executive Board. All members of these bodies have confirmed receipt of Yara's CoC, which they are instrumental in developing and maintaining. Twice a year, the Board of Directors receives an update on the status of Yara's compliance program from the Chief Compliance Officer. All members of the bodies are included in the online and face-to-face compliance training programs and in the biannual CoC e-learning retraining requirement.

Through Yara's Integrity Due Diligence process, the CoC for Business Partners was communicated to more than 2,000 business partners throughout 2020. On a risk-basis, certain Business Partners are selected for additional due diligence work, including training and communications.

[>> Training and Communication, p. 105](#)

Notifications of misconduct

139 notifications to Ethics and Compliance were recorded in 2020, a decrease from 222 in 2019. The assumption is that the decrease was caused by Covid-19 restrictions where a large part of Yara employees are working from home. We observe that the awareness in the organization remains at a high level. 35 of the notifications were classified within the risk category of corruption and its sub-categories: conflicts of interest, bribery, and anti-trust. Of these notifications, 29 were resolved within the reporting period, and 10 were substantiated according to Yara's Investigation Procedure. Disciplinary actions as a result of investigations in 2020 led to 20 dismissals and 19 warnings.

[>> Whistleblowing / Internal Reporting, p. 105](#)

Business Partner monitoring

Yara had more than 30.000 active suppliers in 2020. Approximately 10% of the suppliers had completed the Integrity Due Diligence (IDD) self-assessment questionnaire.

In 2020, Procurement created 436 IDD's, of which 294 were completed and approved and 10 were completed and rejected. 132 IDD's that were created were not completed, mainly due to expiration, cancellation, or still being in-process.

Approximately 1% of Yara's Business Partners are rejected annually based on adverse results from the IDD process. The purpose of the IDD process is not to reject Business Partners, but to identify integrity risks and to mitigate these to safeguard Yara's interests. If

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adverse responses are identified in the IDD self-assessment questionnaire, we initiate a dialogue with the Business Partner, and are committed to influencing them to uphold the same integrity standards as at Yara.

» [Integrity Due Diligence](#) , p. 87

### Human Rights Due Diligence

The 2020, Yara human rights risk assessment, described on [p. 108](#), identified 18 high-risk countries, up from 17 in 2019. All high- and medium-risk countries are monitored through the Compliance Program and specific action plans are developed to mitigate identified impacts. The planned human rights impact assessment on selected operations in Brazil was postponed to 2021 due to Covid-19 restrictions.

No significant breaches or human rights impacts involving rights of indigenous people or related to forced or child labor were identified in 2020 either in our own operations nor in the supply chain.

Yara does not consider any of its fully owned operations to be at significant risk of violating employees' right to freedom of association and the right to collective bargaining, and no specific concerns were identified in 2020.

The 2019 human rights impact assessment identified risk of negative human rights impact from Yara's operations in connection to contracted labor performing services for Yara, especially where manual labor is combined with heat exposure. Specific concerns relate to:

- Manual labor in hot working conditions
- Piece rate pay
- Living wage, working terms and conditions
- Freedom of association, grievance channels, and right to remedy

Mitigating actions are in place to address these issues. Site-specific findings are followed up locally.

When operating in countries where the right to freedom of association and collective bargaining is limited through local legislation, we seek to take mitigating actions in accordance with local conditions and regulations. One example of this could be encouraging independent gatherings where employees can elect members to a representative committee that will discuss work-related matters with management.

Yara expects its business partners to respect and uphold their employees' freedom of association involving trade unions or similar external representative organizations. This expectation is clearly stated in Yara's Code of Conduct for Business Partners, which shall be included in all contracts, and has been demonstrated with our business partner in Belarus during 2020, described in Key concerns raised in 2020, [p. 27](#).



Yara expects its business partners to respect and uphold their employees' freedom of association involving trade unions or similar external representative organizations.

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**Public affairs**

Yara's Code of Conduct prohibits political contributions. We do not allow contributions from company funds or assets directly to any political party, nor to any individual who holds or is seeking public office, or any other political, religious, or ideological entity. Furthermore, the code prohibits communication with public officials on policy matters and engagement in political activities on Yara's behalf, except in accordance with local law, applicable regional policy, and in coordination with Yara's Corporate Communications Department and Corporate Affairs Department.

We have resources dedicated to public and regulatory affairs throughout the business regions, and hold a modest governmental relationship capacity in Brussels,

reflecting our footprint in Europe. Yara's expenditures on public affairs are listed in the European Transparency Register, and reflect salaries and social charges for employees.

Yara did not register any breaches of the Political Activity and Contributions Policy in 2020.

**Socio-economic compliance**

Yara considers cases with a value of USD 5 million (economic loss, penalty or similar) to be of major severity, and such cases are actively followed up by the corporate level. In 2020, no fines above this threshold were registered. In total, fines of USD 235,000 have been registered for 2020 for laws and regulations other than environmental ones.



**Priorities**

- Yara will continue developing the Compliance Program to meet regulatory requirements and stakeholder expectations on anti-corruption efforts. Preventive measures, awareness raising, and sharing knowledge are key priorities in maintaining our zero tolerance of fraud and corruption.
- Although no significant breaches or human rights impacts were identified through our existing grievance and monitoring channels in 2020, we recognize that we are likely exposed to these risks given the complexity of

our value chain and high number of business partners. We therefore continuously work to improve our due diligence processes to identify and mitigate human rights impacts, and expect the same from our business partners.

- Work to further implement human rights considerations in our supplier management process will continue in 2021. A global Work Environment Policy is under development and will be valid for Yara operations, including third parties from 2021.

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RATINGS AND AWARDS

# Notable external recognition

Our governance, sustainability initiatives, and performance are scrutinized each year by a number of ESG analysts and ranked in sustainability rating schemes. We see increasing interest from investors and banks in the potential risks and value impact from ESG factors, and believe that a company's ESG rating will be equally important as its credit rating in the near future. Companies that score well on ESG metrics are also believed to better anticipate future risks and opportunities, and be more focused on long-term value creation.

## Ratings and rankings

Years of interaction with external benchmarking initiatives and ESG analysts has helped us close several information gaps and driven transparency in our reporting. Not only does this increased transparency ensure more consistent and accurate scores, it helps us to evolve our sustainability approach and reporting.

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SUSTAINALYTICS  
a Morningstar company

Yara ranked top 1 of 56 in Agricultural Chemicals and top 8% in Chemicals

Score: Med Updated: Feb 3 2021



MSCI

Yara upgraded to 'BBB' from 'BB'

Score: BBB Updated: Jul 31 2020



vigeo eiris

Yara was ranked as 19 out of 41 companies in its sector<sup>1)</sup>.

Score: 49 of 100 Updated: Oct 2020



ecovadis

Yara has been awarded a gold medal in recognition of sustainability achievement, performing at the 96th percentile in our industry

Score: 68 of 100 Updated: Jul 15 2020



CDP  
DRIVING SUSTAINABLE ECONOMIES

Yara International ASA received a CDP Climate B score, which is in the Management band. This is higher than the Europe regional and the Chemicals sector averages of C.

Score: B Updated: 2020



World Benchmarking Alliance

Yara was recognized among 12 top performers in the World Benchmarking Alliance Food & Agriculture Baseline Assessment in December, a study covering the 350 most influential food and agriculture companies.

Score: 12 of 350 Updated: Dec 16 2020

1) The Vigeo Eiris score is unsolicited by Yara.

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**Awards and accolades**

Yara is increasingly recognized for our holistic approach to strategy development and reporting, demonstrating how we are bridging business and sustainability to ensure future success. We also receive accolades for our consistently strong safety performance.

**Wall Street Journal Top 100**

In February 2021, Yara entered the Wall Street Journal’s list of the top 100 most sustainably managed companies in the world. Yara was ranked at the 75th spot – and the only Norwegian company to be listed – out of the 5,500 businesses assessed by the business journal’s research analysts. The ranking is new and focusses on companies’ ability to create long-term shareholder value.

“This is very encouraging, and a great external confirmation of the efforts we all put in to live up to the company’s mission and vision.”

Bernhard Mauritz Stormyr  
Vice President Sustainability Governance.



**Prestigious safety award to Yara Ravenna**

Yara Ravenna, in Italy, was awarded the International Fertilizer Association’s (IFA) biennial Green Leaf Award for excellence in safety, health, and environment (SHE) in 2020. The independent, expert panel noted that Ravenna “[...] demonstrated what responsible fertilizer production should look like in 2020 [...]”. This marked the third time Yara has won the IFA award since it was first launched in 2009, underlining our strong commitment to protect health, safety, and the environment.

In 2020, Yara Ravenna also won Yara’s Safety Award, which was established more than 20 years ago to recognize excellence in safety. Ravenna won for their commitment and achievements in building the safety culture step by step, actively involving, and giving voice to all employees and contractors.

“This is recognition for our employees’ great effort and a reward for exploring the human side of SHE.”

Gianmarco Montanari  
Plant Manager at Yara Ravenna



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## Sustainability award to Yara Asia

In 2020, Yara Asia received the Sustainability Award 2020 in the category of Sustainable Food & Nutrition by EuroCham, the European Chamber of Commerce in Singapore. In its inaugural year, the award recognized Yara Asia for its leading role in developing digital learning tools for precision farming, supporting large commercial growers, as well as millions of smallholder farmers.

“Technology enables us to digitally engage and support millions of farmers, and to improve the efficiency and sustainability of food production at scale.”

Fernanda Lopes Larsen  
Executive Vice President, Yara Africa & Asia



## Top score for sustainability reporting

In 2020, Yara shared the top spot in The Governance Group’s examination and ranking of the environmental, social, and governance (ESG) reporting of the 100 largest companies on the Oslo Stock Exchange. This was a positive recognition of Yara’s Annual Report 2019, the first step on our journey towards fully integrated annual reporting.

“Shareholder values are safer and performance will improve when diversity, human rights and environmental consideration form an integral part of a company’s strategy and management.”

Lars Røsæg  
Chief Financial Officer in Yara



## Stockman Award for Investor Relations

Yara won the prize for best Investor Relations team in the Norwegian Society of Financial Analysts’ annual Stockman awards. Yara was also shortlisted for the best company award, where the quality of companies’ annual reports is a key assessment factor. The Stockman awards cover all companies listed on the Oslo Stock Exchange.

“Winning the Stockman prize is a credit to the entire Yara organization, representing a vote of confidence from the analyst community in both our credibility and our commitment to open and equal communication to the financial markets.”

Thor Giæver  
Senior Vice President, Yara Investor Relations



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CASE

# A catalyst for transformation

Through Yara's Action Africa: Thriving Farms, Thriving Future initiative, 250,000 farmers in East Africa are now growing food for one million people, and two million smallholder farmers are connected to updated agronomic advice.

When the pandemic hit, it threatened to destroy food systems in Africa, and push another 265 million people into severe food insecurity.

As a critical part of the food chain, Yara decided to donate 40,000 tonnes of premium fertilizer to rural communities in East Africa in order to help farmers triple the region's maize production in 2020 and provide food for one million people for one year.

### Creating connectivity

Swift action today can do more than prevent permanent social and economic damage. It is also a catalyst for transformational change that can create a more resilient food system for millions of people.

“For the first time ever, Yara successfully digitally traced the fertilizer's distribution from port to farmers in East Africa, bridging the connectivity gap in rural communities, and paving the way for the

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“The partnership potential of the platform is great, and together we can deliver more support to more farmers.”

Øystein Botillen  
Action Africa project lead

## What is Action Africa: Thriving Farms, Thriving Future?

- 40,000 tonnes premium fertilizer donated to farmers in East- and Southern Africa
- Expected to triple the region’s maize production, providing food for one million people for one year
- Connecting 2 million+ farmers to updated agronomic advice
- The Action Africa platform allows other partners to join and bring more benefits to rural farmers

development of a secure supply chain across the region,” says Øystein Botillen, Stakeholder Relations and Business Development Manager, at Yara.

In just under 12 weeks, a team of 50 developers across 3 continents developed a digital platform to track the fertilizer distribution, and to offer 2 million farmers, half of whom are women, a first-of-its-kind resource for agronomic advice throughout the growing season.

“I got a text message. It instructed me not to put the fertilizer in the soil until after the rain falls,” says Agnes Kemunto Atoko, one of the Action Africa farmers, exemplifying how the digital agronomic advice works.

### Achieving lasting change

The fertilizer donation is the first of many opportunities to reach these farmers, who could gain access to financial, insurance, market, and infrastructure support when additional partners join the Action Africa platform.

In August, BRIGHT Products partnered with Yara in the Action Africa initiative. There is no digitalization without electricity, so they decided to donate 2000 solar cell lamps, bringing connectivity to off-grid female farmers in Kenya.

“The partnership potential of the platform is great, and together we can deliver more support to more farmers,” says Botillen, Action Africa project lead.

A time of crisis became a catalyst for transformation in rural communities East Africa. This once again shows that by empowering farmers with agronomic knowledge and technology, we can help improve food security, strengthen local food systems, and bring ourselves closer to delivering on our Mission to responsibly feed the world.

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Codes, policies, and  
key processes

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Safety and Quality (HESQ)

Human Resources

Ethics and Compliance

Mining operations

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# How we work

Success can only be celebrated when it is achieved in the right way, and our way of conducting business defines who we are as a company.

Supporting the Davos manifesto, we see a company's success and purpose as being anchored in human and societal aspirations. Good governance incorporates People and Planet topics and stakeholder responsibility in addition to Prosperity.

- Sustainability governance

Codes, policies, and  
key processes

Health, Environment,  
Safety and Quality (HESQ)

Human Resources

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Mining operations



SUSTAINABILITY GOVERNANCE

# Integrated and holistic governance

Guided by our mission – to responsibly feed the world and protect the planet – we integrate sustainability in every decision we make and everything we do.

## Governing bodies

According to Norwegian corporate law, the President and CEO constitutes a formal corporate body. The President and CEO is responsible for the day-to-day management of the company. At Yara, the division of functions and responsibilities has been defined in greater detail in the Rules of Procedures established by the Board, which set the corporate governance structure. Yara has written a set of policies, procedures, and processes that help regulate the performance of management and business processes, called the Yara Steering System.

The President and CEO appoints management to assist in his or her stewardship duties delegated by the Board and in the day-to-day management, including the organization and operation of the company. The President and CEO determines the instructions for management after consulting the Board. The instructions for management and the function descriptions and authorizations issued to each member of management reflect the joint obligation of these members to safeguard the overall interests of Yara and to protect Yara's financial position.

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### 03 GOVERNANCE

- Sustainability governance
  - Codes, policies, and key processes
  - Health, Environment, Safety and Quality (HESQ)
  - Human Resources
  - Ethics and Compliance
  - Mining operations

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Yara strives to improve diversity in both corporate management as well as board composition. At year-end 2020, Yara's Group Executive Board consisted of nine members: four were women and three were non-Norwegians (Chilean, French and Brazilian-British).

Yara does not have a corporate assembly, and the shareholders' representatives on the Board of Directors are therefore elected directly at the Annual General Meeting. The Board's internal rules of procedure establish in more detail the Board's role in relation to managing the company and the other corporate bodies. The President and CEO's authority and responsibilities are defined to allow the Board to concentrate on the company's strategy and organization. The Board's work follows an annual plan, and it conducts a yearly evaluation of its work and procedures.

The Yara Board consists of ten members, of whom six are elected by the shareholders, and four are elected by and among the employees. Four Board members are women, and six are men. At year-end 2020, women represented 22% of Yara's employees in permanent positions and held 20% of the senior management positions.

### Sustainability integration

The Board's and the CEO's procedures were updated in 2020, formally including responsibility for non-financial topics of material importance. The updates cover the company's significant stakeholders and materiality, and the short-, mid- and long-term time horizons.

In 2020, the Board's Audit Committee was renamed the Board Audit and Sustainability Committee (BASC), defining the line for reporting sustainability performance. BASC also holds responsibility for preparing sustainability-related topics for Board discussions and to propose sustainability-related governance updates, if relevant.

Yara has co-organized the responsibilities for financial and non-financial performance under the CFO area, in line with the objectives of integrated reporting. Yara measures its performance with KPIs under the themes of People, Planet and Prosperity, ensuring a holistic approach.

Yara's VP Sustainability Governance reports to the CFO and supervises the non-financial reporting processes. This work is closely aligned with the Company Performance and Risk function, which oversees key parameters on strategy implementation, risk processes, and other core business processes such as the business planning process. The VP Sustainability Governance function oversees the integrated reporting process, which also systematically embeds ESG topics into the core business processes.

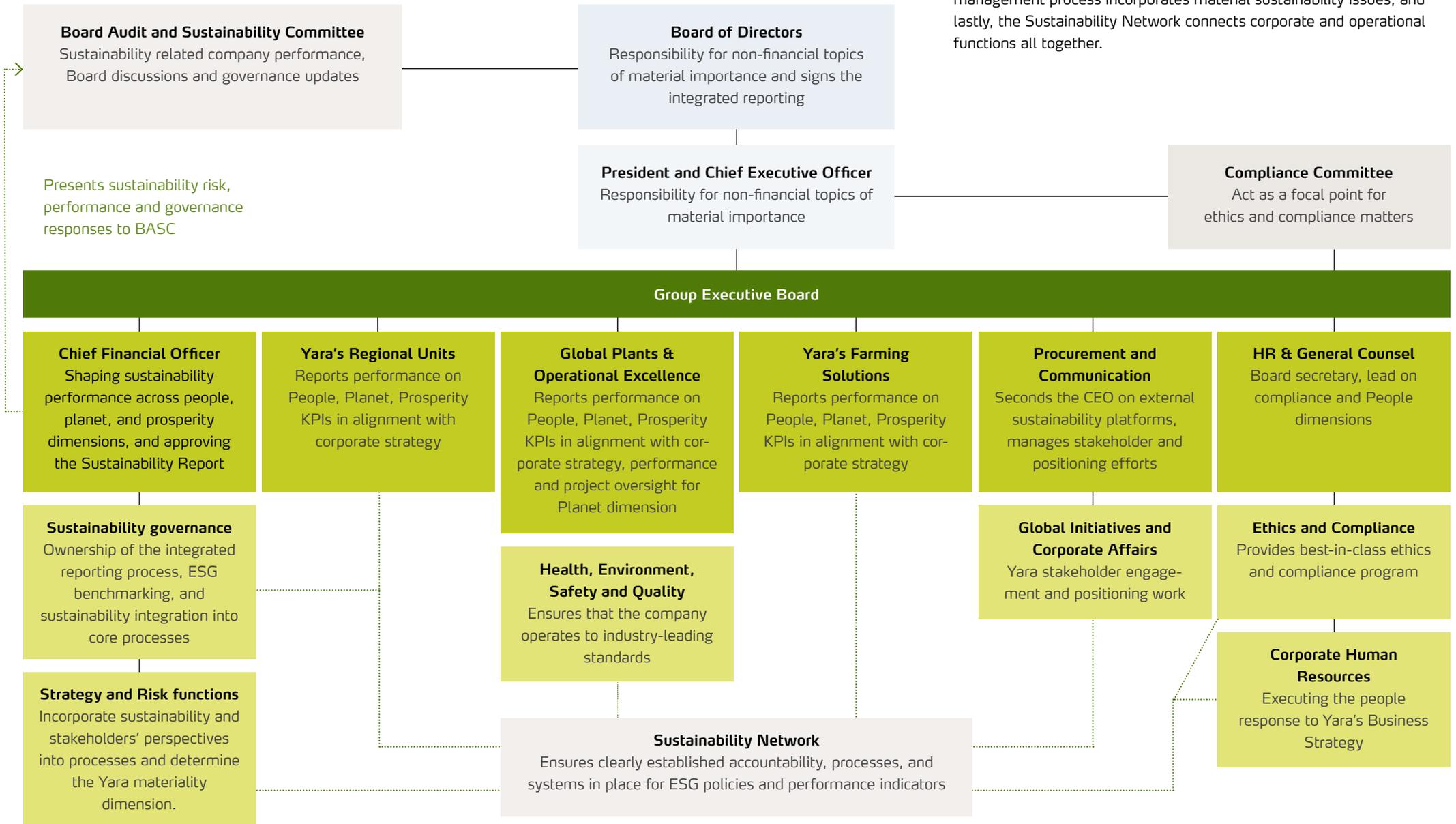
Core business processes are also being aligned with the same holistic approach. The Capital Value Process (CVP) was updated, strengthening the integration of non-financial perspectives. An internal carbon price shall be applied to significant projects, which are defined as projects with costs above USD 25 million and which subsequently require CEO or Board approval. Yara has established a Sustainability Network, which

ensures that Yara has clearly established accountability, processes, and systems in place for our ESG policies and performance indicators. The Committee includes representatives from our corporate functions: Sustainability Governance, Health, Environment, Safety and Quality, Human Resources, Ethics and Compliance, Communications & Brand, and Enterprise Risk Management, as well as representatives from the business line.



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# Governance model



Yara has established integrated and holistic performance management and governance. The Board Audit and Sustainability Committee reinforces Board oversight. Executives' short term incentives plan is tied to performance on People, Planet and Prosperity indicators. The risk management process incorporates material sustainability issues, and lastly, the Sustainability Network connects corporate and operational functions all together.

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CODES, POLICIES, AND KEY PROCESSES

# Our guiding principles

Our corporate codes, policies, and processes all serve a common goal: We want to be a positive force for innovative solutions while honoring responsible business conduct.

All of our corporate codes, policies, processes, and supporting documents are published on our intranet and in the Yara Steering System, with some also available at yara.com. Key documents are continuously revised and re-published every third year at a minimum.



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# Stakeholder Management Procedure

We believe that good stakeholder management creates trusting relationships and brings better business intelligence that can spur ideas for products and services.

In 2020, we established a new stakeholder procedure. It provides a structured approach to the process by which we organise, monitor, and improve our relationship with our stakeholders.

The procedure mandates that Yara Business Units perform regular stakeholder analyses as part of their business planning, unless such analyses are triggered through other initiatives or events.

Stakeholder management is also integrated in processes like the Capital Value Process, Enterprise Risk Management, Business Planning, and Environmental Management. Yara's Group Executive Board oversees the implementation of the procedure.

The Stakeholder Procedure provides a structured approach to the way we manage relations with our stakeholders.



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## Code of Conduct

The key principles of Yara's compliance program are defined in the Code of Conduct which outlines our position and commitments on a wide range of topics. The Code of Conduct includes our anti-corruption as well as our human rights policies.

Yara has made a clear commitment to respecting internationally recognized human rights throughout our own operations, as well as in our supply chain. We support key international human rights and labor standards and conventions, including the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, the Voluntary Principles on Security and Human Rights and the core conventions of the International Labor Organization (ILO). As a signatory to the United Nations Global Compact, Yara is firmly committed to its ten core principles, which cover human rights, labor rights, environment, and anti-corruption.

The Code of Conduct applies to all Yara employees, whether full-time, part-time, permanent, or temporary, and to the members of the Board of Directors. We are proud to say that the document is available in 17 languages and distributed globally. The Code of Conduct is reviewed and published on an annual basis and is approved by the Yara CEO and Board of Directors. The most recent Code of Conduct was launched 1 January 2021.

» [Code of Conduct at yara.com](#)

## Our Code of Conduct outlines our stance on a range of topics, including:

- **Corruption:** Yara has zero tolerance for any form of corruption
- **Fraud:** Yara has zero tolerance for fraud
- **Working with Our Business Partners:** Yara is firmly committed to being part of a responsible and sustainable value chain, and will continue to work on improving our systems and processes to achieve this objective.
- **Human and Labor rights:** Yara has made a commitment to respecting internationally recognized human rights throughout our own operations, as well as in our supply chain
- **People:** At Yara, we are committed to creating an equal opportunity workplace, free from discrimination and harassment
- **Data Privacy:** Yara is commitment to protecting the privacy of its employees, customers, suppliers, and Business Partners
- **Fair Competition:** Yara has a strict policy of conducting business in full compliance with all applicable competition laws and regulations.
- **Sustainability, Our Stakeholders and Our Community:** In delivering on our Mission and Vision, Yara has an ambition of being at the forefront of developing sustainable agricultural practices and of becoming more sustainable in our own operations.

## Code of Conduct for Yara's Business Partners

Yara is committed to working solely with business partners that comply with all relevant laws and regulations as well as with our Code of Conduct for Yara's Business Partners. This code considers internationally recognized and endorsed standards in key areas such as international human rights, business ethics, and labor conditions. Yara expects its Business Partners to uphold similar standards and to require the same from its own set of Business Partners, especially those that conduct business for Yara. The Code of Conduct for Yara's Business Partners shall be included in all material contracts and is reviewed periodically. It was most recently updated in August 2019.

» [Code of Conduct for Business Partners at yara.com](#)

## Integrity Due Diligence

Integrity Due Diligence (IDD) is the procedure for investigating the integrity of potential, new, and existing Business Partners. Yara's IDD procedure requires an initial assessment of all potential new Business Partners, to determine whether they fall into one of Yara's pre-defined risk categories.

If one or more risk factors is present, the Business Partner shall complete a self-assessment and declaration covering key business information and compliance across many risk areas, such as anti-corruption and integrity; assessment of suppliers and partners; human resources, human rights, and labor rights; health and safety and the environment.

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If the self-assessment and declaration uncovers unacceptable risks, an in-depth IDD may be required. Continued monitoring of business partner transactions is also part of the IDD procedure and consists of daily screening against sanctions and compliance databases as well as close cooperation between the business line and the Ethics and Compliance department.

Complying with and understanding the IDD procedure is the responsibility of all employees. The IDD procedure is included in the face-to-face training on ethics and compliance matters, as well as in induction training to new hires. All employees with specific responsibilities in reviewing and approving IDDs have received targeted training on the process.

#### Yara's Ethics and Compliance Commitment

Yara's Ethics and Compliance Commitment should be read in conjunction with the Code of Conduct and the Code of Conduct for Yara's Business Partners. It has been created for the benefit of all of Yara's stakeholders and was last updated in December 2020. Yara's Ethics and Compliance Commitment summarizes our risk picture and way of working through the 15 elements of Yara's Compliance Program.

» [Ethics and Compliance Commitment at yara.com](#)

#### Yara's HESQ Policy

Through this policy we commit to excellence in our HESQ (health, environmental, safety and quality) performance. Where public regulations do not provide

adequate controls, we will work with governments, society, and businesses to shape regulations and practices that work to this commitment. Compliance with the HESQ Policy is mandatory for everybody who works for Yara. The HESQ Policy was last updated and approved by the Yara CEO in September 2020 and will be subject to a review in 2021.

» [HESQ Policy at yara.com](#)

#### The Capital Value Process

The objective of the Capital Value Process (CVP) is to maximize value creation and manage risk by ensuring better decision-making and management of new projects. The CVP applies to all projects that imply evident changes to Yara's long-term commitments or resources and consequently require formal authorization to proceed. This includes projects related to plant, property and equipment (technical), mining, mergers and acquisition, divestments, joint venture and partnerships, resource intensive change, IT/digital and venture capital investments. The Capital Value Process is approved by Yara's Chief Financial Officer.

**Ethics and Compliance:** Compliance requirements, particularly related to anti-corruption and human rights, are an integral part of the decision-making process for the assignment of capital for all of Yara's major investment activities. The CVP includes clear compliance requirements for all projects covered by the policy, including due diligence activities and verification by the Ethics and Compliance department.

**HESQ:** All projects shall adhere to Yara's HESQ Policy and our Safe By Choice process to fulfil requirements. For projects related to particularly novel areas, for example new geographies, new products, new technologies, or due diligences, Corporate HESQ should be consulted to ensure that each project has the relevant HESQ competences and to verify the HESQ risk assessment and mitigating actions.

**Carbon pricing:** Projects with costs above USD 25 million, which subsequently require CEO or Board approval, shall explicitly comment on ESG considerations in the decision gate memo. Specifically, they shall at least describe the current state and expected development of carbon pricing in the jurisdiction, along with a calculation of financial impacts based on Yara's internal carbon price which also covers N<sub>2</sub>O emission. When relevant, the project shall present an analysis of its impact on Yara's climate intensity KPI.

#### Enterprise Risk Management process

Yara's global Enterprise Risk Management process aims to identify, assess, and manage risk factors that could affect the performance of any parts of the company's operation. To this end, we have implemented a continuous and systematic process to mitigate potential damages and losses, and to capitalize on business opportunities.

Yara's Board of Directors is responsible for defining risk appetite for all main risk categories relevant to the company. The Board oversees the risk management process and carries out annual reviews of the company's most important risk categories and internal control arrangements.

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The Yara Board has approved in 2020 a low appetite for risk relating to and among other:

- degradation of the environment resulting from our operations or products
- process safety and product safety accidents negatively affecting people, environment, assets, and reputation of Yara
- exposure to non-compliance with regulatory requirements.

» [See also Risk management, p. 108, in Yara's Integrated Report 2020.](#)

### Recruitment Policy

The Recruitment Policy governs our recruitment process and sets out roles and responsibilities to ensure we treat all candidates professionally. The policy informs employees, hiring managers, and HR about the mandatory elements of Yara's recruitment process, which, among other things, aims to hire the right talent at the right time at the right place at the right cost, and ensure a fair process and equal opportunities while promoting diversity. The policy is applicable throughout Yara, and is supplemented with local or business line policies as required.

### Performance and Development Process

Yara systematically manages the performance and development of employees in order to increase attraction, performance, engagement, and retention, and to ensure that all employees are treated in a fair, transparent, and consistent way. We carry out Performance Management job appraisal processes for all employees in annual cycles, with formal discussions as well as more frequent follow-ups. Managers are also expected to provide frequent feedback, coaching, and support to our employees. We also run structured talent review and succession management processes across the entire organization.

### Compensation Policy

Yara adheres to a comprehensive policy to ensure attraction, reward, and quality across all positions in the company. While individual remuneration will vary based on specific factors such as country, employment market conditions, position, performance, and competence, we are committed to paying employees fairly, regardless of personal beliefs or any individual characteristics. The Compensation Policy also outlines our handling of cases where the company initiates termination of employment contracts.

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HOW WE WORK

# Health, Environment, Safety and Quality

Yara's HESQ function maximizes value creation for Yara by ensuring that the company operates to industry-leading standards related to occupational health and safety, process safety, environment, quality, security, and emergency management and preparedness.

Yara is committed to ensuring that fertilizers and their raw materials, additives, and intermediate products are processed and manufactured, handled, stored, distributed, and used in a safe and secure way with regard to health, the environment, occupational and public safety and security, and quality. More specifically, this includes:

**Health and safety:** Yara has a responsibility to keep our employees and contractors safe and believes that all accidents are preventable. We have embarked on a journey toward zero accidents and have created a safety program that matches this ambition.

**Process Safety:** We consider good process safety performance a requisite for our license to operate, with the final objective of guaranteeing – for all workers and neighboring communities – minimum exposure to the risks generated by our processes.

**Environment:** We are committed to excellent environmental performance and to promoting higher industry standards. We use a precautionary approach to identify risks and take preventive measures to

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mitigate any potential harm to people or the environment.

**Product Stewardship and Compliance:** From factory to field, we take responsibility for the full life cycle of our products. Our product stewardship approach ensures systematic monitoring of the quality and safety of all our products, and we are fully committed to complying with all relevant chemical and product related regulations.

**Security and Emergency Response:** We are committed to protecting life and health, infrastructure, the environment we work in, information, and our reputation by understanding security risks and proactively implementing mitigating measures.

**Resources and responsibilities**

The Vice President of HESQ leads our Corporate HESQ Organization. The Vice President of HESQ reports to the EVP Global Plants & Operational Excellence and presents reports to the Board of Directors and the Board Audit and Sustainability Committee at least once per year.

The Corporate HESQ Organization consist of 47 employees globally and holds responsibility for the governing, reporting, and follow-up of overall HESQ performance and compliance. It supports the regions and units by providing HESQ resources and tools, and by serving as an internal center of expertise for product stewardship, classification of products, labelling, and the issuing of product safety information, such as Safety Data Sheets.

Corporate HESQ oversees the global Yara-wide management system certification process, defines processes and standards, and runs frequent internal audits to all units to ensure compliance and continuous improvement. Risk assessments are consistent across the corporation, and major HESQ risks are included in the Enterprise Risk Management process as a part of the business planning and strategy development.

In January 2020, we established a new central, Energy and Environment, with nine employees. The Vice President of Energy and Environment reports to the SVP Project and Technology and to the EVP Global Plants and Operational Excellence.

Business units at all levels are accountable for the HESQ performance of their own operations, for compliance with legal and statutory requirements, as well as for requirements outlined in the Yara Steering System. They are also responsible for the legal compliance of their products, raw materials, and other chemicals, for ensuring correct labelling and packaging, and for providing Safety Data Sheets to their customers.

Each region and production unit have dedicated HESQ resources supporting the management and monitoring of HESQ performance. They report through the line organization, with Corporate HESQ being ultimately responsible for providing transparent and timely information internally and externally. All production sites have a mandatory health and safety committee that covers all of the employees working on the site.

The key principles of Yara's HESQ program are defined in the HESQ Policy.

» [Yara's HESQ Policy, p. 88](#)

Each region and production unit have dedicated HESQ resources supporting the management and monitoring of HESQ performance.



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## Systems, programs and projects

### Management system certification

Yara is committed to the corporate-wide certification of the management system to three standards; ISO 9001 (Quality management), ISO 14001 (Environmental management) and ISO 45001 (Occupational health and safety management). A total of 70 units were audited in 2020, while audits at three units were postponed, mainly due to Covid-19 restrictions. Another 53 audits are planned for 2021, including annual audits of corporate functions and regional management.

Yara is also working to have all major production sites certified to ISO 50001 (Energy management). Seven sites were certified at the end of 2020. Our goal was to reach ten certifications, but progress was hindered by the Covid-19 outbreak. We plan to proceed with the remaining sites in 2021, and to complete the certification process in 2022.

### Safe by Choice

Safe by Choice is our company-wide initiative to instill a lasting safety culture to reach our ultimate goal of zero injuries. The culture we strive for is one where we all, individually and collectively, take responsibility to take care of ourselves and each other; with better quality, more ownership, engagement, and consistency in what we do all day. We have established a set of safety principles to clarify expectations for managers, supervisors, employees, and contractors. The Safe by Choice way of working ensures that all employees and contractors working at our sites receive standardized safety training, participate in regular safety meetings,

and thus contribute to keeping the workplace safe.

Safe by Choice was launched in 2013 and has contributed significantly to our strong safety track record, which places Yara among industry leaders in safety.

The Yara Safety Award, an integral part of Safe by Choice, was established more than 20 years ago to recognize excellence in safety. While results are essential, the award aims to recognize both systematic and innovative activity intended to bring about profound improvements in safety behaviour as well as strengthen the candidates' safety culture. In 2020, Yara Ravenna won the Safety Award for their commitment and achievements in building a safety culture. Yara Ravenna was also awarded the International Fertilizer Association's (IFA) biennial Green Leaf Award for excellence in safety, health, and environment (SHE) in 2020.

[» Ratings and awards, p. 76](#)

### Potential Severe Injuries and/or Fatalities program

Yara launched the PSIF program in 2019 to work more systematically on the prevention of major incidents with potential for severe injuries and/or fatalities. At its core, the PSIF program is about reviewing, investigating, and sharing lessons learned from incidents with high potential severity in a structured manner, and to establish effective improvement actions.

As one of the first outcomes, a dedicated task force on work at height has defined the minimum requirements and established a specific risk management process

with the objective of reducing our most critical occupational exposure, that is falling hazards.

### Worker health

Yara offers access to occupational health services or subsidies for such counselling in most of the countries where we operate. During 2020, Yara further developed the set of operating standards for the physical and psycho-social work environment. They supplement a previously implemented standard for chemical risk. A specific procedure for the management of asbestos has also been established. Pilot workstreams and training in psycho-social risk assessments and well-being have been initiated during the pandemic and promoted throughout our organization.

[» Work-Life Balance and Well-being framework, p. 102](#)



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## Climate Change

### Climate neutral by 2050

In 2020, Yara proceeded with its projects to increase energy efficiency and reduce greenhouse gas (GHG) emissions in pursuit of our goal of a 10% reduction in GHG intensity. The intensity is expressed as CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions per tonne of nitrogen produced by 2025. We have established a new set of KPIs and a GHG project portfolio identifying more than 70 projects with an expected CAPEX in the range of USD 250-400 million. The GHG project portfolio is managed by the Energy and Environment unit. This unit holds responsibility for monitoring the progress towards the target on a monthly basis.

In addition, Yara set a new ambitious milestone in its climate neutrality roadmap: to reduce absolute scope 1 and 2 GHG emissions by 30% by 2030, equal to mitigating about 6 million tonnes of CO<sub>2</sub>e based on a 2019 baseline. We have identified and planned measures to achieve about one third of this amount in the GHG 2025 portfolio. Initiatives to target the remaining 4 million tonnes will, depending on public co-funding and the regulatory framework, likely include green ammonia, carbon and capture projects, continued implementation of energy efficiency projects and electrification of production sites. Having reduced our GHG emissions by 45% since 2005, we are well-positioned to meet the EU 55% reduction target.

### Green ammonia

Yara is well-equipped to become the green ammonia champion by leveraging our strengths in production, logistics, and trading. During 2020, we continued to build a pipeline of green ammonia pilots to build knowledge and lay the foundation for full-scale plants. The three pilot projects in the Pilbara in Western Australia, Sluiskil in the Netherlands, and Porsgrunn in Norway will have a combined production capacity of close to 100 kilotonnes of green ammonia. In addition, we have also announced our plan to establish a 500,000 tonnes per annum green ammonia production unit in Porsgrunn.

» [Committed partnerships, p. 21](#)

### Science Based Target

To ensure that our emission reduction targets are in line with independent climate science, we will set Science Based Targets, delivering on the Paris Agreement. As global crop nutrition leaders, Yara and Nutrien, along with the WBCSD, are undertaking a Sectoral Decarbonization Approach (SDA) for the nitrogen fertilizer sector as a basis for setting the Science Based Target. The pathway for scope 3 GHG emissions will be defined through the process to establish a SDA for our industry. We expect the analysis required for determining a SDA to be finalized in 2022.

### Carbon marketplace

In 2020, Yara launched a carbon venture team to run a pilot on a carbon marketplace, and we aim to generate the first credits in 2021. The carbon marketplace represents a new business opportunity in which we



leverage our portfolio, global footprint, and knowledge about climate-smart farming to reduce emissions and sequester carbon at farms to create revenue streams from carbon credits. Our model will also reward farmers for climate-smart practices. Our goal is to launch the carbon marketplace by 2025.

We also continued our work to enable farmers to reduce their environmental impact and improve their productivity by providing new digital solutions and services, which are core elements in our Farming Solutions strategy. At year-end, more than 20 million farmers used our digital solutions, and we had about 15 million hectares under management.

» [Case: Carbon Cropping, p. 32](#)

### Climate Risk Assessment

Yara is carrying out a climate risk and opportunity analysis based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

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This cross-functional project takes a holistic approach with the aim of broadening our understanding of the climate-related risks and opportunities we are facing as a company, and addressing stakeholders' expectations regarding climate risk mitigation and adaptation. We have mapped climate risk and opportunities across our value chain and global activities, and are currently assessing climate scenarios to ascertain their future materiality for Yara. We also aim to identify potential management responses.

The project aims for completion in April/May 2021, and key findings will be disclosed in our 2020 CDP reporting (to be submitted in 2021).

### Circular economy and new raw materials

Yara's Circular Economy unit has the goal of developing business for nutrient recycling in agriculture and the food production chain. We have initiated a number of projects and entered into several collaborations to join the recovered nutrient loop and apply the principles of circular economy to agriculture. Along with the environmental benefits, we see significant strategic opportunities for creating new revenue models and targeting new markets with organic or recycled nutrients.

» [Circular economy, p. 58](#)

### Environmental performance and compliance

In 2020, Yara established a new strategic initiative to reduce the environmental footprint of our production plants. This new initiative is a response to key findings in 2020. A strengthening of the monitoring and reporting of the plants' compliance with environmental regulations and permits uncovered that several plants continue to struggle with their permits and regulatory requirements.

By adapting a methodology similar to that used to create the GHG project portfolio, we will develop environmental roadmaps for each production site. We are assessing the plants' performance against current and foreseen regulatory requirements in order to provide a reliable basis for an improvement program, concrete targets and resource planning in 2021. The assessment will also be supported by a water risk assessment covering risks related to water availability, quality, and accessibility.

Altogether, 70 Yara units had their environmental management system audited by the certification body in 2020, including all but one production site (the recently opened Salitre mine in Brazil) and numerous supply chain and commercial units as well as corporate and management functions. The goal of corporate-wide coverage of certified environmental management systems is proceeding according to plan.

### Product stewardship

The principles of product stewardship are to ensure that appropriate care is taken along the whole fertilizer value chain from product development and the purchase of raw materials, to production, storage, transport, and distribution and up to use at the farm. We adhere to these principles, and have applied the fertilizer sector's Product Stewardship programs throughout our operations (Fertilizers Europe Product Stewardship Program in Europe and International Fertilizer Association program outside Europe), including third party certifications. The Product Stewardship programs address product safety, environmental aspects, safe food production, and security against theft and misuse.

We have assessed the health, safety and environmental (HSE) impacts of all our significant product categories: ammonia, urea, nitrates, NPKs, CN, UAN, SSP, and DAP/MAP. These HSE assessments cover the life cycle of the products in both fertilizer and industrial applications and are done in accordance with requirements in the product stewardship programs and relevant legislation. In 2020, Yara recorded no significant incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products or services.

#### Chemical compliance

Products in EU/EEA markets fall under the European chemicals' REACH and CLP legislations and the requirements, including a formal chemical compliance check, are referenced in Yara's Procurement Process. All relevant substances are registered accordingly.

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Yara's products and raw materials are inorganic commodity chemicals, like ammonia, inorganic acids, and their inorganic salts. Organic chemicals of concern are not used as raw materials, products, or intermediate materials in Yara. We avoid, whenever possible, procurement of chemicals classified as most hazardous such as carcinogenic, mutagenic, persistent, or bio-accumulative. If substitution of such chemicals is not feasible, the necessity of using them on an industrial scale is strictly assessed. All chemical substances of concern are being tracked and managed centrally by Corporate HESQ, with defined responses according to the regulatory processes.

### EU Fertilising Products Regulation

The new EU Fertilising Products Regulation will come into force in 2022. It will bring major changes to the production, marketing, and labelling of fertilizer products. Yara is preparing for the new regulation through a centrally coordinated compliance assessment process to ensure timely and full compliance.

### Ammonium nitrate safety

Several jurisdictions are setting stringent safety and security requirements to manage the sale, supply, and handling of ammonium nitrate to prevent accidents and potential misuse of the product. Yara has tight and continually updated standards related to production, handling, transport, and storage of ammonium nitrate and high nitrogen containing products – and an excellent history of handling ammonium nitrate safely. Nevertheless, after the devastating blast in Beirut in August 2020, we started an in-depth verification pro-

cess to ensure that all units fully adhere to the established procedures. Extensive data gathering has taken place, and more than 200 site audits will be performed remotely in 2021.

### Marketing and labeling

Yara provides safety data sheets for all products. The safety data sheets cover information needed for the classification of the products, including:

- Raw materials purchased and used
- Content (composition)
- Guidance for safe use
- Guidance for safe disposal

We classify and label our products according to the European CLP Regulation in the EU/EEA markets. Globally, we follow either the European CLP regulation or local legislation, e.g. the American OSHA and EPA standards in North America. In line with changes in chemical legislation in many countries of the world, we also classify and label our products according to the UN Globally Harmonized System of Classification and Labeling of Chemicals. Additional local requirements, such as local fertilizer regulations or food and feed regulations, are managed by local Yara units.

In 2020, Yara was not subject to any significant fines for non-compliance with laws or regulations concerning the provision and use of products and services.

## Security and Emergency Response

Yara's Corporate emergency response and security function develops and reviews security and emergency management practices. Security management at Yara is designed to ensure that security threats are identified and assessed, and that people, the environment, assets, and reputation are protected by appropriate measures. Our global security system includes a standardized method for assessing security risks, developing a steering system for security, providing support and advice to all business units, and further improving the company's emergency response practices. We have a crisis management team ready to support our employees and protect our organization and continuously monitor worldwide security situations to understand and implement mitigating measures to lower our exposure to risks.

### Training of security personnel

Yara's own security personnel and security service providers working on Yara sites are given work induction training, covering site safety and security practices, and Ethics and Compliance induction training. Security personnel employed by Yara complete the mandatory Code of Conduct e-learning. In addition, Yara's Code of Conduct has been distributed as hard copies to 119 Yara locations around the world, with the purpose of reaching every Yara employee. All external security service providers shall comply with Yara Code of Conduct for Business Partners.

» [Code of Conduct for Business Partners, p. 87](#)

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In June 2020, Yara joined the Voluntary Principles on Security and Human Rights (VP). The many different stakeholders in the Voluntary Principles Initiative will bring unique perspectives into Yara's security management approach and will lift our governance in this area. A specific training program incorporating Yara's program for human rights and VP training material is currently under development and will be rolled out in 2021. The training material will be mandatory for relevant internal staff and contracted security providers.

### HESQ Training and communication

We have developed numerous digital communication tools to enable efficient collaboration and sharing across our global organization. They have proven to be particularly valuable during the pandemic.

#### HESQ Academy

Yara's HESQ Academy is our common platform for the sharing of training material, toolkits and e learning exercises, all aiming to build knowledge and awareness about key HESQ aspects, rules and procedures. It contains numerous training modules such as Safety Leadership and Together We Learn – an interactive, modular concept where participants work together in solving exercises.

#### Grievance mechanisms

Yara uses several channels to collect feedback from internal and external stakeholders related to HESQ impacts, compliance, and expectations. Each case is reported and analyzed and a reply is sent back to the initiator. Corrective and preventive actions are con-

sidered and implemented when necessary. Cases are followed up at management level. The key mechanisms for filing HESQ grievances are the following:

#### Steering system non-conformity management

Non-conformities to HESQ steering standards are reported to and handled by the Corporate HESQ function. Any deviations from mandatory requirements are subject to management approval.

#### Incident reporting system

Yara has a company-wide system in place for the reporting and handling of HESQ incidents, i.e. accident/breaches, near-misses, and hazardous conditions. The incident reporting system is managed by the Corporate HESQ function. All incidents are systematically investigated according to defined severity levels. Procedures are in place to have independent off-site experts perform investigations of the most severe incidents. Lessons learned from accidents and incidents are shared among the units. Classification of personal injuries is aligned with OSHA requirements.

Employees who feel they have been treated unfairly after reporting incidents or ceasing unsafe work, are free to voice their concerns with the local Human Resources department, or employee representatives or through the ethics hotline portal.

#### Crisis Manager

Yara has a dedicated Crisis Manager on duty 24/7 who can be alerted about any severe and extraordinary situation (emergencies) or threats, and assist in handling any crisis, should one occur.

#### International SOS

As part of Yara's emergency management, Yara is supported by International SOS to assist employees in incidents related to health, safety, or security during travels. This assistance is available 24/7 and in local languages.

#### Environmental/Reputational complaint management

Local production units have systems in place to manage complaints and other feedback coming primarily from neighbors and the local community. Grievances are handled locally at each individual site and reported monthly by Corporate HESQ.

#### Product Quality

Yara currently has several product quality complaint handling systems which are adapted to the various business models and operations throughout the world. Our country websites feature contact forms for anyone who wants to raise questions or provide feedback. Any deviation from what is expected – from production specification and packaging, to delivery, and even services and attention to customers – can be subject to a complaint from either the customer or the Yara sales organization itself.

#### Ethics hotline

Anyone – internal or external – that wishes to make a complaint related to Yara's HESQ performance can do so through our Ethics Hotline.

» [Whistleblowing / Internal Reporting, p. 105](#)

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## Evaluation

The effectiveness of Yara's HESQ management is evaluated frequently both internally (e.g. by Yara Internal Risk and Audit unit and Corporate HESQ) and by third parties (e.g. management system certification, GRI verification). Improvement actions are taken based on the feedback.

Due to the Covid-19 situation, all internal Corporate HESQ audits were put on hold during the first half of 2020. Later, eight units were selected for remote audits in the second half of 2020. While visual inspections are very challenging in remote audits, we managed to develop appropriate processes and approaches. Document review audits also proved to be very efficient.

Third party ISO certification audits, both physical and remote, were performed. Some units will have physical follow-up audits in 2021. The certification audits documented good progress in the implementation of management systems and also identified room for improvement in environmental performance monitoring, compliance status and target setting across all regions.

In 2020, our European fertilizer activities were re-certified to the Fertilizer Europe Product Stewardship program. The new certificate is valid until 30 June 2023. Outside Europe, certification and recertification to the IFA Protect & Sustain program continued. Apart from one, all certified units achieved the 'Excellence' level of the program.

Each year, Yara reports to numerous sustainability rating schemes, such as CDP Climate and CDP Water, along with several investor analysts' rating systems, such as Sustainalytics. Whereas we generally score high in external benchmarks, we also utilize the processes to improve our own performance and best practices.

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# Human Resources

Yara's Corporate HR function is responsible for executing the people and organizational response to Yara's corporate strategy. We focus on strengthening the company's performance culture through professional performance and talent management, by improving leadership development, and by growing diversity and inclusion at every level of our organization. Building and maintaining collaborative relations with trade unions and work councils is always a priority.

## Responsibilities and resources

Organizational responsibility for the oversight and follow-up of labor practices and performance lies with the Executive Vice President of HR and General Counsel, via the Group Chief HR Officer. Regional and functional HR teams drive strategy implementation throughout the organization and coordinate their work through a structure of management forums. The Corporate HR function consists of 46 employees across 7 main central teams as outlined:

**Compensation & Benefits** is responsible for the corporate remuneration policy, oversees job grading and levelling, compensation and benefits, our business travel policy, and disciplinary policies. It is responsible for the corporate assignment policies and the HR administration of the international assignees.

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**Talent Management** has corporate responsibility for Employee Experience surveys, the Talent Acquisition Policy, Performance and Succession Management, Talent Reviews, and Talent Development process.

**HR Governance & Operations** is responsible for employee data privacy compliance and delivers and governs global HR solutions, such as the Yara PeoplePath platform, which enables a wide range of HR processes.

**Diversity & Inclusion (D&I)** defines corporate-wide diversity & inclusion frameworks and coordinates the main D&I initiatives worldwide, in close collaboration with the regions, units, and employee resource groups.

**Learning & Development** is responsible for Yara's Learning strategy, employee retention, leadership development, and design and deployment of training programs and guidelines.

**Organizational Development & Employee Relations** provides advice on the organizational impacts of initiatives, supports change management processes, and coordinates the management of relations with trade unions and works councils.

**Corporate HR Business Partnering manages HR** for corporate functions and Yara's head office, including local talent acquisition and employer branding.

Worldwide, a network of over 300 local HR employees provides support in the development and implementation of the HR strategy and resources. HR employees report directly to the business units they serve.

[Learn more about the principles that guide Yara's HR program in Codes, policies, and key processes, p. 85.](#)



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## Programs and projects

### Diversity & Inclusion

Our efforts to grow diversity and inclusion are firmly anchored in Yara's corporate strategy. We are committed to promoting equal opportunities and fighting discrimination, and also see the value-adding potential of a more diverse workforce. We aim to enhance our understanding and embrace the full concept of Diversity & Inclusion to achieve true collaboration, better decision-making, and evolve our culture in support of our strategic ambitions.

While our main ambition has been to increase the proportion of women in Yara, particularly in senior management positions, we are increasingly focusing on other aspects of diversity in processes like recruitment, performance management, employee development, and succession planning.

In order to grow diversity and inclusion in our workforce, we aim to:

- secure equal career opportunities, equal pay, and work-life integration
- ensure a diverse workforce and leadership, representing the markets we sell to and operate in
- create a collaborative and inclusive work environment in which employees feel valued for their uniqueness and safe to be themselves
- influence our partners and become a valuable Diversity & Inclusion discussion partner for external stakeholders

### Internal competence development

Yara is going through a significant transformation. It has highlighted the need to improve the reliability of our operations, enhance project performance, and adapt our business model to a rapidly changing food value chain. Our people represent our most important asset, and we need to continuously invest in the development of our collective knowledge – both in terms of specialist competencies and management skills.

In 2020, Yara announced an additional USD 15 million annual investment in internal competence development. We commenced work on a corporate learning strategy to ensure optimal channeling of this funding, and to update our overall approach to people development. The output of this process will be finalized in 2021, but initiatives already identified include extending leadership development to a larger part of the organization, new online courses, more on-site trainings and workshops, regional team development as well as targeted initiatives linked to strengthening Diversity & Inclusion.

### Employee benefits

At Yara, employee benefit plans are aligned with local markets and managed at country level. Our approach to benefits is to be competitive with the market median, and benefit plan levels can differ from market median depending on cost or tax legislation. The value of benefits provided shall be taken into consideration when benchmarking compensation with local markets.

At a minimum, all Yara employees shall be covered with life and accident insurance, covering at least:

- Two years' salary including any social security, individual pension plans paid by the employee, and/or company-paid pension plans
- An additional minimum benefit of one year for related accidental death or disability

### HR data analytics

Since the launch of Yara's global HR system PeoplePath in 2018, we have adopted a more data driven and analytical approach to managing HR. A stronger focus on data quality and governance across the HR community, combined with investment in the underlying technology platform, has improved our reporting, insights, and analytical capabilities.

In 2020, the increased use of data analytics, delivered to HR and managers in easy to use dashboards, informed and supported the decision making across a wide range of HR processes. One example is our efforts to grow diversity, to which data analytics provide insights and pinpoint areas for improvement in processes such as recruitment, performance evaluation, turnover, compensation, talent management, and succession planning. We also apply data analytics in following up the gender pay gap and to analyze success factors and shortcomings in our efforts to increase the representation of women in recruitment processes, from advertisement to onboarding.

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In 2020, we also commenced work on two other technology projects:

- A new Onboarding module in PeoplePath to improve the onboarding and cross-boarding experience for employees, and to facilitate document exchange between HR and new employees
- A standardized global expense claim management solution, targeted to cover 75% of Yara's employees

The data driven approach requires good data governance and continued attention to data completeness and quality across the organization. Data privacy is also a high priority, and in 2020 we launched an Employee Data Privacy initiative across Yara. This initiative builds on the precedent GDPR rollout. Local Employee Data Privacy representatives have been appointed in each of Yara's 60 countries of operation.

### Pandemic response

In 2020, several HR initiatives and policies were enacted across the globe to support Yara employees and their families during the pandemic, and extended into 2021. They included:

- **Travel Policy:** Early steps and revisions were made to restrict and then prohibit international travel
- **Income Security:** In April, Yara's CEO announced guidelines to secure payment of three months' salary in case of reductions in manning, sick leave, or special leave due to the Covid-19 crisis for all employees. It also covered contractors working full-time in our daily operations.
- **Corporate Bonus Incentive Scheme:** the corporate short-term incentive pay scheme was amended to-

wards a collective profit sharing model for 2020 to send a message that the focus in the Covid-19 situation is on business continuity and that all employees contribute in this respect

- **Line Manager Training:** Increased awareness-training for line managers was launched throughout the year, via e-learning and cascade training on topics such as remote team management, home circumstance awareness, employee engagement techniques, and flexibility during the workday.
- **Exceptional Employee Bonus:** In December, Yara announced an extraordinary bonus of USD 1,000 pre-tax for all employees payable in January, as an acknowledgment of their exceptional efforts in 2020.

During 2020, we prepared a global framework supporting work-life integration for launch in March 2021. The pandemic has deeply impacted our work situation and personal lives and has emphasized the challenge of balancing work and private life. With the work-life integration framework, we want to better support our employees in this balancing act and advance diversity throughout the organization.

### Grievance mechanisms

Yara encourages open and direct communication between employees and their supervisors. All employees are free to voice their problems and views on work-related issues without fear of retribution. We believe that a full discussion can, in most cases, facilitate the resolution of misunderstandings and preserve good relations between management and employees. Employees who have work-related concerns, or feel

that they have been treated unfairly, are encouraged to speak with their immediate supervisors. If the employee and supervisor are unable to resolve the issue, the employee is encouraged to go the next higher level of management, the Ethics and Compliance team or to HR. We will make every effort to settle an employee's problem on a fair and equitable basis. Employees who use the resolution policy in good faith will not experience any retaliation.

Yara's Ethics and Compliance Department received a total of 86 notifications that were classified as 'People' matters during the reporting period. All 86 of these notifications were addressed, and 78 resolved during the reporting period. The significant reduction in cases from 2019 to 2020 is explained by:

- **Work-from-home** due to Covid-19 restrictions resulted in less interaction.
- **Increased Ethics and Compliance awareness** resulting from extensive training and communication efforts.

In 2020, Yara HR dealt with a total of 261 Labor Grievance cases. 244 were in Brazil, 7 in Latin America, 6 in Asia & Oceania and 4 in Africa. Of the 261 cases, 36 were both reported and resolved in 2020. 225 cases were reported in 2020, but not resolved by the end of the year.

In Brazil, where it is quite common to raise claims against an employer, most labor claims are related to overtime, insalubrity, and equal pay. Labor courts are considered to be a place for negotiation between the employee and employer.

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## Elements of the Work-Life Balance and Well-being framework

[» Case: Lessons from lockdown, p. 50](#)



### Flexible working

We support flexible work arrangements when they improve both the flexibility and productivity for the employee as well as the productivity of the company.



### Meeting times and frequent travelling

We promote the limitation of meetings and the limitation of travel wherever this makes business sense – not only for cost and environmental reasons but also for the sake of a better work-life integration.



### Parental leave

Our global standard of parental leave for Yara employees is six months full pay for primary caregivers and one month full pay for secondary caregivers.



### Family caregiver leave

We want our employees to be able to care for immediate family members who have been diagnosed with a serious medical condition or critical illness.



### Conversations before, during and after leave

We want our employees to remain connected with the company while on an extended leave, to be keen to return and to have a smooth re-entry.



### Multi-purpose rooms

We want our employees to have access to private space at work – for praying, meditating, to express breastmilk, take medication etc. – within the boundary of creating a more inclusive workplace.



### Support for mental health and well-being

We want our employees to have access to emotional, mental, and psychological support when experiencing work-related or personal issues. All Yara employees have access to counselling.

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Yara's HR organization continuously strives to meet business needs and targets. In 2021, as the pandemic continues to impact all geographies, our primary concern continues to be the health and well-being of our employees.

While several people development programs were impacted by the pandemic, many face-to-face programs moved online, and significant investments were made in providing online learning and development opportunities for employees via the People-Path platform and local solutions.

In 2020, we realigned Corporate HR with Legal, adopted a new regional structure across HR, and appointed regional and functional HR managers to drive the people agenda throughout the organization.

We started on an update of our People strategy to identify programs and processes to improve people performance and deliver on the revised corporate strategy. The project was postponed due to the Covid-19 pandemic and is planned to deliver a response in mid-2021.

Global events and developments in 2020, such as Black Lives Matter, the pandemic-exacerbated food shortage risk, and the increased challenges to remaining in the workforce faced particularly by women, amplify existing challenges. These challenges will continue to focus Yara HR's purpose in delivering diverse and inclusive workforce, in the full recognition that Yara's most valuable resource continues to be its employees.

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# Ethics and Compliance

As a global company operating in more than 60 countries and with sales to about 160 countries, Yara is exposed to different cultures, traditions, labor conditions, and threats. We are dedicated to responsible business conduct throughout our own operations and value chain. This means respecting recognized labor and human rights, having safeguards in place for combating corruption, and complying with laws and regulations. Responsible business conduct is crucial in earning the trust of our stakeholders and key to our success.

## Responsibilities and resources

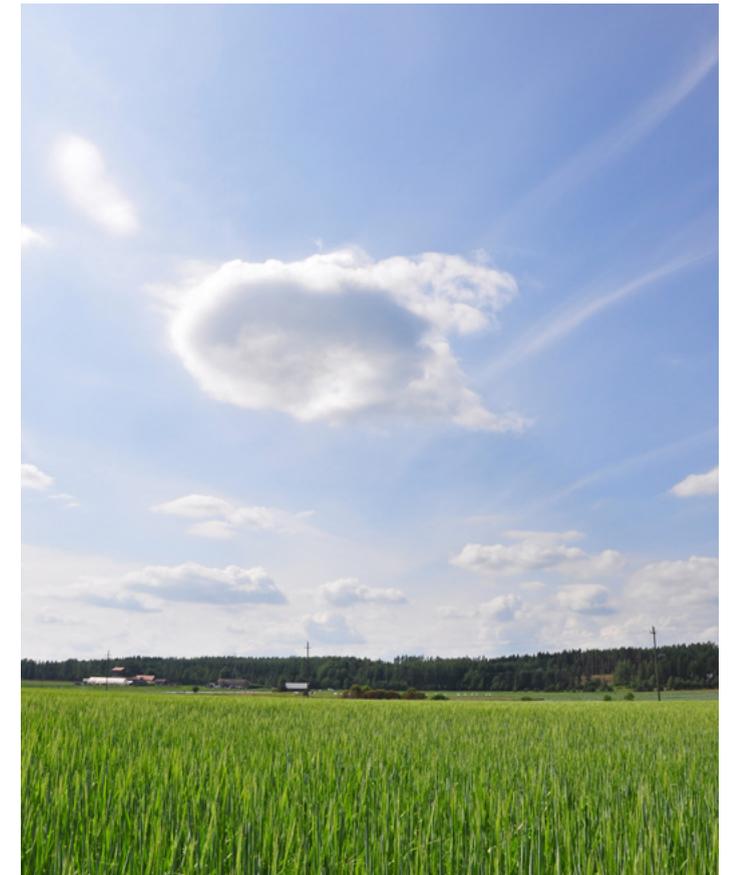
Yara's Ethics and Compliance Department has organizational responsibility to provide a best-in-class ethics and compliance program. The department plays a key role in the management of all risks related to corruption, fraud, human rights and Business Partner integrity. Ethics training of employees is among the key priorities reported to Yara's Board of Directors.

The Chief Compliance Officer reports administratively to the Executive Vice President of Human Resources and General Counsel, twice annually to the Board of Directors, quarterly to the Board Audit and Sustainability Committee, and monthly or as needed to the CEO on matters relating to ethics and compliance.

Yara has a Compliance Committee, which is chaired by the CEO and attended by the members of Yara's Group Executive Board. The Compliance Committee meets quarterly and acts as a focal point for matters related to ethics and compliance.

The Ethics and Compliance department consists of 16 full time employees, with a corporate team in Oslo supported by a network of Regional Compliance Managers. The Regional Compliance Managers are responsible for implementing Yara's Compliance Program including providing training and giving guidance in their respective regions.

[» Codes, policies, and key processes, p. 85](#)



Yara's Ethics and Compliance Department has organizational responsibility to provide a best-in-class ethics and compliance program.

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# Yara's Compliance Program

The purpose of our Compliance Program is to prevent corruption and human rights abuses and to promote a culture in which these matters are difficult to perpetrate. The program consists of 15 key elements:

1

## Culture and Tone at the Top

Yara's directors and senior management provide strong, explicit, and visible support and commitment to Yara's policies against violations of the anti-corruption laws, internationally recognized human rights regulations, and our Code of Conduct.

2

## Risk management / Periodic Risk-Based Review

Yara's Enterprise Risk Management process identifies, evaluates, and manages risk factors across all areas of the company. The Ethics and Compliance Department maintains a dedicated compliance and human rights risk assessment, which is continuously updated.

» [In detail p. 107](#)

3

## Compliance Organization / Proper Oversight, Independence and Resource

Yara has assigned responsibility to its Chief Compliance Officer for the implementation and oversight of the Compliance Program and codes, policies, and procedures. The Chief Compliance Officer has the authority to report directly to independent monitoring bodies.

4

## Compliance Policies and Procedures

Yara has developed and promoted clearly articulated and visible corporate policies against violations of anti-corruption legislation.

5

## Internal Controls over key compliance areas (finance and accounting)

Yara has a system of financial and accounting procedures, including a system of internal controls, designed to ensure the maintenance of fair and accurate books, records, and accounts in key compliance areas.

6

## Training and Communication

Yara has implemented mechanisms designed to ensure that the Code of Conduct, including all relevant policies and procedures, are effectively communicated to all directors, managers, employees and, where appropriate, Business Partners.

» [In detail p. 107](#)

7

## Compliance Consultation and Guidance

Yara has established an effective system for providing guidance and advice to directors, managers, employees and, where necessary, Business Partners, on complying with the Code of Conduct and related policies and procedures.

8

## Whistleblowing / Internal Reporting

Operating an effective system for reporting concerns is a priority for the Ethics and Compliance Department. The system allows internal and external reporting and includes provisions governing the protection of reporters.

» [In detail p. 107](#)

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### Investigation

Yara has established an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the Code of Conduct. All internal investigations are thorough and credible.

10

### Incentives and Discipline

Yara has implemented mechanisms designed to effectively enforce the Compliance Program, including appropriately incentivizing ethical business conduct and compliance, and disciplining violations.

11

### Business Partner Due Diligence

Yara has instituted risk-based due diligence and compliance requirements on Business Partners. Particular focus is placed on retention and oversight of all agents and intermediaries.

12

### M&A Due Diligence

Yara has developed and implemented policies and procedures for mergers, acquisitions, and related activities. There is a requirement to conduct appropriate risk-based due diligence on potential new business entities, including appropriate anti-corruption and human rights due diligence.

13

### Post-acquisition implementation of Compliance program

Ensuring that our Code of Conduct, policies, and procedures apply as quickly as possible to newly acquired business or entities is a focus for Yara.

14

### Contract Management

Yara includes standard provisions in agreements with Business Partners in order to prevent violations of the Compliance Program and Code of Conduct.

15

### Monitoring and Testing effectiveness of Compliance program implementation

Yara conducts periodic reviews and testing of the Compliance Program, designed to evaluate and improve its effectiveness in preventing and detecting violations of anti-corruption laws, human rights standards, and the Code of Conduct.

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2 Risk Management / Periodic  
Risk-Based Review in detail

Compliance risk assessments are done both as part of the Enterprise Risk Management process and through a specific Ethics and Compliance risk assessment which is performed both regionally and at the corporate level as an integral part of our Compliance Program. It is based upon a number of internal and external sources, including Enterprise Risk Management outcomes, trends in regulatory enforcement and legislation, findings from investigations, ethics survey results, and input from the business units, and Yara's expert organization. The Ethics and Compliance Department's risk assessment contributes to the prioritization of its annual plan of work. Quarterly reviews are conducted to consider new developments and standards.

All of Yara's operations are assessed for risks related to corruption through the Enterprise Risk Management process and the specific Ethics and Compliance risk assessments. Several types of corruption are assessed, including conflicts of interests, bribery, illegal gratuities, economic extortion, and facilitation payments

At a Yara Corporate level, risk of bribery and corruption was confirmed as a key risk in 2020, with some increased exposure due to more frequent interaction with government officials as a result of the Covid-19 pandemic. Mitigating actions were implemented where potential risks were identified.

6 Training and Communication  
in detail

Training and communication are key elements of Yara's Ethics and Compliance Program, which includes:

- The Ethics intranet pages with clear, practical guidance for all Yara employees
- Mandatory Code of Conduct e-learning
- E-learning courses available in 15 languages on several topics of the Code of Conduct, including a mandatory course on competition law
- An interactive, face-to-face training program
- Mandatory Ethics and Compliance introduction as part of the human resources onboarding
- Guidance sheets, newsletters, and manuals on all topics covered by the Code of Conduct are available in several languages

» [Training and awareness, p. 73](#)

8 Whistleblowing / Internal Reporting  
in detail

Employees and business partners are expected to report suspected violations of the Code of Conduct, Yara's policies and procedures, or laws and regulations in our own operations and in our supply chain. For employees, the first point of contact should be the line manager. Alternatively, both employees and external stakeholders may use the Ethics Hotline to report any concerns or grievances. This channel is available in 60 languages, 24 hours a day, 7 days a week. Our website and intranet also feature an option to contact the Ethics and Compliance department directly at [ethics@yara.com](mailto:ethics@yara.com). Yara has an obligation to investigate all reports made, and all notifications will be treated confidentially.

The purpose of Yara's Internal Investigation Procedure is to establish a standardized, structured, and effective process for investigations, one that protects involved parties and ensures a consistent approach to the handling of allegations. Independence and competence are observed when determining the investigative party for the investigation of notifications. Depending on the risk categorization and priority of the notification, the investigative party may include subject matter experts from other support functions or external legal counsel.

» [Business Partner monitoring, p. 73](#)

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# Human rights is embedded in Yara's Compliance Program

Human rights is integrated in our Compliance Program and risk management processes and we are committed to monitoring our potential human rights impacts, to preventing, mitigating, and remediating those we are causing or contributing to, and to seeking to prevent and alleviate impacts we may be linked to. We aim to continuously improve our work in this area.

A global human rights risk assessment is updated annually and ranks the countries where Yara operates in terms of human rights risk exposure. This guides our focus on targeted human rights impact assessments (HRIA), which is an integral part of meeting our due diligence obligations. HRIs are performed by independent external subject matter experts in locations where our operations have the highest impact on human rights, and where our leverage to remedy is considered highest. Findings from HRIs are presented to Executive Management and the Board of Directors. Mitigating actions remain a local management responsibility, and the Ethics and Compliance department monitors implementation and reports on progress.

The Integrity Due Diligence (IDD) process is used for identification of human rights risk exposure in our supply chain. Monitoring risks is done by supplier audits and training on elements from Yara's Code of Conduct for Business Partners. Specific audits are initiated in sectors in which risks have been identified through the IDD process or risk assessments.

» [Code of Conduct, p. 87](#)

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## Evaluation

The effectiveness of the Compliance Program is evaluated annually in the business plan process and an annual maturity assessment of the program is presented to the Board of Directors. Policies and procedures follow the established renewal cycle of three years at a minimum in the Yara Steering System. In 2020, the Integrity Due Diligence procedure was updated in connection with a system upgrade for the processing of IDD's. In addition, an annual review of key policies is performed by Ethics and Compliance and updates made as needed.

An internal Ethics Survey measuring Yara's culture of integrity is conducted every three years and helps guide the focus areas for the Ethics and Compliance department. The previous survey was conducted in November 2018 and the years of 2019 and 2020 were used for targeted follow-up activities. The next Ethics Survey will be conducted in 2021.

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# Mining operations

Premium compound fertilizers are an important segment of our product portfolio. In addition to nitrogen, the two primary nutrients in compound fertilizers are phosphorous (P) and potash (K). Over time, we have sought to increase the vertical integration of P and K. Our mining footprint has consequently grown.

**At year-end 2020, Yara had activities in three mining sites:**

- Siilinjärvi, Finland
- Serra do Salitre, Brazil
- Dallol, Ethiopia (under development)

Of these countries, Ethiopia is currently the only site implementing the Extractive Industries Transparency Initiative (EITI) Standard. In the latest validation from EITI, from 2018, Ethiopia was making ‘meaningful progress’ towards meeting the standard.

Mining-specific topics are not material, per se, at a corporate level for Yara. As we operate mines, it is nevertheless required of us to implement the GRI Mining and Metals Sector Supplement to report in accordance with the GRI Standards. The disclosures in this section were identified as materially important for at least one of the three Yara sites listed above.

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In addition to these three sites, we maintain post-closure activities and environmental control at the Lagamar mining site (Brazil), which was closed for operation in 2018, read more on [p. 28](#).

### Policies and commitments

Yara applies the same set of policies and standards to mining operations and projects as for any other type of operation, as laid out in our Code of Conduct and the other policies. We are committed to complying with all applicable laws, rules, and regulations in the countries where we operate and follow the strictest standards when making decisions, whether they be local or international laws and regulations, or our own standards.

Our mining sites are subject to the same policy implementation, internal audits, training, and awareness-building and other procedures relating to implementation and evaluation of performance, as all operational Yara sites, as described in the How we work chapters. We monitor compliance and assess risks in order to fully adhere to changing and stricter laws and regulations and engage with stakeholders to find new solutions to satisfy their needs. Environmental and Social Impact Assessments (ESIA) are conducted to evaluate the impact that mining operations have on local communities.

We recruit the management and personnel locally, to the extent possible, for all mining operations. The freedom of association and the right to collective bargaining applies to all our operations, including mining. We value our good relationships with employees and their organizations and consult them on a regular basis.

Generic closure plans are in place for all operational mines as part of their operational permits. To mitigate any negative impact on local communities, we refine the closure plans for mines where closure is pending.

### Responsibilities and resources

The EVP Global Plants & Operational Excellence unit has the overall responsibility for the Mining unit, which acts as the center of excellence for mining in Yara. The objective is to drive sustainable mining, to focus on safety, environment, and cost through operational and capital efficiency, and to contribute to the long-term security of mineral supply to Yara's production facilities and markets. Operation of the mines are managed through the respective regional units.

Yara Dallol B.V ("Yara Dallol") is a joint venture with Yara being the majority shareholder and chairing the joint venture board. The JV follows Yara standards for HESQ and Ethics and Compliance.



Yara applies the same set of policies and standards to mining operations and projects as for any other type of operation.

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	Yara Siilinjärvi	Yara Brazil, Salitre	Yara Dallol, Ethiopia
<b>201-1:</b> Payments to local communities for land use (additional disclosure requirement)	NA	NA	NA in current phase
<b>202-2:</b> Proportion of senior management hired from the local community	All Yara sites use local (domestic) management staff to the extent possible	All Yara sites use local (domestic) management staff to the extent possible	All Yara sites use local (domestic) management staff to the extent possible
<b>MM1:</b> Land disturbed or rehabilitated in the mining activities	See Biodiversity, <a href="#">p. 66</a>	See Biodiversity, <a href="#">p. 66</a>	NA in current phase
<b>MM2:</b> Sites requiring biodiversity management plan	See Biodiversity, <a href="#">p. 66</a>	See Biodiversity, <a href="#">p. 66</a>	NA in current phase
<b>MM3:</b> Overburden, rock, tailings and sludges from the mining	See Waste, <a href="#">p. 65</a>	See Waste, <a href="#">p. 65</a>	NA in current phase
<b>MM4:</b> Number of strikes and lockouts exceeding one week's duration	No strikes or lock-outs exceeding one week's duration	No strikes or lock-outs exceeding one week's duration	No strikes or lock-outs exceeding one week's duration
<b>MM5:</b> Number of operations in or adjacent to indigenous peoples' territories, percentage of operations with formal agreements with indigenous peoples' communities	NA	NA	Central requirement identified as part of ESIA
<b>MM6:</b> Significant disputes relating to land use, customary rights of local communities and indigenous peoples	No significant disputes	No significant disputes	No significant disputes
<b>MM7:</b> Grievance mechanisms used to resolve issues under MM6	No significant disputes	No significant disputes	No significant disputes
<b>MM10:</b> Number and percentage of operations with closure plans	Generic closure plans are in place for all operational mines as part of their operational permits	Generic closure plans are in place for all operational mines as part of their operational permits	NA in current phase
<b>304</b> Biodiversity	See Biodiversity, <a href="#">p. 66</a>	See Biodiversity, <a href="#">p. 66</a>	NA in current phase
<b>305</b> Emissions	See Emissions, <a href="#">p. 66</a>	See Emissions, <a href="#">p. 66</a>	NA in current phase
<b>306</b> Waste	See Waste, <a href="#">p. 65</a>	See Waste, <a href="#">p. 65</a>	NA in current phase

## Local communities

### Serra do Salitre, Brazil

In Brazil, Yara opened a phosphate mine in Serra do Salitre, Minas Gerais. Construction of chemical factories to convert the phosphate to fertilizers is ongoing. Covering 2,900 hectares, the project provides 3,500 jobs during construction and 1,200 jobs during operation (direct and contractors).

### Mining project in Ethiopia

In Dallol, Ethiopia, there is a contingent of Yara Dallol BV direct employees and contractor employees who may be affected. Currently 26 workers are involved in care and maintenance work and social development programs preparing for future construction.

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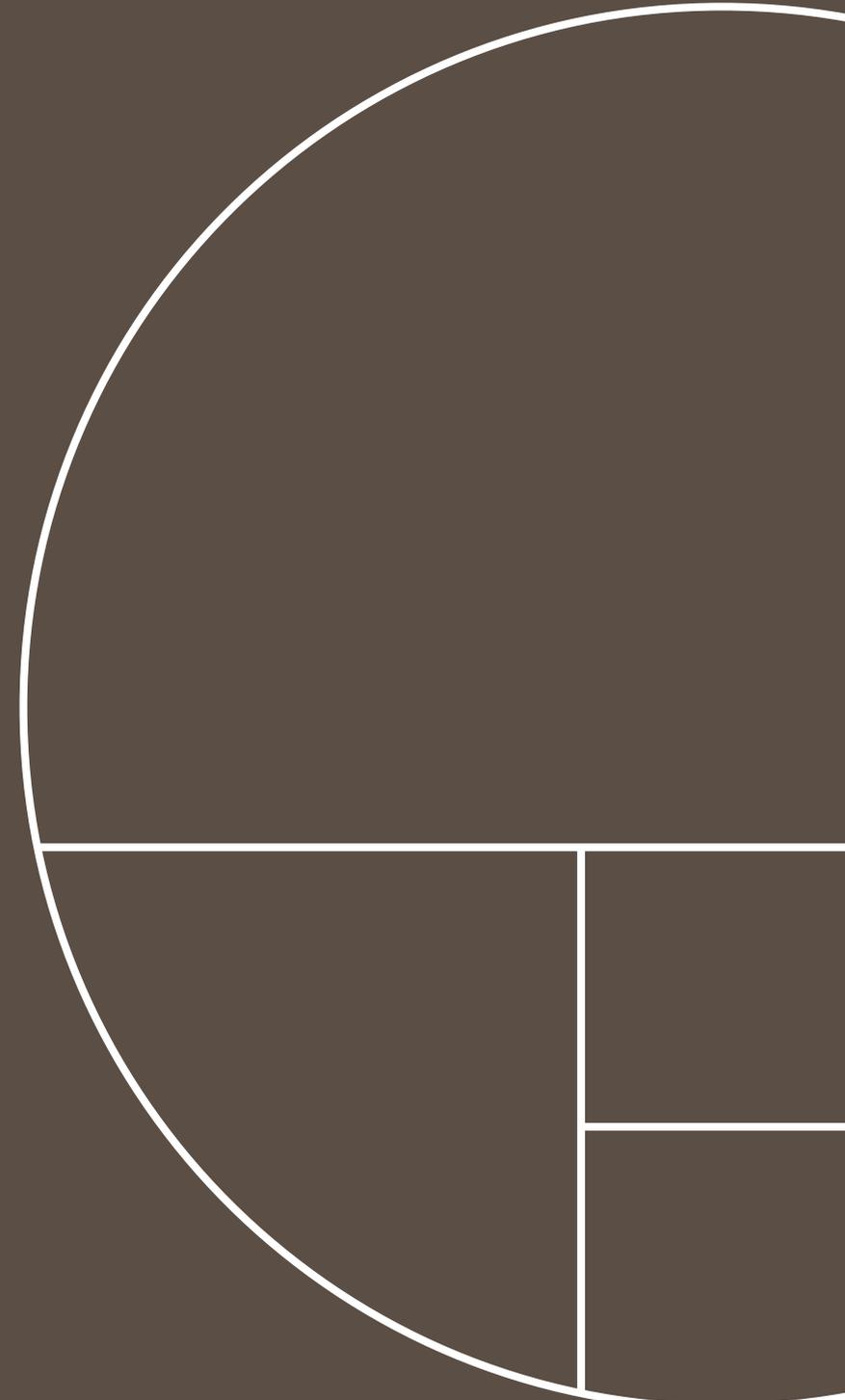
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# How we report

Our mission at Yara is to responsibly feed the world and protect the planet. This guiding principle is inspired, in part, by the UN Sustainable Development Goals and the Paris Agreement.

We are committed to implementing the World Economic Forum's Measuring Stakeholder Capitalism initiative, which informs our disclosures around the People, Planet, and Prosperity pillars.



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# Report scope and details

This report has been prepared in accordance with the GRI Standards: Core option. The table below describes how our material topics relate to the topics defined in the GRI Standards reporting framework. Colored cells indicate the boundaries for our reporting on the material topics. Mining-specific topics are not material per se at a Yara Corporate level, but are a requirement for reporting in accordance with the GRI Standards as Yara operates mines.

	Yara material topics	Input	Production	Distribution	Application	Output	GRI topics
Megatrends	Circular economy						301 Materials
	Climate change						305 Emissions, 302 Energy
	Soil degradation						201 Economic performance
	Water stress						305 Emissions, 303 Water and effluents
	Dietary shifts						201 Economic performance
	Food industry integration						201 Economic performance
	Digitalization						201 Economic performance 404 Training and education
License to operate	Ethics and compliance						201 Economic performance, 205 Anti-corruption, 206 Anti-competitive behavior, 410 Security practices, 412 Human rights assessment
	Environmental performance						302 Energy, 303 Water and effluents, 304 Biodiversity, 305 Emissions, 306 Waste, 307 Environmental compliance, 413 Local communities
	Health and safety						403 Occupational health and safety
	Product stewardship						416 Customer health and safety, 417 Marketing and labelling
	Mining related						MM Local communities, MM Closure planning, MM Labor management, 411 Indigenous rights, 413 Local communities, 201 Economic performance, 202 Market presence
Key value drivers	Nitrogen fertilizer prices						201 Economic performance
	Natural gas prices						201 Economic performance
	Availability of raw materials						201 Economic performance, 301 Materials, 308 Supplier environmental assessment, 414 Supplier social assessment
	Food prices						201 Economic performance, 203 Indirect economic impacts
	Regulatory changes						205 Anti-corruption, 206 Anti-competitive behavior, 302 Energy, 305 Emissions, 307 Environmental compliance, 415 Public policy, 419 Socioeconomic compliance
	Covid-19 (new in 2020)						201 Economic performance, 403 Occupational health and safety
Capabilities and position	Production reliability						305 Emissions, 201 Economic performance
	Knowledge margin						404 Training and education, 405 Diversity and equal opportunity
	Human capital						202 Market presence, 401 Employment, 404 Training and education, 405 Diversity and equal opportunity, 406 Non-discrimination, 407 Freedom of association and collective bargaining, 408 Child labor, 409 Forced or compulsory labor
	Connection to farmers (new in 2020)						201 Economic performance, 404 Training and education
	Global scale and presence						201 Economic performance, 413 Local communities
	Infrastructure and logistics						201 Economic performance, 413 Local communities
	The Yara Brand						201 Economic performance

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## Changes in reporting

At the CEO level, Yara has committed to implementing the Measuring Stakeholder Capitalism white paper in our reporting. Published by World Economic Forum in September 2020, the white paper was developed on basis of the Davos Manifesto 2020, a declaration on the universal purpose of companies. The process was supported by the International Business Council (IBC) of which Yara's CEO is a member.

The operating context of businesses is being transformed by climate change, nature loss, social unrest, Covid-19, and changing expectations of the role of corporations. Our orientation toward the Measuring Stakeholder Capitalism white paper is a response to this. The manifesto and white paper aim to better align shareholder returns, companies' roles in fulfilling human and societal needs, as well as biosphere protection.

We have already made two significant changes in our performance management and governance structure. Firstly, we have structured our corporate KPIs along the three dimensions People, Planet and Prosperity, as prescribed in the white paper. For the full overview of our corporate KPIs, see [p. 19](#). Secondly, we have updated the incentives structure for the Group Executive Board. The People and the Planet related indicators now weigh 25% each, while the prosperity indicators weigh 50%. For a full disclosure of the incentives program, note 8.2 in the Financial Statements in Yara's Integrated Report 2020.

Inspired by the Stakeholder Capitalism concept, we have also restructured our Sustainability Report to improve navigation and clarity. This change in structure has not materially impacted the scope and boundaries of the report, and Yara still reports in accordance with the GRI Standards Core option.

Restatements include adjustments in 2018 and previous scope 2 and 3 GHG emissions and phosphorous discharges, and have been noted where the data are presented.



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# Report boundaries

Consolidated data within this report covers the reporting year 2020, and reporting boundaries mainly reflect IFRS accounting principles, unless otherwise noted. For a full account of entities included in Yara's consolidated financial statements, please refer to the [Yara Integrated Report 2020, note 8.4](#).

Readers should take note of the following changes and limitations to the scope and boundaries of the reporting:

- Environmental performance data covers Yara's major chemical production and mining sites.
- Joint ventures are included where Yara is in operational control. For the 2020 report this includes Yara's joint ventures in Trinidad and Pilbara, Australia.
- Labor indicators cover Yara sites with five employees or more, with the exception of cases filed through Ethics and Compliance, which cover the entire organization.
- Yara's fully-owned ammonia site in Trinidad closed operations in December 2019, which will impact the comparability between 2019 and 2020 for production-related figures.
- Yara has sold its shares in the two Equity-accounted investees Lifeco and Qafco. The only indicator impacted is the headcount figure, which previously was provided for Lifeco separate to Yara total headcount.
- Clean ammonia is a new unit, effective 9 February 2021 and consequently not reported as a separate entity in the 2020 reporting.

Yara uses SI units in its reporting; tonnes refer to metric tons.

Company / plant	Operational control	Covered by HESQ Policy	Covered by Code of Conduct	Reported in Labor performance	Reported in E&C performance	Reported in HESQ performance	Type of ownership
Hull	No	No	No	No	No	No	Wholly owned subsidiary
Freeport	No	No	No	No	No	No	Joint operation
Pilbara Nitrates (TAN)	Yes	Yes	Yes	Yes	Yes	Yes	Joint operation
Tringen	Yes	Yes	Yes	Yes	Yes	Yes	Joint operation
Lifeco	No	No	No	No	No	No	Equity-accounted investee <sup>1)</sup>
Qafco	No	No	No	No	No	No	Equity-accounted investee <sup>2)</sup>
Dallol	Yes	Yes	Yes	Yes	Yes	No	Subsidiary, 51.8% ownership <sup>3)</sup>

1) Yara has entered into an agreement with Libya's National Oil Corporation ("NOC") and the Libyan Investment Authority ("LIA") on 31 December 2020 to divest its full ownership interest in the Libyan Norwegian Fertiliser Company ("LIFECO"). In 2015, Yara made an impairment write-down of its investment in Lifeco.  
 2) In March 2020, Yara signed a Share Purchase Agreement with Qatar Petroleum (QP) to sell its 25% share in Qatar Fertiliser Company (QAFCO).  
 3) For TRI figures, Dallol is included. As the site is not operational, other HESQ data are not collected. More information is available in the Mining management section of the report.

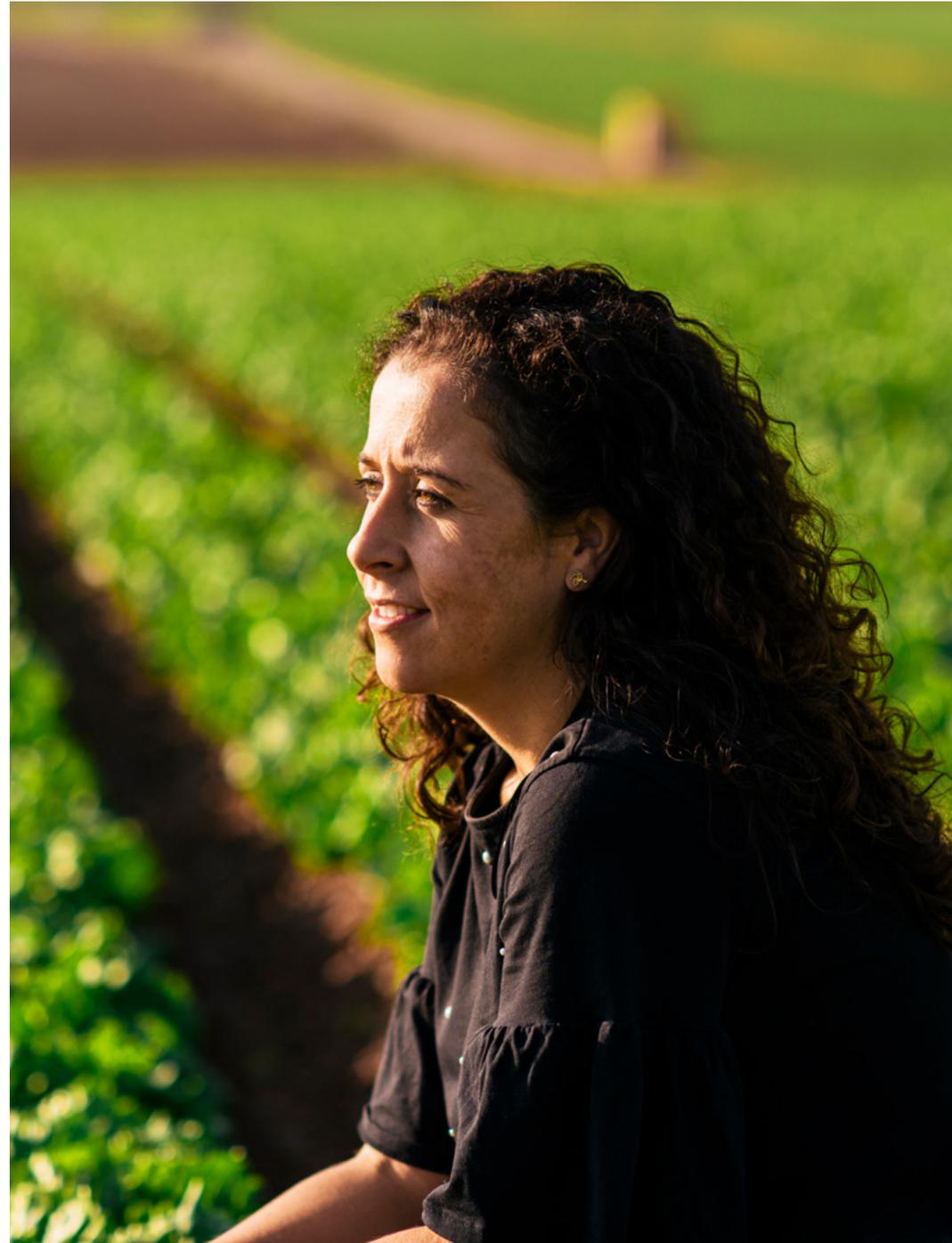
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## External assurance

Yara has decided to seek external assurance of its reporting to the GRI reporting framework. A third party, Deloitte AS, has conducted a review in accordance with attestation standard ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information established by the International Auditing and Assurance Standards Board. This provides a limited level of assurance on the Yara Sustainability Report 2020. Linked to Yara's establishment of carbon intensity as a corporate KPI on the company scorecard, and the complexity of the energy and GHG reporting, for the second consecutive year, Yara has chosen to obtain a reasonable level of assurance on GHG and energy reporting analogously.

Deloitte is independent from Yara. Deloitte also audits Yara's financial records. The external assurance is presented to Yara's management team and overseen by the Board Audit and Sustainability Committee. The auditor's report is presented in the next section of this report.

### Contact point

Any queries about Yara's sustainability governance or performance can be directed to:

**Anette Brøto Nereng**  
Senior Sustainability Manager  
Sustainability Governance, Corporate Finance

[anette.broto.nereng@yara.com](mailto:anette.broto.nereng@yara.com)

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# Auditor's report



To the management of Yara International ASA

## INDEPENDENT AUDITOR'S ASSURANCE REPORT ON YARA'S SUSTAINABILITY REPORT FOR 2020

We have been engaged by the management of Yara International ASA to provide independent assurance in respect of Yara Sustainability Report 2020 ("the Report") presented on [www.yara.com](http://www.yara.com). Our responsibility is to provide:

- Reasonable level of assurance on Yara's corporate indicator on greenhouse gas (GHG) emissions intensity, measured in tonne CO<sub>2</sub> equivalents per tonne N in Yara's products, presented on [page 53](#) in Yara Sustainability Report 2020.
- Limited level of assurance on other subject matters concluded on below.

### *Management's responsibilities*

The management of Yara International is responsible for the preparation and presentation of the Report prepared in accordance with the reporting criteria described in the Report, including the GRI Standards, level Core, and criteria for Yara's corporate indicator on greenhouse gas (GHG) emissions intensity, as described in the Report. The management is also responsible for establishing such internal controls that they determine are necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibilities*

Our responsibility is to express a reasonable assurance conclusion on the preparation and the presentation of Yara's corporate indicator on greenhouse gas (GHG) emissions intensity and a limited assurance conclusion on Yara's preparation and presentation of the Report.

### **Deloitte AS**

Dronning Eufemias gate 14  
Postboks 221 Sentrum  
NO-0103 Oslo, Norway

Tel: +47 23 27 90 00  
[www.deloitte.no](http://www.deloitte.no)

We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

Deloitte AS is subject to International Standard on Quality Control 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### **Reasonable assurance on Yara's corporate greenhouse gas (GHG) emissions intensity indicator**

The control procedures selected in our reasonable assurance engagement depend on our judgement, including the assessment of risk of material misstatement of the indicator, whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the indicator in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Yara's internal control over the preparation and presentation of the indicator.

Our engagement includes assessing the appropriateness of the indicator and the suitability of the criteria used by Yara in preparing the indicator.

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Specific procedures for the reasonable assurance on the indicator included, but are not limited to:

- Inquiries and interviews with relevant staff at corporate and business area level responsible for collecting and consolidating the information used for the preparation of the corporate GHG emissions intensity indicator, to understand and evaluate the design and implementation of the systems and methods used to collect and consolidate the data.
- Virtual site visits at two production sites to review and validate source data and the design and implementation of the systems and methods used to collect and consolidate the data at local level.
- A review of collected source data for energy consumption and GHG emissions from a selection of 9 production sites covering about 75 percent of the Scopes 1 and 2 of GHG emissions from the Yara sites to test consistency with data reported to Yara corporate.
- Analytical review of data trends and developments.
- Testing of calculations done by Yara to prepare the GHG intensity indicator.

*Reasonable assurance conclusion*

In our opinion, Yara's corporate indicator on greenhouse gas (GHG) emissions intensity, is in all material respects prepared and presented in accordance with the GRI Standards; Core option and the specific criteria described for this indicator in the Report.

**Limited assurance on the Report**

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Considering the risk of material misstatement, our work included analytical procedures, inquiries and interviews with management and individuals responsible for the preparation of the Report and for sustainability management at corporate level, as well as a review on a sample basis of evidence supporting the information in the Report. Our work did not include procedures to test management assertions about the effectiveness and completeness of Yara's management systems and processes.

We believe that our work provides an appropriate basis for us to provide a conclusion with a limited level of assurance on the subject matters.

*Limited assurance conclusion*

Based on our work, nothing has come to our attention causing us not to believe that:

- Yara has applied procedures to identify, collect, compile and validate information for 2020 to be included in the Report, as described in the Report.
- Information presented for 2020 is consistent with data accumulated as a result of these procedures and appropriately presented in the Report.
- Yara has applied a reporting practice for its GRI report aligned with the Global Reporting Initiative (GRI) Standards' reporting principles.
- The Report fulfils the GRI Standards; Core option and appropriately provides information, or refers to information, on each of the reported disclosures of the GRI Standards.

Oslo, 25 March 2021  
Deloitte AS

Aase Aa. Lundgaard  
State Authorised Public Accountant (Norway)

Frank Dahl  
Sustainability expert

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# Content indices

The following indices provide readers with guidance on how Yara has applied the GRI Standards, and how our reporting corresponds with indicators from Sustainalytics and MSCI.

The indices list indicators from each of these frameworks and point to where the information can be found in:

**SR:** Yara Sustainability Report 2020

**IR:** [Yara Integrated Report 2020](#)

To learn how we cover TCFD reporting, the EU Guidelines on reporting climate-related information, and the WEF Stakeholder Capitalism reporting framework, please refer to our Integrated Report, p. 72.



## GRI Content Index

The GRI Content Index shows where we respond to each of the relevant indicators in the GRI Standards reporting framework.

Disclosure number	Disclosure title	Yara response 2020
<b>GRI 102: GENERAL DISCLOSURES 2016</b>		
<b>Organizational profile</b>		
102-1	Name of the organization	Yara International ASA
102-2	Activities, brands, products, and services	SR <a href="#">4</a> , <a href="#">15</a>
102-3	Location of headquarters	Oslo, Norway
102-4	Location of operations	SR <a href="#">5</a>
102-5	Ownership and legal form	IR 70-71
102-6	Markets served	SR <a href="#">5</a> , IR 126-132
102-7	Scale of the organization	SR <a href="#">5</a> , IR 126-132
102-8	Information on employees and other workers	SR <a href="#">48</a>
102-9	Supply chain	SR <a href="#">15</a> , <a href="#">58-59</a>
102-10	Significant changes to the organization and its supply chain	IR 200
102-11	Precautionary Principle or approach	SR <a href="#">90-91</a>
102-12	External initiatives	SR <a href="#">23-26</a>
102-13	Membership of associations	SR <a href="#">23</a>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	SR <a href="#">8-10</a>
102-15	Key impacts, risks, and opportunities	SR <a href="#">12-14</a> , IR 46-47, 53-54, 66-68
<b>Ethics and integrity</b>		
102-16	Values, principles, standards, and norms of behavior	SR <a href="#">85-89</a>
102-17	Mechanisms for advice and concerns about ethics	SR <a href="#">105-107</a>

Disclosure number	Disclosure title	Yara response 2020
<b>Governance</b>		
102-18	Governance structure	SR <a href="#">82-84</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	SR <a href="#">82-84</a> , IR 81-83
102-21	Consulting stakeholders on economic, environmental, and social topics	SR <a href="#">82-84</a> , <a href="#">86</a>
102-22	Composition of the highest governance body and its committees	SR <a href="#">82-84</a> , IR 94-98
102-23	Chair of the highest governance body	SR <a href="#">82-83</a> , IR 81
102-24	Nominating and selecting the highest governance body	SR <a href="#">82-83</a> , IR 80
102-26	Role of highest governance body in setting purpose, values, and strategy	SR <a href="#">82-83</a>
102-28	Evaluating the highest governance body's performance	IR 82
102-29	Identifying and managing economic, environmental, and social impacts	SR <a href="#">83</a>
102-31	Review of economic, environmental, and social topics	IR 82-83
102-35	Remuneration policies	IR 84-88
102-36	Process for determining remuneration	IR 84-88
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	SR <a href="#">22</a>
102-41	Collective bargaining agreements	SR <a href="#">41</a>
102-42	Identifying and selecting stakeholders	SR <a href="#">22</a> , <a href="#">86</a>
102-43	Approach to stakeholder engagement	SR <a href="#">22-26</a> , <a href="#">86</a>
102-44	Key topics and concerns raised	SR <a href="#">27-28</a>

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Disclosure number	Disclosure title	Yara response 2020
<b>GRI 102: GENERAL DISCLOSURES 2016</b>		
<b>Reporting practice</b>		
102-45	Entities included in the consolidated financial statements	IR 210-212
102-46	Defining report content and topic Boundaries	SR <a href="#">29-30</a> , <a href="#">114</a>
102-47	List of material topics	SR <a href="#">29-31</a>
102-48	Restatements of information	SR <a href="#">115</a>
102-49	Changes in reporting	SR <a href="#">115</a>
102-50	Reporting period	2020
102-51	Date of most recent report	March 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	SR <a href="#">117</a>
102-54	Claims of reporting in accordance with the GRI Standards	SR <a href="#">114</a>
102-55	GRI content index	SR <a href="#">121-125</a>
102-56	External assurance	SR <a href="#">117-119</a>

Disclosure number	Disclosure title	Yara response 2020
<b>ECONOMIC</b>		
<b>GRI 201: Economic performance 2016</b>		
103-1/2/3	Management approach	SR <a href="#">70-71</a> , IR 83-84
201-1	Direct economic value generated and distributed	SR <a href="#">69</a>
201-2	Financial implications and other risks and opportunities due to climate change	SR <a href="#">12-13</a> , IR 53-54, 72-73
201-3	Defined benefit plan obligations and other retirement plans	IR 171-177
<b>GRI 202: Market presence 2016</b>		
103-1/2/3	Management approach	SR <a href="#">110-112</a>
202-2	Proportion of senior management hired from the local community	SR <a href="#">112</a>
<b>GRI 203: Indirect economic impacts 2016</b>		
103-1/2/3	Management approach	SR <a href="#">70-71</a>
203-2	Significant indirect economic impacts	SR <a href="#">70-71</a>
<b>GRI 205: Anti-corruption 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72-73</a> , <a href="#">87-89</a> , <a href="#">104-109</a>
205-1	Operations assessed for risks related to corruption	SR <a href="#">87-88</a> , <a href="#">107</a>
205-2	Communication and training about anti-corruption policies and procedures	SR <a href="#">72-73</a>
205-3	Confirmed incidents of corruption and actions taken	SR <a href="#">73</a>
<b>GRI 206: Anti-competitive behaviour 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72-73</a> , <a href="#">75</a> , <a href="#">87-89</a> , <a href="#">104-109</a>
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	IR 178-181
<b>GRI 207: Tax 2019</b>		
103-1/2/3	Management approach	SR <a href="#">71</a>
207-1	Approach to tax	SR <a href="#">71</a>
207-2	Tax governance, control, and risk management	SR <a href="#">71</a>
207-3	Stakeholder engagement and management of concerns related to tax	SR <a href="#">71</a>
207-4	Country-by-country reporting	SR <a href="#">71</a>

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<b>ENVIRONMENT</b>		
<b>GRI 301: Materials 2016</b>		
103-1/2/3	Management approach	SR <a href="#">58</a> , <a href="#">90-97</a>
301-1	Materials used by weight or volume	SR <a href="#">58-59</a>
301-2	Recycled input materials used	SR <a href="#">59-60</a>
<b>GRI 302: Energy 2016</b>		
103-1/2/3	Management approach	SR <a href="#">53</a> , <a href="#">90-97</a>
302-1	Energy consumption within the organization	SR <a href="#">54</a> , <a href="#">57</a>
302-3	Energy intensity	SR <a href="#">54</a> , <a href="#">57</a>
<b>GRI 303: Water and effluents 2018</b>		
103-1/2/3	Management approach	SR <a href="#">61</a> , <a href="#">90-97</a>
303-1	Interactions with water as a shared resource	SR <a href="#">61-63</a>
303-2	Management of water discharge-related impacts	SR <a href="#">61-63</a>
303-3	Water withdrawal	SR <a href="#">61-62</a>
303-4	Water discharge	SR <a href="#">62-63</a>
303-5	Water consumption	SR <a href="#">61-62</a>
<b>GRI 304: Biodiversity 2016</b>		
103-1/2/3	Management approach	SR <a href="#">66</a> , <a href="#">90-97</a>
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR <a href="#">66</a>
304-2	Significant impacts of activities, products, and services on biodiversity	SR <a href="#">66</a>
304-3	Habitats protected or restored	SR <a href="#">66</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR <a href="#">66</a>
MM1	Land disturbed or rehabilitated in the mining activities	SR <a href="#">66</a>
MM2	Sites requiring biodiversity management plan	SR <a href="#">66</a>

Disclosure number	Disclosure title	Yara response 2020
<b>GRI 305: Emissions 2016</b>		
103-1/2/3	Management approach	SR <a href="#">53</a> , <a href="#">64</a> , <a href="#">90-97</a>
305-1	Direct (Scope 1) GHG emissions	SR <a href="#">54-56</a>
305-2	Energy indirect (Scope 2) GHG emissions	SR <a href="#">54-56</a>
305-3	Other indirect (Scope 3) GHG emissions	SR <a href="#">55-56</a>
305-4	GHG emissions intensity	SR <a href="#">53</a> , <a href="#">55</a>
305-5	Reduction of GHG emissions	SR <a href="#">55-57</a>
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	SR <a href="#">66</a>
<b>GRI 306: Waste 2020</b>		
103-1/2/3	Management approach	SR <a href="#">64-65</a> , <a href="#">90-97</a>
306-1	Waste generation and significant waste-related impacts	SR <a href="#">65</a>
306-2	Management of significant waste-related impacts	SR <a href="#">59-60</a> , <a href="#">65</a>
306-3	Waste generated	SR <a href="#">65</a>
306-4	Waste diverted from disposal	SR <a href="#">65</a>
306-5	Waste directed to disposal	SR <a href="#">65</a>
MM3	Overburden, rock, tailings and sludges from the mining	SR <a href="#">65</a>
<b>GRI 307: Environmental compliance 2016</b>		
103-1/2/3	Management approach	SR <a href="#">94</a>
307-1	Non-compliance with environmental laws and regulations	SR <a href="#">27</a> , <a href="#">64</a>
<b>GRI 308: Supplier environmental assessment 2016</b>		
103-1/2/3	Management approach	SR <a href="#">64</a> , <a href="#">87-88</a> , <a href="#">90-97</a>
308-1	New suppliers that were screened using environmental criteria	SR <a href="#">64</a> , <a href="#">87-88</a>
308-2	Negative environmental impacts in the supply chain and actions taken	SR <a href="#">64</a>

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Disclosure number	Disclosure title	Yara response 2020
<b>SOCIAL</b>		
<b>GRI 401: Employment 2016</b>		
103-1/2/3	Management approach	SR <a href="#">42</a> , <a href="#">98-103</a>
401-1	New employee hires and employee turnover	SR <a href="#">49</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR <a href="#">45</a>
401-3	Parental leave	SR <a href="#">45</a>
<b>GRI 402: Labor/management relations 2016</b>		
103-1/2/3	Management approach	SR <a href="#">110-112</a>
MM4	Number of strikes and lock-outs exceeding one week's duration, by country	SR <a href="#">112</a>
<b>GRI 403: Occupational health and safety 2018</b>		
103-1/2/3	Management approach	SR <a href="#">38</a> , <a href="#">90-97</a>
403-1	Occupational health and safety management system	SR <a href="#">92</a>
403-2	Hazard identification, risk assessment, and incident investigation	SR <a href="#">96</a>
403-3	Occupational health services	SR <a href="#">92</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	SR <a href="#">91</a>
403-5	Worker training on occupational health and safety	SR <a href="#">96</a>
403-6	Promotion of worker health	SR <a href="#">92</a> , <a href="#">102</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR <a href="#">92</a>
403-8	Workers covered by an occupational health and safety management system	SR <a href="#">91-92</a>
403-9	Work-related injuries	SR <a href="#">38-39</a>

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<b>GRI 404: Training and education 2016</b>		
103-1/2/3	Management approach	SR <a href="#">46</a> , <a href="#">98-103</a>
404-1	Average hours of training per year per employee	SR <a href="#">47</a>
404-2	Programs for upgrading employee skills and transition assistance programs	SR <a href="#">47</a>
404-3	Percentage of employees receiving regular performance and career development reviews	SR <a href="#">46</a>
<b>GRI 405: Diversity and equal opportunity 2016</b>		
103-1/2/3	Management approach	SR <a href="#">42</a> , <a href="#">98-103</a>
405-1	Diversity of governance bodies and employees	SR <a href="#">42-44</a>
405-2	Ratio of basic salary and remuneration of women to men	SR <a href="#">44</a>
<b>GRI 406: Non-discrimination 2016</b>		
103-1/2/3	Management approach	SR <a href="#">42</a> , <a href="#">87</a> , <a href="#">98-103</a> , <a href="#">104-109</a>
406-1	Incidents of discrimination and corrective actions taken	SR <a href="#">44</a>
<b>GRI 407: Freedom of association and collective bargaining 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72</a> , <a href="#">87</a> , <a href="#">104-109</a>
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR <a href="#">74</a>
<b>GRI 408: Child labor 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72</a> , <a href="#">87</a> , <a href="#">104-109</a>
408-1	Operations and suppliers at significant risk for incidents of child labor	SR <a href="#">74</a>
<b>GRI 409: Forced or compulsory labor 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72</a> , <a href="#">87</a> , <a href="#">104-109</a>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR <a href="#">74</a>

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<b>GRI 410: Security practices 2016</b>		
103-1/2/3	Management approach	SR <a href="#">90-97</a>
410-1	Security personnel trained in human rights policies or procedures	SR <a href="#">95-96</a>
<b>GRI 411: Rights of indigenous peoples 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72, 87, 104-109</a>
411-1	Incidents of violations involving rights of indigenous peoples	SR <a href="#">74</a>
MM5	Operations taking place in or adjacent to Indigenous peoples' territories, and operations or sites where there are formal agreements with Indigenous peoples' communities	SR <a href="#">112</a>
<b>GRI 412: Human rights assessment 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72, 87-89, 104-109</a>
412-1	Operations that have been subject to human rights reviews or impact assessments	SR <a href="#">73-74</a>
412-2	Employee training on human rights policies or procedures	SR <a href="#">73</a>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR <a href="#">88</a>
<b>GRI 413: Local communities 2016</b>		
103-1/2/3	Management approach	SR <a href="#">110-112</a>
413-2	Operations with significant actual and potential negative impacts on local communities	SR <a href="#">27-28, 112</a>
MM6	Significant disputes relating to land use, customary rights of local communities and Indigenous peoples	SR <a href="#">112</a>
MM7	Use of grievance mechanisms to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples, and the outcomes	SR <a href="#">112</a>
MM10	Number and percentage of operations with closure plans	SR <a href="#">112</a>

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<b>GRI 414: Supplier social assessment 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72, 87-89, 104-109</a>
414-1	New suppliers that were screened using social criteria	SR <a href="#">87-88</a>
414-2	Negative social impacts in the supply chain and actions taken	SR <a href="#">74</a>
<b>GRI 415: Public policy 2016</b>		
103-1/2/3	Management approach	SR <a href="#">75, 104-109</a>
415-1	Political contributions	SR <a href="#">75</a>
<b>GRI 416: Customer health and safety 2016</b>		
103-1/2/3	Management approach	SR <a href="#">90-97</a>
416-1	Assessment of the health and safety impacts of product and service categories	SR <a href="#">94</a>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR <a href="#">94</a>
<b>GRI 417: Marketing and labeling 2016</b>		
103-1/2/3	Management approach	SR <a href="#">90-97</a>
417-1	Requirements for product and service information and labeling	SR <a href="#">95</a>
417-2	Incidents of non-compliance concerning product and service information and labeling	SR <a href="#">95</a>
<b>GRI 419: Socioeconomic compliance 2016</b>		
103-1/2/3	Management approach	SR <a href="#">72, 87-89, 104-109</a>
419-1	Non-compliance with laws and regulations in the social and economic area	SR <a href="#">75</a>

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## Sustainalytics references

Yara targets a Medium Risk category rating by 2025 from Sustainalytics, a leader in ESG and Corporate Governance research and ratings. See our current rating in Ratings and Awards, [p. 76](#). The table below shows where we cover Sustainalytics indicators. The corporate governance specific indicators are covered in the Integrated Report from [p. 77](#).

	PERFORMANCE	GOVERNANCE
Indicator name	How we perform	How we work
Activities in Sensitive Countries	SR <a href="#">72-75</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
Animal Testing Policy	-	-
Animal Testing Programme	-	-
Bribery & Corruption Policy	SR <a href="#">72-75</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
Carbon Intensity	SR <a href="#">53-57</a> , <a href="#">67</a> , IR 14-15	SR <a href="#">11</a> , <a href="#">16-21</a> , <a href="#">32-33</a> , <a href="#">85-97</a> , IR 28, 49
Carbon Intensity Trend	SR <a href="#">53-57</a> , <a href="#">67</a> , IR 14-15	SR <a href="#">11</a> , <a href="#">16-21</a> , <a href="#">32-33</a> , <a href="#">85-97</a> , IR 28, 49
Collective Bargaining Agreements	SR <a href="#">40-41</a> , <a href="#">74</a>	SR <a href="#">87</a>
Community Involvement Programmes	SR <a href="#">21-28</a> , <a href="#">79-80</a>	SR <a href="#">86</a> , <a href="#">111</a>
Contractor Fatalities	SR <a href="#">38-39</a>	SR <a href="#">85-88</a> , <a href="#">90-97</a>
Contractor Safety Programme	SR <a href="#">38-39</a>	SR <a href="#">85-88</a> , <a href="#">90-97</a>
Discrimination Policy	SR <a href="#">42-45</a>	SR <a href="#">85-89</a> , <a href="#">98-109</a>
Diversity Programmes	SR <a href="#">42-45</a>	SR <a href="#">85-89</a> , <a href="#">98-103</a>
Effluent Management	SR <a href="#">61-63</a>	SR <a href="#">87-89</a> , <a href="#">90-97</a>
Emergency Response Programme	SR <a href="#">64</a>	SR <a href="#">87-89</a> , <a href="#">90-97</a>
Employee Fatality Rate	SR <a href="#">38-39</a>	SR <a href="#">87-89</a> , <a href="#">90-97</a>
Employee Turnover Rate	SR <a href="#">49</a>	SR <a href="#">98-103</a>
EMS Certification	SR <a href="#">53-57</a> , <a href="#">92</a>	SR <a href="#">90-97</a>
Environmental Management System	SR <a href="#">53-57</a> , <a href="#">92</a>	SR <a href="#">90-97</a>

	PERFORMANCE	GOVERNANCE
Indicator name	How we perform	How we work
Environmental Policy	SR <a href="#">53-67</a>	SR <a href="#">85-89</a> , <a href="#">90-97</a>
ESG Governance		SR <a href="#">82-84</a> , IR 75-108
ESG Performance Targets		SR <a href="#">19</a>
ESG Reporting Standards		SR <a href="#">114-117</a> , IR 72-74
Event indicator		SR <a href="#">27-28</a>
Freedom of Association Policy	SR <a href="#">40-41</a> , <a href="#">74</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
Gender Pay Disclosure	SR <a href="#">42-45</a>	SR <a href="#">85-89</a> , <a href="#">98-103</a>
Gender Pay Equality Programme	SR <a href="#">42-45</a>	SR <a href="#">85-89</a> , <a href="#">98-103</a>
GHG Reduction Programme	SR <a href="#">53-57</a> , <a href="#">67</a> , IR 14-15	SR <a href="#">11</a> , <a href="#">16-21</a> , <a href="#">32-33</a> , <a href="#">85-97</a> , IR 28, 49
GHG Risk Management	SR <a href="#">53-57</a> , <a href="#">67</a>	SR <a href="#">12-13</a> , <a href="#">16-21</a> , <a href="#">85-97</a> , IR 53-54, 72-74, 108
Global Compact Signatory		SR <a href="#">23</a>
Green Logistics Programmes		SR <a href="#">16-19</a> , <a href="#">93</a> , IR 28
Green Procurement Policy		SR <a href="#">87-89</a>
Hazardous Products		SR <a href="#">90-97</a>
Hazardous Waste Management	SR <a href="#">64-66</a>	SR <a href="#">90-97</a>
Health & Safety Certifications	SR <a href="#">92</a>	SR <a href="#">90-97</a>
Health and Safety Management System	SR <a href="#">38-39</a> , <a href="#">92</a>	SR <a href="#">90-97</a>
Human Capital Development	SR <a href="#">17</a> , <a href="#">40-41</a> , <a href="#">46-47</a>	SR <a href="#">89</a> , <a href="#">98-103</a>

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Indicator name	How we perform	How we work
Human Rights Policy	SR <a href="#">72-75</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
Lobbying and Political Expenses	SR <a href="#">72-75</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
LTIR Trend	SR <a href="#">38-39</a>	SR <a href="#">90-97</a>
Non-GHG Air Emissions Programmes	SR <a href="#">64-66</a>	SR <a href="#">90-97</a>
Policy on Emerging Technologies	-	-
Political Involvement Policy	SR <a href="#">71</a> , <a href="#">75</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
Product and Service Safety Programme		SR <a href="#">90-97</a>
QMS Certifications		SR <a href="#">90-97</a>
Renewable Energy Programmes	SR <a href="#">21</a> , <a href="#">53-57</a>	SR <a href="#">16-19</a> , <a href="#">90-97</a>
Renewable Energy Use	SR <a href="#">21</a> , <a href="#">53-57</a>	SR <a href="#">90-97</a>
Responsible Marketing Policy		SR <a href="#">90-97</a>
Scope of GHG Reporting	SR <a href="#">53-57</a>	SR <a href="#">90-97</a>
Scope of Social Supplier Standards	SR <a href="#">72-75</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
Supplier Environmental Certifications	SR <a href="#">72-75</a>	SR <a href="#">85-97</a>
Supplier Environmental Programmes	SR <a href="#">72-75</a>	SR <a href="#">85-97</a>
Supply Chain Monitoring	SR <a href="#">72-75</a>	SR <a href="#">85-97</a> , <a href="#">104-109</a>
Sustainable Products & Services	SR <a href="#">4</a> , <a href="#">21</a> , <a href="#">60</a> , IR 14-15	SR <a href="#">11</a> , <a href="#">16-19</a> , IR 28, 49

	PERFORMANCE	GOVERNANCE
Indicator name	How we perform	How we work
Tax Disclosure		SR <a href="#">71</a>
Verification of ESG Reporting	SR <a href="#">117-119</a>	SR <a href="#">117-119</a>
Water Intensity	SR <a href="#">61-63</a>	SR <a href="#">90-97</a>
Water Management Programmes	SR <a href="#">61-63</a>	SR <a href="#">90-97</a>
Water Risk Management	SR <a href="#">61-63</a>	SR <a href="#">90-97</a>
Whistleblower Programmes	SR <a href="#">72-73</a>	SR <a href="#">104-109</a>
Working Hours Policy	SR <a href="#">50-51</a>	SR <a href="#">85-89</a> , <a href="#">98-103</a>

## MSCI references

Yara targets an A rating by 2025 from MSCI, a leading provider of decision support tools and services for the investment community. See our current rating in Ratings and Awards, [p. 76](#). The table below shows where we cover MSCI indicators.

ESG issues and metrics	PERFORMANCE	GOVERNANCE
	How we perform	How we work
Corporate Governance		SR <a href="#">82-84</a> , IR 75-108
Corporate Behavior	SR <a href="#">72-75</a>	SR <a href="#">85-89</a> , <a href="#">104-109</a>
Carbon Emissions	SR <a href="#">53-57</a> , <a href="#">67</a> , IR 14-15	SR <a href="#">11</a> , <a href="#">16-21</a> , <a href="#">32-33</a> , <a href="#">85-97</a> , IR 28, 49
Toxic Emissions & Waste	SR <a href="#">58-66</a>	SR <a href="#">90-97</a>
Water Stress	SR <a href="#">61-63</a>	SR <a href="#">90-97</a>
Chemical Safety	SR <a href="#">39</a> , <a href="#">64</a>	SR <a href="#">90-97</a>
Opportunities in Clean Tech	SR <a href="#">21</a> , <a href="#">32-33</a> , <a href="#">59-60</a> , IR 14-16, 49	SR <a href="#">16-21</a> , IR 28
ESG Controversies	SR <a href="#">27-28</a>	SR <a href="#">22</a> , <a href="#">86</a> , <a href="#">90-97</a> , <a href="#">104-109</a>



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