



Knowledge grows

Yara Sustainability Report 2021

Growing a Nature-Positive Food Future





Growing a Nature-Positive Food Future

To better reflect our holistic and progressive strategy, 'Growing a Nature-Positive Food Future' is our new ambition statement. This encompasses our expertise in crop nutrition solutions and our goal of climate-neutrality, but also goes further. We will expand our knowledge-sharing to create measurable, positive global impact in order to help feed the world and contribute to a responsible food system while protecting nature, reducing emissions, and improving livelihoods.

Concretely, we will:

- Establish partnerships to decarbonize agriculture and shipping.
- Use our deep and growing knowledge, products, and digital solutions to enhance crops and soil health, while reducing pollution.
- Reach more farmers and communities to improve nutrition and quality of life through our global scale.
- Protect and restore nature and reverse climate change through science-based targets and actions.
- Contribute to creating a viable, profitable food future for all.

The new ambition statement will be our guide to areas where we will aim to create positive global impact, and where we will measure success. Our new KPI and target structure will enable us to fine-tune our performance tracking.

Our strategic pillars remain the same – to advance operational excellence and expand our reach and offerings. Yara's ability to drive change is based on operating a worldwide production, trade, and marketing system, with people on the ground in more than 60 countries. We are involved throughout the food value chain, from mining of minerals, to processing and providing expert crop nutrition advice to farmers, to piloting organic-based fertilizer products, leveraging upcycled nutrients in our product portfolio.

We recognize the urgent nature and climate crises which are unfolding, and we are positioning Yara to play an important role in driving change and value creation for the future.

Performance highlights 2021

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 prerequisite for creating profit over time. As a response, we manage and measure our value creation along the four pillars People, Planet, Prosperity, and Governance.

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People	Planet	Prosperity	Governance
TRI 1.0 Total Recordable Injuries per million working hours for employees and contractors	2% reduction in energy consumption	8.2 million hectares under active management through our digital solutions	Zero major severity socio-economic cases
79% engagement index score	143,000 tonne CO ₂ e reduction (scope 1+2)	6% net job creation	94% completed the Code of Conduct e-learning
29% women senior managers	2% of Yara's freshwater withdrawals were in water stressed areas	NOK 58 per share paid in dividends to our shareholders	50/50 gender balance in the Group Executive Board



Listed as one of the 100 most sustainably managed companies in the world



Yara was ranked as no. 29 on Fortune's prestigious Change the World List



Number three in a review of ESG disclosures from the 100 largest companies on the Oslo Stock Exchange



Yara won the Finance for the Future award in the category "Communicating Integrated Thinking"



Medium risk and number two of 60 Agri-Chemicals companies



A rated, and leads peers in governance structure



Platinum status, and rated top 1% in our industry

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About the report

This is Yara International ASA's 2021 Sustainability Report. Our reporting practices are aligned with the Global Reporting Initiative. We are early adopters of the revised GRI Universal Standard which take effect from January 2023. Our 2021 materiality assessment reflects double materiality requirements in the Corporate Sustainability Reporting Directive proposal (CSRD) adopted by the EU Commission in April 2021.

People, Planet, Prosperity, and Governance are the four pillars around which we manage and measure our success and communicate our performance. We report on all material topics in the Performance section of this report, with the exception of Stakeholder engagement, which is described in the Business and strategy section, and the two topics Profitability and Board composition and oversight, which are reported in [Yara's Integrated Report 2021](#).

Additional information is also available in the following reports for the financial year 2021, all available at the [Latest annual report page](#) on yara.com::
 Yara Executive Remuneration Report 2021
 Yara EU Taxonomy Report 2021
 Yara Country-by-Country Report 2021

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Empower people

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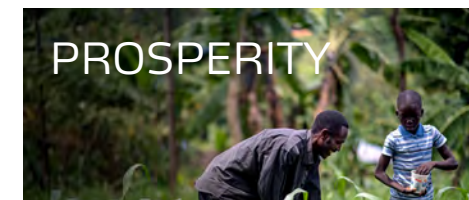
Protect the planet

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Drive prosperity

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Value good governance

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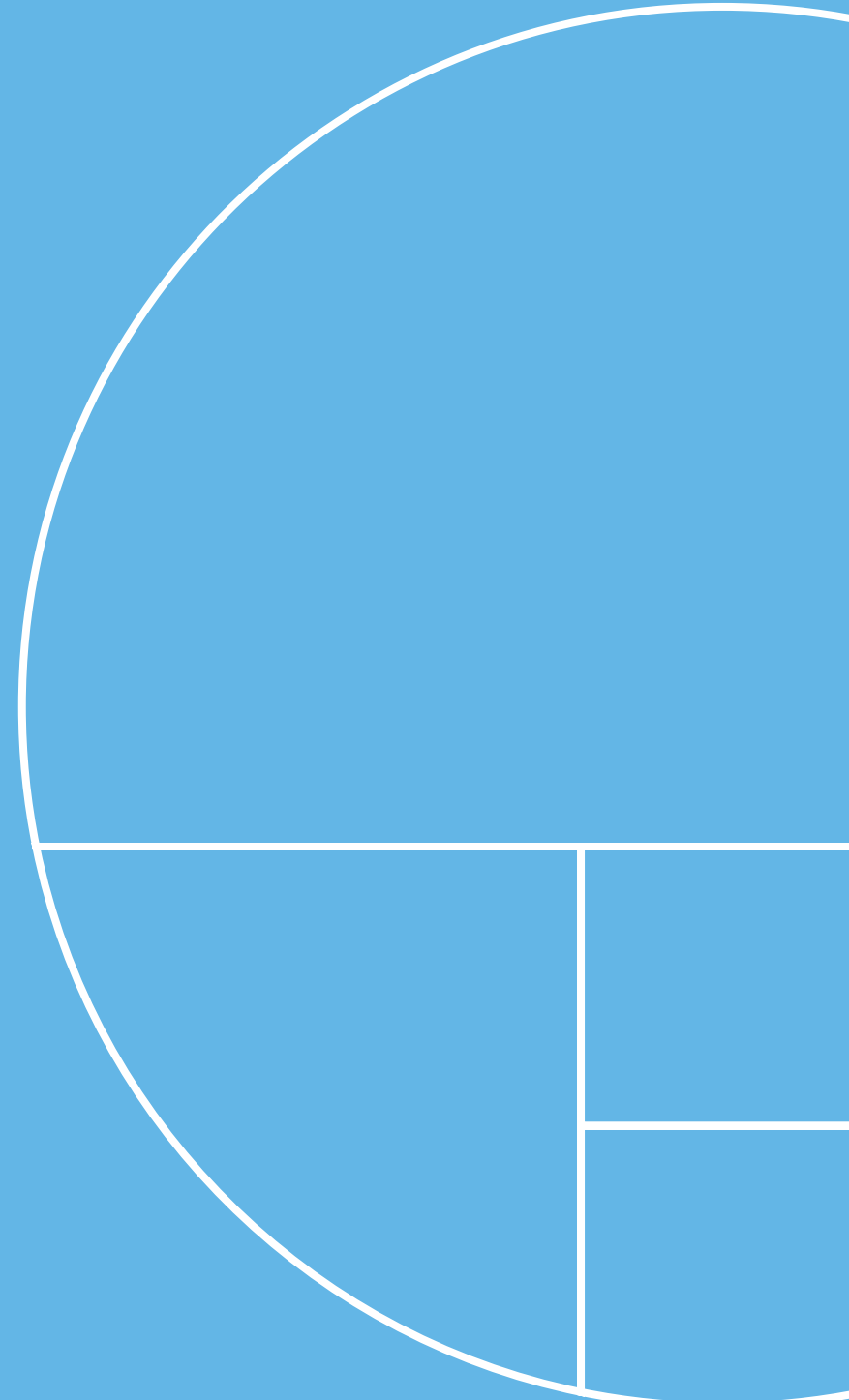
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BUSINESS AND STRATEGY

How we plan

We enter 2022 with the long-term ambition of Growing a Nature-Positive Food Future. By investing in our culture and people and focusing on holistic performance management, we will continue to improve our fertilizer production and competitive edge, while tapping into the opportunities emerging in our business environment.



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WHAT WE OFFER

Solutions today and for tomorrow

The solutions we offer today support farmers to produce enough sustainable and nutritious food. With tomorrow's solutions, we intend to enable a transformation of the food system and energy sector.



Today

Farming Solutions

Our solutions help farmers to better monitor and manage their crops and achieve higher yields in a more sustainable way.

- Premium crop nutrition solutions
- Digital precision farming solutions
- Deep agronomic knowledge

Industrial Solutions

We develop and sell environmental solutions and essential products for industrial applications as well as for the energy, cement, mining, and animal nutrition sectors.

- Emission abatement solutions
- Wastewater treatment and odor control
- Base chemicals

Tomorrow

Clean ammonia

We are stepping up our work to offer clean ammonia at scale and enable reduced emissions from food production, shipping, and other industries.

- Clean fuel and energy source
- Zero-emission fertilizer

Transformative digital solutions

We are developing solutions to support the digital revolution in agriculture, to unlock benefits for farmers, and to raise levels of sustainability.

- Higher yield and quality
- Lower emissions and less waste
- Carbon footprint tracking

Carbon marketplace

With the Agoro Carbon Alliance, we have launched a platform to reward farmers for carbon-smart practices.

- Carbon credits
- Farmer guidance and rewards
- Certified low-carbon harvests

Food chain

Partnering with leading food and beverage companies, we intend to develop a more sustainable, fair, and resilient food system.

- More and better quality food
- Regenerative farming
- Traceability from field to fork
- Nature-positive food or fossil free food

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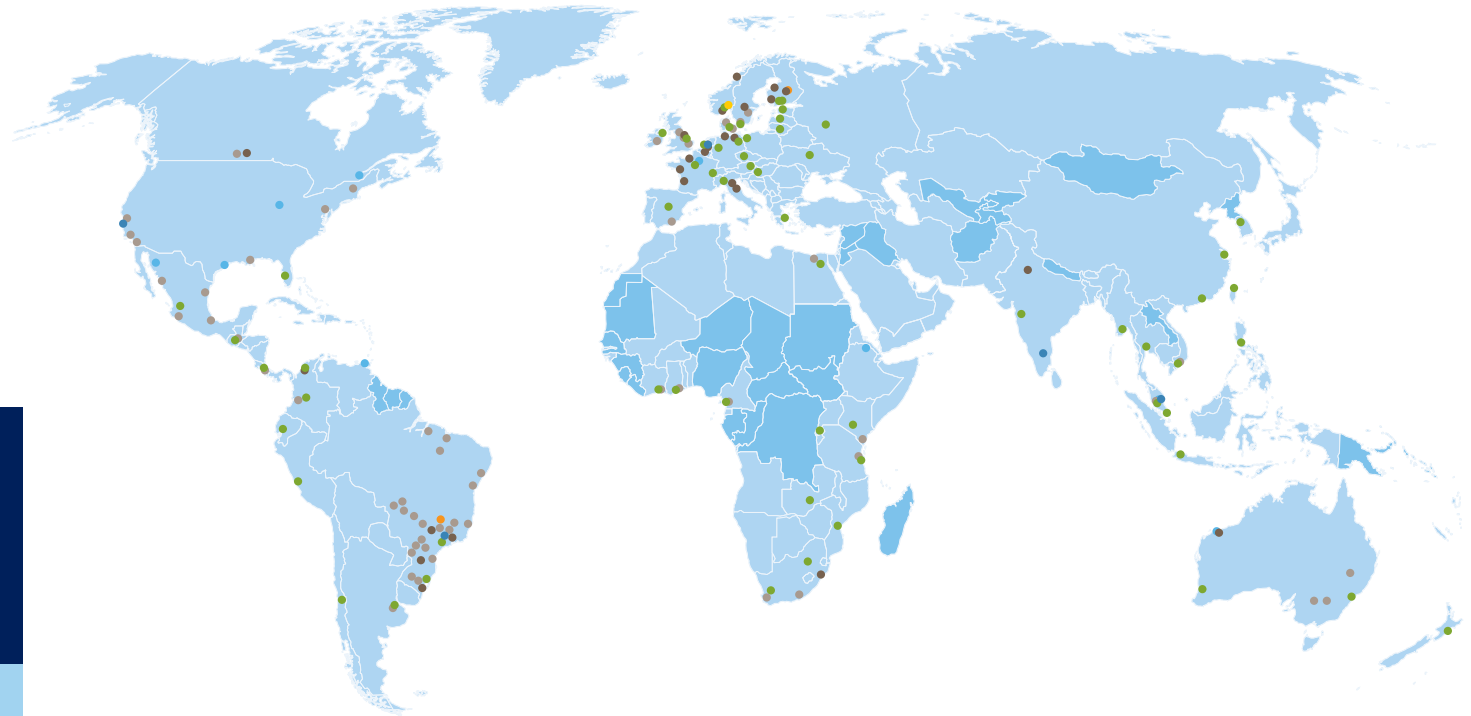
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WHERE WE OPERATE

Global presence

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



- Countries with sales¹⁾
- Head office
- Yara Plants
- Smaller sites²⁾
- Phosphate mines
- Joint ventures
- Sales offices, R&D sites
- Digital Hub

¹⁾ More than 10,800 Yara-branded retail outlets around the world

²⁾ Yara operated terminals and logistical production sites

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CEO MESSAGE

My Paris wake-up call

The most profound wake-up call of my career came in December 2015, in Paris. I was three months into my job as Yara CEO and part of a delegation trying to bring agriculture and food to the center of the climate negotiations. We failed miserably – at least in drawing attention to the combined food/climate challenge – as most of the attention was on the energy sector. But we did gain invaluable insights.

Witnessing the demonstrations on the outside and the negotiations on the inside, led us to two conclusions: firstly, that it would only be a matter of time until the focus would shift towards the food sector and demands would be made both by politicians and the public to fix a system responsible for a quarter of global greenhouse gas emissions. And secondly, that the necessary improvements are within reach if we join forces.

I left Paris convinced that the job I had taken on three months earlier was not the same role I now could see I would have. I was no longer the CEO of a fertilizer producer – I was in fact the CEO of a solutions company that could help decarbonize the food industry.

Transforming – but keeping the core

The wake-up call in Paris and the launch of the UN Sustainable Development Goals (SDG) that same year really marked a pivotal point in the transformation of Yara's strategic focus as a provider of solutions. We began expanding our offerings further towards complete solutions for the farmer – premium fertilizers, agronomic advice, digital



“At Yara, we have embraced stakeholder capitalism, managing our long-term value creation along three dimensions: People, Planet and Prosperity.”

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With the incredible challenges we are facing, like decarbonizing the food system and shipping, we must be able to fully utilize all talent in the organization, and also attract new talent.



tools. In recent years, we have broadened our scope to also include food companies and tailor solutions to their needs and the farmers they are sourcing from. Because the pledges that many of the food companies have made to decarbonize their products will only be possible to fulfill if they achieve real improvements also in the field of the farmer. And that is where Yara can help – to achieve both carbon reductions and yield increases.

Through this process, I – like so many others in the corporate world – have been forced to rethink what I learned in business school. The doctrine of economic shareholder value seemed insufficient, short-term, and even irresponsible when faced with a number of unprecedented global crises. In my view no-one has articulated this better than Professor Klaus Schwab, Founder and Executive Chairman of World Economic Forum, in his book from last year; Stakeholder Capitalism:

“...we can’t continue with an economic system driven by selfish values, such as short-term profit maximization, the avoidance of tax and regulation, or the externalizing of environmental harm. Instead, we need a society, economy, and international community that is designed to care for all people and the entire planet.”

At Yara, we have embraced stakeholder capitalism, managing our long-term value creation along three dimensions: People, Planet and Prosperity.

PEOPLE first

We have a clear purpose in Yara – to responsibly feed the world and protect the planet – and it is guiding our 17,800 employees every day. With the incredible challenges we are facing, like decarbonizing the food system and shipping, we must be able to fully utilize all talent in the organization, and also attract new talent. That is why in the past years, we have stepped up our efforts on Diversity, Equity & Inclusion (DEI). We are training our managers and actively measuring our progress. Starting at the top, we have a corporate management team with 50/50 gender balance, and we are seeing progress in the levels below through systematically increasing awareness of and providing training on DEI topics such as the unconscious biases that we all harbor in different areas.

This is not about politically correct words, but rather real action to improve both awareness, collaboration and trust within our organization. Among a number of concrete initiatives we have rolled out are Women in Agronomy to improve the gender balance in our pipeline of talent, and Black Talent Initiative to tackle head-on the issue of racial discrimination.

You can easily argue that this is the smart thing to do – making sure we access all the knowledge, all the experience, all the ideas of our employees. Preventing that influence and control resides in elites within our organization, and within silent majorities. But more importantly, having an inclusive culture where people feel safe enough to be themselves fully, also at work, is the right thing to do.

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A PLANET with a nature-positive food future

If Yara were a country, we would be well underway to deliver on the Paris Agreement. We have cut our emissions by about 50% since 2005 and will cut an additional 30% by 2030. But we will not stop until we reach carbon neutrality.

In addition to curbing our own emissions, there are two other major contributions we can make to reach a low carbon future. The first is to drive sustainable farm management. Just as application of premium fertilizers will give an almost immediate effect on yields the following harvest, it will also give an immediate effect on reducing emissions. Fertilizers come with different carbon intensity and Yara's nitrate fertilizers combined with our precision farming tools offer a 24% lower carbon footprint than application of urea or nitrates without catalyst systems. We can therefore help decarbonize food production right now – the solutions are already here.

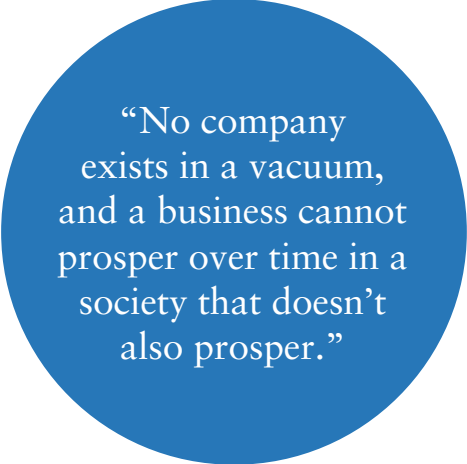
The second contribution we can have at farm level is to champion a food system that rewards sustainable farming. Today, farmers are paid mostly for crop volume and quality, but they are not incentivized to take on the extra cost of climate- and nature-positive practices. We are therefore working for increased transparency in the food chain, which will make it possible for consumers and governments to reward sustainable farming. We are also deeply engaged in getting in place a system for paying farmers for carbon capture and storage in the soil, thereby creating new, green revenue streams for them – as well as creating additional momentum in the decarbonization of global agriculture.

PROSPERITY for the many

No company exists in a vacuum, and a business cannot prosper over time in a society that doesn't also prosper. Our mission, vision, and values are therefore not just about growth, but inclusive growth. At Yara, we see every day how the most vulnerable communities struggle, but also the incredible ripple effects in those same communities when prosperity reaches more people. It makes a strong impression to speak with farmers that have moved from subsistence farming to commercial farming and used their extra income to build a house and send their children to school. These are life-changing improvements that can have a gigantic effect both at an individual level, in the wider community, and for future generations.

In December 2021, Executive Director of the World Food Programme (WFP), David Beasley, was in Oslo to deliver the Nobel Peace Prize lecture. He spoke about the three C's hitting the most vulnerable communities: Climate, Conflict and Covid. Then came the energy crisis that has led to increasing food prices, and we can therefore add another C: Cost.

If you spend 60-70 percent of your income on food, an increase in food prices like we have seen lately can be the difference between life and death. Yara has therefore teamed up with WFP, and with a donation of premium fertilizer and access to agronomic advice, we have managed to reach 250,000 farmers, who in turn have increased their yield 3-5 times. We have also reached more than 2 million farmers with digital advice. This is encouraging but not nearly enough. Knowing that the yields from certain crops can fall 50% the next season if sufficient fertilizer is not



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applied, makes me truly worried about a looming food crisis. We are therefore ready to do more together with organizations like WFP but we will also insist that more private sector players also do their part.

Back in 2015, I would tell people who asked me, that I was CEO of one of the world's largest fertilizer producers. Today, my elevator pitch is somewhat different: “Yara is helping farmers improve yields and livelihoods to fight hunger, while reducing emissions to combat the climate emergency. As a leading producer and trader of ammonia, Yara has also taken the lead in developing clean ammonia to decarbonize shipping and agriculture. We deliver solutions to Grow a Nature-Positive Food Future.”

And being the CEO of such a company certainly is a privilege.

Svein Tore Holsether
President and CEO

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MEGATRENDS

The world is changing fast

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



Climate change

Changing climatic patterns are set to impact 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.



Water stress

Water is crucial for plant growth. There is no substitute. Agriculture is a huge consumer of water, and lack thereof is a major stress factor in crop production. Climate change disrupts precipitation patterns, while extensive irrigation taps aquifers and reduces water quality through salination.



Soil degradation

Roughly one third of the world's soil is degraded, and soil erosion, biodiversity loss and pollution are high on the list of causes. Farming without adequate replenishment of nutrients adds to the problem. Best farming practices, however, focus on soil health, carbon capture, and regenerative agriculture.



Food industry integration

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 the whole industry is under pressure to achieve new levels of sustainability.

>20%

of global greenhouse gas emission stem from agriculture, forestry and land use change



Dietary shifts

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 and animal protein intakes continues.



Circular economy

Resource scarcity, growing sustainability awareness and increased consumer pressure is creating a push towards a circular economy. It creates a push for recycling of nutrients in agriculture and food value chains, as well as for organic fertilizers.



Digitalization

Digital innovation and technological transformation are fundamentally changing strategies and practices in decision making, fertilizer application, farm automation and traceability. It has started to impact the entire food value chain.

Opportunities and risks from the megatrends

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Megatrends present new opportunities which we can actively pursue, as well as risks which we need to mitigate.



Opportunities

- Shifts towards sustainability and transparency, where our crop nutrition offerings provide a good starting point for finding solutions
- Digital tools to enable new market channels, and reduce the yield gap through farmer connectivity
- Mainstream adoption of green ammonia and hydrogen
- Focus on soil health, water use and biodiversity, where optimal fertilizer use has a positive impact
- New monetization opportunities from increased data access



Risks

- Regulatory changes, consumer demand for sustainability, and optimized fertilizer use can lead to lower fertilizer demand growth
- Environmental costs and taxes can increase costs
- Reduction in demand, commoditization, and increased price transparency can challenge fertilizer premiums
- Competitive landscape can be disrupted
- Increased uncertainty around the competitive position of our European production

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MEGATRENDS

Food system transformation

Sustainability is within reach, but will require transformative actions from everyone involved in food production.

Reverse land use

45% of all GHG emissions from agriculture stem from land use change. Increasing productivity on existing farmland is paramount to ending new cultivation of natural land.



Food loss and waste accounts for about 3.3 Gt GHG emissions (FAO), representing a substantial opportunity for improvement.



Sustainable nitrogen management

Applying too little fertilizer reduces yield and quality. Too much is unproductive and bears the risk of high infield emissions, runoff, and leaching. Balanced nutrition, in the right amounts at the right time, enables higher productivity, healthier soils, and the protection of nature.

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

promote higher productivity and nutrient use efficiency for farms and farmers of all kinds and sizes.

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 and support organic farming.



Nature-positive food chains

Food chains can become nature-positive by ceasing land use change, protecting and restoring ecosystems, and turning soil and land into carbon sinks. Regenerative agriculture and fertilizers from clean ammonia can support this development.

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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INPUT
We employ

Yara employs an array of resources and assets to create value and deliver on our mission.

Energy

- Natural gas to produce ammonia

Materials

- Minerals to produce crop nutrition

Infrastructure

- 28 production plants
- 200 infrastructure points globally
- 10,800 Yara-branded retail outlets worldwide

Knowledge

- Unique agronomic and industrial knowledge
- 17,800 employees representing great diversity

Financials

- Strong track record
- High credit rating
- Liquid share

Brand

- Global recognition
- Quality and reliability

We produce

We produce a comprehensive range of nitrogen-based fertilizers and industrial products.



Production

- # 1 producer of nitrates and compound NPK
- # 2 producer of ammonia
- Flexible and scalable production system

Distribution

- Global network of sales offices, terminals and warehouses
- Timely deliveries aligned with crop cycles and demand

We supply

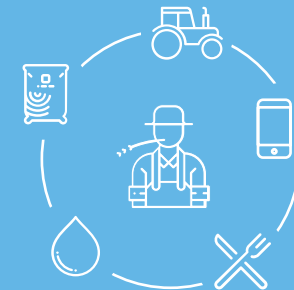
Our global footprint enables consistent and reliable deliveries to customers worldwide.

Crop nutrition solutions

Grower needs and insight

We deliver

We deliver complete crop nutrition solutions for the farming community and food industry, as well as nitrogen-based solutions for industrial use.



Farmer

- Sales to 20 million farmers
- Agronomists worldwide
- Complete package of premium products, knowledge and digital tools for modern farming

OUTPUT
We create



People

A safe and inspiring workplace, helping to feed 289 million people



Planet

Sustainable farming and food solutions, based on ambitious nature and climate targets.



Prosperity

Superior shareholder returns from efficient operations along with new and greener revenue streams.

Strategy scorecard

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This is Yara's Strategy scorecard. It contains the KPIs we use to measure the progress on the execution of our corporate strategy.

 People			
Yara KPI	Measure	2021	2025 Target
Strive towards zero accidents	TRI	1.0	<1.0
Engagement index	Index	79	Top quartile
Diversity and inclusion index	Index	77	Top quartile
Female senior managers ¹⁾	%	29	40

¹⁾ The definition of the KPI was updated during 2021, and the target performance was changed from 35% to 40%

 Planet			
Yara KPI	Measure	2021	2025 Target
Energy efficiency ¹⁾	GJ/t NH ₃	34.1	33.3
GHG emissions, intensity	t CO ₂ e /t N	3.0	2.7
GHG emissions, scope 1+2 ²⁾	% CO ₂ e	(5)	(30)
Active hectares ³⁾	MHa	8.2	150
Carbon marketplace			TBD

¹⁾ Energy efficiency target is for 2021. Energy efficiency numbers refer to operational control and include all ammonia plants. Hence the numbers are not comparable to the energy efficiency numbers in the Integrated Report where only 49% Tringen is included and the plants of Babrala and Cubatão are excluded.

²⁾ GHG absolute emissions scope1+2 target is a 30% reduction by 2030 from a 2019 baseline

³⁾ Cropland with digital farming user activity within defined frequency parameters

 Prosperity			
Yara KPI	Measure	2021	2025 Target
Ammonia production ¹⁾	Mt	7.8	8.9
Finished fertilizer production ¹⁾	Mt	21.8	23.9
Premium generated	MUSD	280	N/A
Revenues from new business models	MUSD	11	1,500
Revenues from online sales	MUSD	4	1,200
Working capital	Days	83	92
Capital return (ROIC)	%	7.9	>10
Fixed costs	MUSD	2,487	2,314
Capex ²⁾	BUSD	0.9	1.2
Net debt / EBITDA	Ratio	1.36	1.5-2.0
MSCI rating	Score	A	A
Sustainalytics rating	Score	Med	Med

¹⁾ Target is for 2023

²⁾ CAPEX max 1.2 for 2022 onwards (including maintenance)

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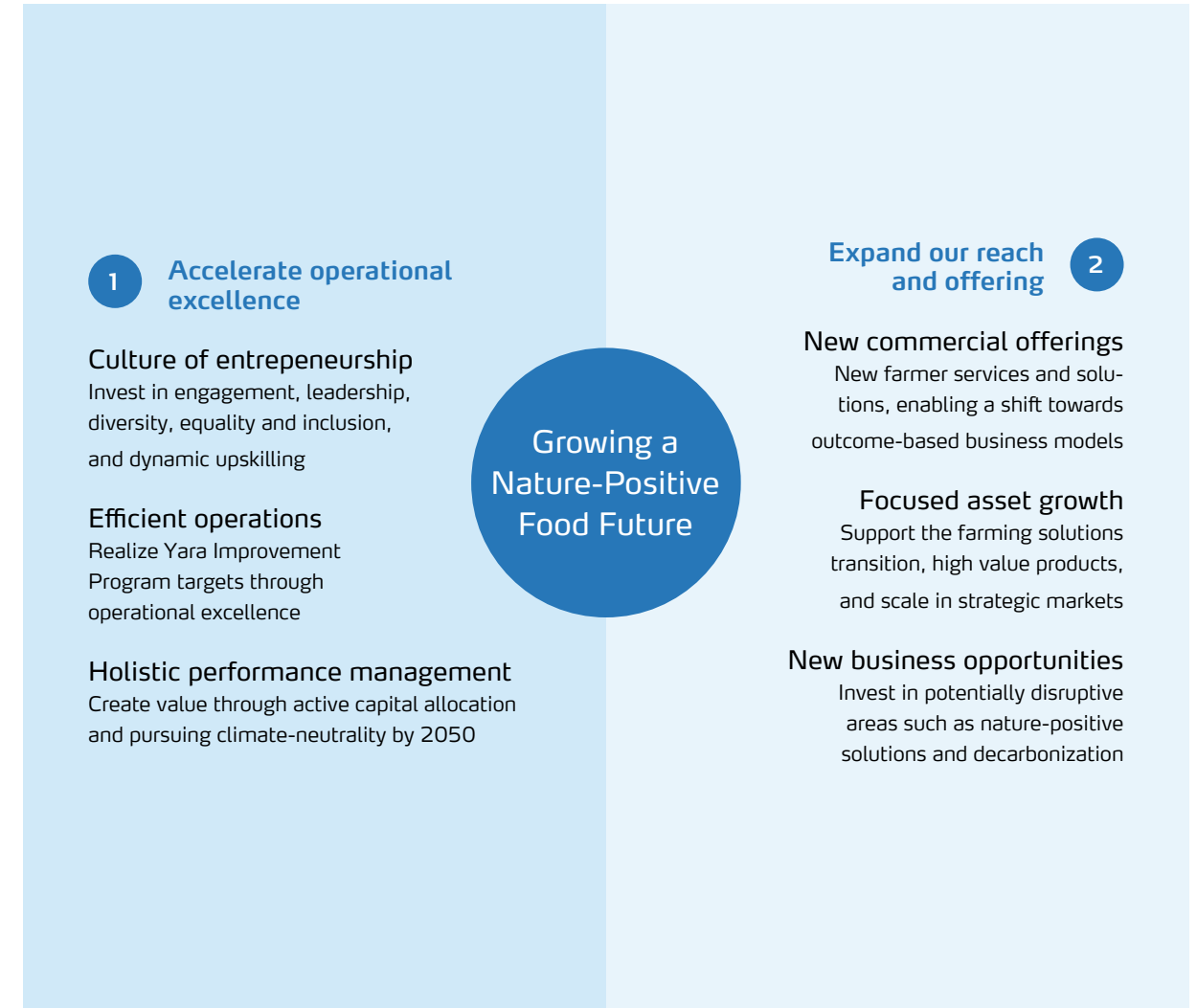
Our strategy

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. We enter 2022 with the long-term ambition of Growing a Nature-Positive Food Future.

We want to be a leading partner to farmers and food companies by providing sustainable solutions that 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 our reach and offerings – tapping into the opportunities emerging in our business environment – how we can contribute.

[» Learn more about our strategy in our Integrated Report 2021](#)

Our strategy highlights two strategic priorities:



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Varda is trying to help us break the link between more food production and more emissions and nature degradation.

CASE: DIGITAL FARMING

Connecting the dots in digital agriculture

Can data brokering improve the climate- and nature footprint of agriculture? CEO of newly established Varda – Field Data Exchange, Davide Ceper, answers this and other questions.

What is Varda?

The race to improve the environmental impact of farming has resulted in a proliferation of digital services aimed at improving farmers' productivity and agricultural efficiency at large.

However, to this date, no company or organization has sufficiently broad and deep access to the information required to monitor agricultural practices both granularly and at scale, which is where Varda comes in as the missing link.

Varda is a new ag-tech startup supported by Yara, whose goal is to accelerate food systems' transformation by making farm and field-level data more easily discoverable and usable. Varda acts as a "neutral broker" between data providers (including farmers) and data users.

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How will data brokering help the climate- and nature footprint of agriculture?

Farmers around the world will face major challenges in the years to come. A growing world population means more mouths to feed, while climate change and loss of natural capital require us to sharply cut emissions, improve agricultural efficiency, and reduce waste as well as to preserve soils, water, and biodiversity.

To this end, we are now working on the release of Varda's first products, called 'Field ID' and 'FieldStories', which aim to create a 'catalogue' of field metadata available from different applications and systems like farm management software, machine data, weather stations, soil labs, etc. The catalogue will facilitate field data aggregation and discoverability to help potential data consumers (such as food companies) identify the right data sources for their needs (e.g., monitoring farm & field environmental performance) and connect to them.

In essence, Varda is trying to help us break the link between more food production and more emissions and nature degradation. When we combine all the data that currently exists about a specific farm, we will have so much knowledge about the drivers of nature- and climate impact and be able to advise farmers on how to take care of both their crops and their planet at the same time. We will also help those farmers who are

already investing in low-carbon and nature-positive farming to reap additional benefits by making their practices more visible to the off-takers.

Will Varda help the agriculture sector tackle the infamous scope 3 emissions?

Many companies in the food chain are racing to cut emissions, but supply chain emissions are challenging to reduce because of the long and complex value chain between the field and the supermarket.

Although improvements in both methodology and technology are needed to make reduction and disclosure of scope 3 emissions easier and more accurate, as well as having more value chain players on board, we believe that Varda will be a big step towards enabling end-to-end transparency. Obviously, the longer and the more complex the supply chain, the more difficult it is to pinpoint the origin of produce.

What's next for Varda?

In collaborating with several large players in the agriculture- and food value chain and have realized that the enormous fragmentation of data sources and the complexity of our industry requires a step-by-step approach. For this reason, before scaling globally, we will be focusing on developing our Field ID and Field Stories products in individual countries, starting from Europe, the UK, and Brazil. At the same time, we will

be collaborating with Yara digital farming to access third-party data and expand the use of Yara's digital tools.

After validating product-market fit and achieving real impact on climate, nature, and farmer prosperity, we plan to expand our activities to work with a broader selection of players from the ag- and food value chain. My dream is that within a few years, collaboration between ag-solution providers will be much more efficient, data exchange will be simpler, and farmers will have to dedicate less time to compliance and reporting while benefiting from access to innovative services and being rewarded for applying nature-positive practices in their farms.

How does Varda support Yara's strategy?

Varda is a key enabler for Yara's strategy, particularly now that the corporate ambition is explicit about driving a nature-positive agenda. Varda aims to become a shared industry infrastructure for data collaboration, discovery, and sharing. Successful, large-scale field data exchange will not only help to identify the drivers of climate impact and reduce emissions from farming, but it will also make it easier for farmers to comply with data requests, improve the efficiency and transparency of global food systems, and support Yara's mission to responsibly feed the world and protect the planet.

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PARTNERSHIPS

Progress in partnerships

We partner with larger energy, technology, and food companies to enable the production of clean ammonia and advance sustainability in agriculture. Here are some of our partnership headlines from 2021.



Bringing green fertilizers to market

Yara and Lantmännen, northern Europe's leading agricultural cooperative, are collaborating on several projects to reduce the carbon footprint of farming. In late 2021, this resulted in the first commercial contract for green fertilizers, which will enable Lantmännen to establish a fossil free value chain - from field to fork.



Making farming more sustainable

In 2021, we continued our partnership with Nestlé with our main focus being how to scale sustainable solutions to farmers in various regions. 2022 will be a key year, in which we will see a shift from proven results on pilot farms to projects with a higher farmer reach. This partnership is about collaboration, learning together, and achieving benefits for the planet, the farmer, for Nestlé, and for Yara.



Sustainable coffee production

We have established a partnership in Colombia and Peru with Volcafe, one of the biggest coffee traders in the world. We work closely with farmers to support sustainable coffee production and supply for 1 million coffee bags (60 kg/bag) through business models that include diagnosis, recommendation, monitoring, financing, and recognition actions in the adoption of customized crop nutrition programs.



Joining forces for a more regenerative future

Yara is collaborating with Nespresso to globally address reducing the carbon footprint at farm level and improving farmer living income through best crop nutrition and regenerative agriculture practices. The collaboration is initially focusing on smallholders and low income segments in Colombia with the ambition of expanding into the main coffee producing countries in the world.



Improving livelihoods of cocoa farmers

Yara has signed an agreement with Barry Callebaut's Forever Chocolate sustainability program as the preferred global fertilizer supplier to their 'productivity packages'. The program aims to improve livelihoods of cocoa farmers globally. Yara supports the program with improved crop nutritional programs based on soil diagnosis to increase productivity, the income of the farmers, and consequently improving consistency of supply.

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CORPORATE COMMITMENTS

Living by high standards

Honoring responsible business conduct and internationally respected standards is imperative to our future success and forms the foundation of our sustainability aspirations.

We want to be a driving force for sustainability in the food value chain and deliver nature-positive solutions. This entails standing up for people, the planet, and prosperity and conducting our business responsibly no matter where we operate or with whom we partner. To this end, our key policy documents clearly state our commitment to living up to internationally respected policies and principles. These policies apply to everyone working in and for Yara, and form the foundation for how we behave, make decisions, and deploy best practices throughout our operations and supply chain.

Key international policies and principles	Embedded in	Approved by	Last updated
<ul style="list-style-type: none"> ▪ UN Guiding Principles on Business and Human Rights ▪ OECD Guidelines for Multinational Enterprises ▪ International Bill of Human Rights 	Code of Conduct	CEO and Board of Directors	January 2022
<ul style="list-style-type: none"> ▪ Voluntary Principles on Security and Human Rights ▪ Core ILO conventions 	Code of Conduct for Business Partners	Group Executive Board	January 2022
<ul style="list-style-type: none"> ▪ Precautionary principle 	Health, Environment, Safety, Security and Quality (HESQ) Policy	CEO	January 2022



UN Global Compact

Yara is a signatory to UN Global Compact (UNGC). We have embraced its ten principles covering human rights, labor rights, environment and anti-corruption, and support the UNGC’s work to promote the UN Sustainable Development Goals. As long-time signatories, we have submitted annual Communication on Progress reports to the UNGC since 2014.



UN Sustainable Development Goals

We engaged actively in the development and launch of the UN Sustainable Development Goals. The 17 goals strongly influence our corporate strategy and framework for long-term value creation.

[» UN Sustainable Development Goals at the core of our business, page 21](#)

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UN Sustainable Development Goals at the core of our business

Yara believes the private sector has a great responsibility to help deliver on the Sustainable Development Goals (SDGs). The adoption of the SDGs in 2015 coincided with Yara’s first materiality assessment. We had already oriented our strategy towards creating shared value, and the SDGs were a natural benchmark

for identifying societal impact. Since then, sustainability has been embedded and integrated into Yara’s strategy. We firmly believe that our knowledge and purpose give us a competitive advantage in a market that values sustainable development.

Our 2021 materiality update is the basis for our SDG impact assessment. While we see all 17 SDGs as relevant to Yara, we have highlighted the ones where we believe we have the greatest potential to enhance positive and mitigate negative impacts on society.

Sustainable Development Goal	Impact	Yara KPI	Supporting initiative	Linked to material topics
 <p>2 ZERO HUNGER</p>	<p>We envision a world without hunger. This can be supported by sustainable intensification of agriculture, as well as the development of more fair and resilient food systems. Yara’s products help grow enough nutritious food to feed 289 million people, our 800+ agronomists support farmers around the world to improve yields and quality, and our many region-specific projects and strengthen local and regional food systems.</p>	<ul style="list-style-type: none"> ▪ Active hectares under digital management ▪ Revenues from new business models ▪ Finished fertilizer production 	<ul style="list-style-type: none"> ▪ Action Africa, page 113 ▪ Farm to Market Alliance, page 27 ▪ Helping communities in Brazil, page 131 ▪ Solutions and tools for modern farming, page 122 	<ul style="list-style-type: none"> ▪ Socioeconomic impacts on communities ▪ Digitalization ▪ Profitability
 <p>5 GENDER EQUALITY</p>	<p>Women make up almost half of all farmers globally, yet they face gender-specific obstacles like access to land and resources. Empowering female farmers would both improve gender equality globally and significantly contribute to food security. Gender equality is also a priority within Yara. The chemical industry has traditionally been a field dominated by men, and we currently work to recruit more women in general and more female senior managers in particular.</p>	<ul style="list-style-type: none"> ▪ Female senior managers ▪ Diversity & inclusion index 	<ul style="list-style-type: none"> ▪ Women in Agronomy, page 53 ▪ Diversity, equity and inclusion program, page 48 ▪ Work-Life Balance and Well-being Framework, page 70 	<ul style="list-style-type: none"> ▪ Leadership and employee enablement ▪ Diversity, equity and inclusion ▪ Health and well-being at work
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Agriculture accounts for 70 percent of freshwater use worldwide (FAO, 2017). Greater food demand, driven by a rising world population, will put further strain on water resources. Yara contributes to improving water management through precision farming technology, fertigation, and best practice crop nutrition management knowledge.</p>	<ul style="list-style-type: none"> ▪ Active hectares under digital management ▪ Revenues from new business models 	<ul style="list-style-type: none"> ▪ Water in farming, page 82 ▪ Fertilizer and biostimulants for increased water uptake, page 97 	<ul style="list-style-type: none"> ▪ Sustainable farm management ▪ Water management in production ▪ Protection of ecosystems

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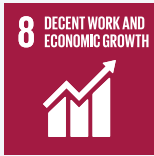


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Sustainable Development Goal	Impact	Yara KPI	Supporting initiative	Linked to material topics
	<p>The world needs a clean energy transition fast. Clean ammonia and hydrogen are two possible future clean fuels. As a global leader in ammonia production for fertilizer, with many partnerships and projects underway globally, we are well positioned to support a clean energy future in both shipping and food production.</p>	<ul style="list-style-type: none"> ▪ Energy efficiency ▪ Revenues from new business models 	<ul style="list-style-type: none"> ▪ Yara Clean Ammonia, page 91 ▪ Clean Hydrogen Pledge, page 26 ▪ First Movers Coalition, page 25 	<ul style="list-style-type: none"> ▪ Opportunities in clean tech ▪ Energy ▪ Profitability
	<p>Yara works to be an attractive employer that ensures decent work, fair pay, and benefits. Yara values the work-life balance of its employees and works closely with unions. The health and safety of employees is our no 1 priority, and we set high goals for ourselves at an already industry-leading level. In addition, Yara has an important role to play to ensure that agriculture provides sufficient financial reward for farmers and rural communities.</p>	<ul style="list-style-type: none"> ▪ Strive towards zero accidents ▪ Diversity & inclusion index ▪ Female senior managers ▪ Active hectares under digital management ▪ Revenues from new business models ▪ Revenues from online sales 	<ul style="list-style-type: none"> ▪ Work-Life Balance and Well-being Framework, page 70 ▪ Safe by Choice, page 45 ▪ Annual Health & Safety Day, page 45 ▪ Action Africa, page 113 ▪ Farm to Market Alliance, page 27 ▪ Living Wage project, page 42 	<ul style="list-style-type: none"> ▪ Occupational and process safety ▪ Human rights and labor practice ▪ Health and well-being at work ▪ Sustainable supply chains ▪ Sustainable finance
	<p>As a large industrial company committed to developing a culture of entrepreneurship, Yara wants to take a leading role in demonstrating that the industry is integral to developing the technology and solutions needed for a green transition. Innovation is part of our DNA, and through innovative technology and new partnerships, we are taking steps to enable the hydrogen economy, fossil-free food production, and nature-positive farming practices.</p>	<ul style="list-style-type: none"> ▪ Revenues from new business models ▪ Carbon marketplace ▪ Ammonia production ▪ Finished fertilizer production ▪ Revenues from online sales 	<ul style="list-style-type: none"> ▪ Yara Clean Ammonia, page 91 ▪ First Movers Coalition, page 25 ▪ Solutions and tools for modern farming, page 122 ▪ Yara Growth Ventures, page 60 	<ul style="list-style-type: none"> ▪ Entrepreneurship and agility ▪ Profitability ▪ Sustainable finance ▪ Opportunities in clean tech
	<p>A diverse and inclusive work environment in which employees feel valued for their unique contributions and feel safe to speak up benefits our business and innovation and supports social and economic equality. While we have had gender diversity on our leaders' agenda for quite a few years, Diversity, Equity and Inclusion is now firmly anchored in Yara's strategy.</p>	<ul style="list-style-type: none"> ▪ Engagement index ▪ Diversity & inclusion index 	<ul style="list-style-type: none"> ▪ Diversity, equity and inclusion program, page 48 ▪ Global Diversity and Inclusion Day, page 49 ▪ Women in Agronomy, page 53 ▪ Black Talent Initiative, page 49 	<ul style="list-style-type: none"> ▪ Diversity, equity and inclusion ▪ Leadership and employee enablement ▪ Socioeconomic impacts on communities

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Sustainable Development Goal	Impact	Yara KPI	Supporting initiative	Linked to material topics
	<p>We have more mouths to feed, limited land to farm and fewer resources to draw upon, which makes it critical to develop more sustainable consumption and production patterns. Yara works to reduce food waste through improved nutrient balance in food and improved market access for farmers, and to recycle non-renewable nutrients in our production.</p>	<ul style="list-style-type: none"> Carbon marketplace Revenues from new business models 	<ul style="list-style-type: none"> Organic fertilizers, page 107 Waste management, page 109 Sustainable Procurement Policy, page 133 	<ul style="list-style-type: none"> Circularity Profitability Regulatory change and compliance Opportunities in clean tech
	<p>Climate change is the greatest global challenge we face and a serious threat to agricultural productivity in many parts of the world. We are contributing along two main avenues: reducing greenhouse gas emissions from our own operations, and offering and exploring new, sustainable solutions for farmers, food companies, and the hydrogen economy. Environmental performance is a vital part of our license to operate.</p>	<ul style="list-style-type: none"> Energy efficiency GHG emissions intensity GHG emissions, scope 1+2 Active hectares under digital management Carbon marketplace Revenues from new business models 	<ul style="list-style-type: none"> Agoro Carbon Alliance, page 98 Climate Scenario Analysis, page 86 Climate-Neutral by 2050, page 84 Science Based Targets, page 86 GHG 2025 Program, page 85 	<ul style="list-style-type: none"> Climate change Opportunities in clean tech Sustainable finance Regulatory change and compliance Sustainable farm management Energy Digitalization Profitability
	<p>Use of fertilizer – of both mineral and organic origin – comes with a risk of runoff, leaching or volatilization, which can cause eutrophication of waterways, or even dead zones in lakes or coastal waters. Yara provides agronomic advice for balanced crop nutrition, precision farming tools and digital solutions to enhance the efficiency of crop nutrition. This in turn helps to mitigate risk of nutrient pollution.</p>	<ul style="list-style-type: none"> Revenues from new business models Active hectares under digital management 	<ul style="list-style-type: none"> Water in farming, page 82 Solutions and tools for modern farming, page 122 Protecting the Baltic Sea, page 98 	<ul style="list-style-type: none"> Opportunities in clean tech Sustainable farm management
	<p>We are aware of our contributions – and limitations. We cannot solve global challenges in isolation and strongly advocate more cross-sectoral and innovative partnerships. We collaborate with a large number of governmental agencies, private companies and organizations to facilitate knowledge sharing and sustainable development.</p>	<ul style="list-style-type: none"> Revenues from new business models Carbon marketplace Active hectares under digital management 	<ul style="list-style-type: none"> Clean Hydrogen Pledge, page 26 Farm to Market Alliance, page 27 Lantmännen, page 19 Nestlé, page 19 Volcafe, page 19 	<ul style="list-style-type: none"> Opportunities in clean tech Circularity Digitalization Profitability

Key memberships and alliances

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We engage in several WBCSD initiatives, most notably Scaling Positive Agriculture, Natural Climate Solutions, SOS 1.5, CFO Network, and the Vision 2050 Refresh initiative. Yara's CEO is a member of WBCSD's Executive Committee and chairs WBCSD's Food & Nature program.



The World Economic Forum (WEF) is an important platform for dialogue and collaboration to meet the SDGs, accelerate climate actions, and initiate public-private collaboration. We are a WEF Strategic Partner, cofounder of the First Movers Coalition, and signatory to the Partnering Against Corruption Initiative (PACI). Yara takes an active role in shaping global and regional agendas through Global Future Councils, Young Global Leaders program, Regional Action Groups, Yara's CEO participates in the WEF Alliance of CEO Climate Leaders, the International Business Council, and industry Governors and Food Stewards meetings.



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. Yara's CEO chairs the IFA Executive Board of Directors.



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 develop in order to raise industry standards. Yara holds the position of Vice President of the Fertilizers Europe Board.

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Uniting for change

Through our engagement on the global scene, we have entered and endorsed several coalitions and pledges, with the goal of ensuring a sustainable future.

Collaboration is one of our core values and a cornerstone of our ambition to deliver nature-positive solutions. We partner with food, technology, and energy companies to pursue this ambition, and collaborate with companies and organizations to bring down cultural, environmental, and economic barriers to sustainability. This is an overview of recent commitments and endorsements that we have made through our engagement on the global scene.

Yara joined President Biden's climate coalition



Yara CEO Svein Tore Holsether (top left corner) and other founding members of the First Movers Coalition together with John Kerry and President Joe Biden at COP26 in Glasgow.

At the United Nations Climate Change Conference in Glasgow (COP26), several global companies launched a shared initiative to create a market for zero-emission goods and services.

The companies participating in US President Joe Biden's First Movers Coalition share a common vision that innovative technology will be crucial to reaching the climate target of 1.5 Celsius. The coalition has therefore committed to zero-emission purchases by 2030.

The coalition is a platform for a wide range of companies with a global footprint in their respective industries to make purchasing commitments that can only be met if innovators bring emerging technologies to commercial scale. Early demand makes it possible to invest in new technologies and innovation at a lower risk.

Yara will contribute to decarbonizing agriculture and long-distance sea transportation through the development and commercialization of clean ammonia.

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First Movers Coalition

Cofounder of the coalition of forward-thinking members committed to using their purchasing power to accelerate demand and create new markets for emerging technologies that can bring the climate target of 1.5°C within reach.

Alliance of CEO Climate Leaders

Participation in the global community of CEOs committed to reducing emissions by more than one gigaton annually by 2030 and urging world leaders to reach agreement aligned with a 1.5°C pathway.

Trade for tomorrow: A collective call to action to make trade work for all

A call on world leaders to re-engage on trade reform to support investment, human development, and inclusion.

Measuring Stakeholder Capitalism

A commitment to deploying metrics focused on people, planet, prosperity, and principles of governance to allow for better benchmarking on sustainability progress.

Partnering Against Corruption Initiative

A commitment to anti-corruption and transparency, building on the pillars of public-private cooperation, responsible leadership, and technological advances.



Business Manifesto for Climate Recovery

Collective communication from the world's most sustainable, ambitious businesses describing twelve climate action priorities framed around reducing, removing, and reporting emissions and the public-private collaboration required to drive climate action.

Clean Hydrogen Pledge

The pledge of 28 companies to drive growth in the demand for, and supply of, decarbonized hydrogen. Yara pledges to source and/or produce a minimum of 3 million tonnes of reduced-carbon ammonia (equivalent of 530 kT of reduced-carbon hydrogen) by 2030, of which minimum 50% will be low-carbon or ultra-low carbon.



One Planet Business for Biodiversity (OP2B)

Membership in this cross-sectorial, business coalition on biodiversity with actions focused on regenerative agricultural practices, boosting cultivated biodiversity and diets, and eliminating deforestation and preserving high-value natural ecosystems.



Science Based Target: Sectoral Decarbonization Approach

Partnering with Nutrien and WBCSD to undertake a Sectoral Decarbonization Approach (SDA) for the nitrogen fertilizer sector in support of SBT.



Private Sector Guiding Group

Coalition of Action 4 Soil Health: Call to Action on Soil Health

Recognition of the central role of soils as an asset to promoting food security and nutrition, economic development, climate change mitigation, nature, and resilient livelihoods.



SAI Platform brings together over 150 member companies and organisations leading the way in sustainable agriculture worldwide. Yara participates in the Regenerative Agriculture Programme starting in 2022, and in the Crops Working Group.

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Nature-positive commitment letter

Backing of the CEO briefing document outlining why business resolve to act in accordance with nature-positive solutions is necessary and the steps required therein.



Empowering farmers

Yara is one of six partners committed to the Farm to Market Alliance, a global public-private consortium seeking to transform food value chains in emerging markets.



IMAGINE Food Collective

Participation in this collective of 27 leading CEOs in food and agriculture working to enhance nature-positive food production and consumption.



Diversity, Equity and Inclusion pledge

A commitment and network to drive change towards more diversity, equity, and inclusion.



Climate Risk Management guide

Joint support for the TCFD framework from the CEOs of some of the Nordic region's largest companies, already committed to integrating the UN SDGs in their respective business strategies.

[» Climate risk management – A guide to getting started](#)



Voluntary Principles Initiative on Security and Human Rights

Engagement in this multi-stakeholder initiative to promote the implementation of a set of principles that guide us on providing security for our operations while respecting human rights.

[» Yara's Voluntary Principles Report 2021](#)



1.5° commitment letter to G20

A joint letter from 778 businesses urging G20 leaders to take action to limit average global temperature rise to 1.5°C.



United Nations Food Systems Summit

Following the COP26 summit, the UNFSS Secretariat hosted this virtual event to underscore the inextricable link between climate and food.

Yara participated in work-streams coordinated for the private sector by WBCSD. In the run-up to the summit, Yara took an active role in defining 'game changers' and 'action tracks', most significantly those on 'innovation' and 'boosting nature-positive production systems at scale to globally meet the right to healthy and nutritious food while operating within planetary boundaries.

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STAKEHOLDER ENGAGEMENT

Engaging with our stakeholders

We engage with stakeholders globally and locally to build trusting relationships and bring better business intelligence that can spur ideas for products and services.

Farmers

Sales and support to about 20 million farmers worldwide

Employees

About 17,800 employees worldwide

Food industry

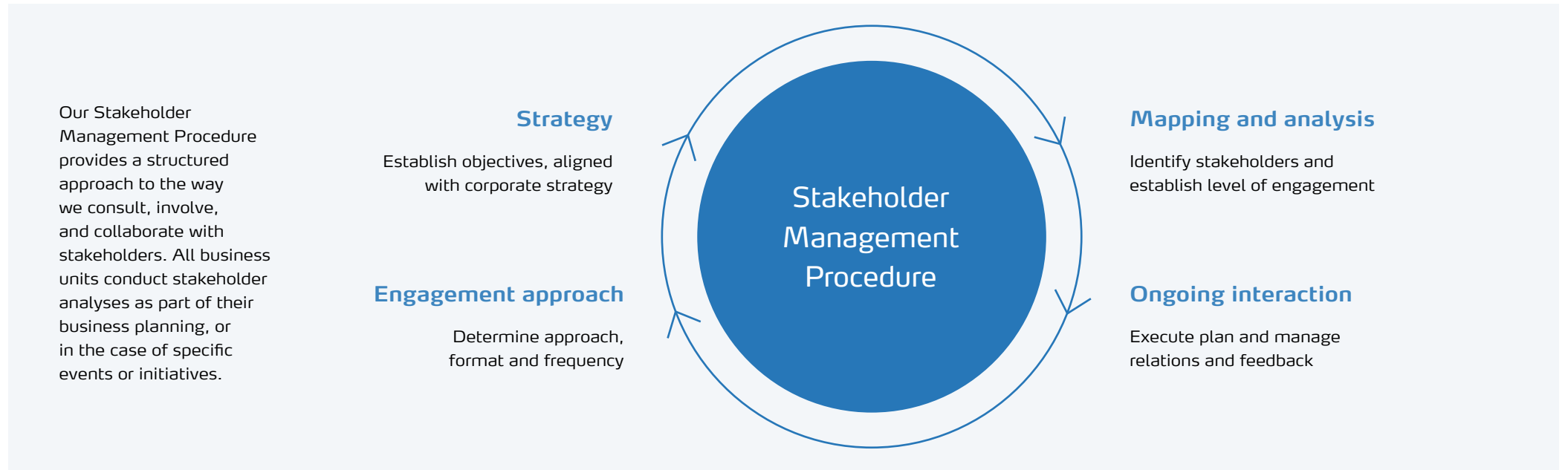
Major food companies and other potential partners in the food chain

Industry associations

Leading fertilizer industry organizations and other alliances

Civil society

Agenda-setting institutions, NGOs and farmer associations



Local communities

Neighboring and farming communities worldwide

Suppliers

Ranging from global suppliers of raw materials to local businesses

Investors and lenders

Our shareholders and providers of capital

Academia

Universities, research organization and other forward-thinking institutions

Regulators and policy makers

The bodies shaping tomorrow's regulations and policies

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Stakeholder engagement in 2021

The pandemic, a spike in energy prices, and the UN Climate Change Conference (COP26) made their mark on our engagement with stakeholders in 2021. At the same time, we saw the drive of decarbonization and more sustainable practices in farming grow even stronger. Here are core activities and responses related to the seven stakeholder groups we gave particular attention in 2021.

Why we engage	How we engage	Top of the agenda in 2021	How we responded
<p>Employees We depend on our employees, their knowledge, engagement, and great diversity to successfully deliver our strategy.</p>	<ul style="list-style-type: none"> Internal channels and townhalls Training and coaching Employee surveys Regular job appraisals Engagement with trade unions 	<ul style="list-style-type: none"> Covid-19 management and guidance Occupational safety Diversity, equity, and inclusion (DEI) Workplace health and well-being, including mental health Development and career opportunities Production curtailments in Europe 	<ul style="list-style-type: none"> Expanding pandemic response, page 62 Continuing to improve our safety performance, page 44 Establishing and cascading DEI strategy and KPIs, and strengthening DEI ambassador network, page 48 Rolling out our Work-life Balance and Well-being Framework, page 70 Minimizing social impacts from curtailments in Europe through e.g. redeployment and by following up employees collectively and individually, in full alignment with the employee representation bodies
<p>Distributors and retailers We want to deliver exceptional products and services, and feedback from our distributors and retailers helps to improve our offerings.</p>	<ul style="list-style-type: none"> Regular, direct dialogue Commercial teams and agronomists worldwide 	<ul style="list-style-type: none"> Market conditions Energy, fertilizer, and crop prices Logistics and timely deliveries Sustainable farm management Technical support 	<ul style="list-style-type: none"> Continued on-the-ground support from sales representatives and agronomists Re-engineering our Yara Connect retailer loyalty and knowledge platform, and launching online marketplaces in Africa and Asia, page 120 Expanding the reach of Yara Bodega, our online tool to help retailers list and sell products online, page 122
<p>Farmers Our customers are core to our business and helping them succeed is critical for our own success.</p>	<ul style="list-style-type: none"> Commercial teams and agronomists worldwide Customer satisfaction surveys and feedback in key markets Farmer meetings, crop clinics, field meetings, and demonstrations/trials 	<ul style="list-style-type: none"> Sustainability, quality, and performance of fertilizers Energy, fertilizer, and crop prices Crop yield and quality Farmer incentives and profitability Sustainable farm management, particularly ways to reduce nutrient losses Digital solutions and innovation 	<ul style="list-style-type: none"> Developing improvement initiatives based on outcomes from customer satisfaction surveys in key markets, page 123 Advising on how to manage price spike ahead of 2022 season Taking new steps to expand our range of organic fertilizers, page 107

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Why we engage	How we engage	Top of the agenda in 2021	How we responded
<p>Suppliers We expect our business partners to deliver on their promises while living up to internationally recognized best practices.</p>	<ul style="list-style-type: none"> Regular, direct dialogue Integrity Due Diligence process Strategic collaborations and long-term relationships 	<ul style="list-style-type: none"> Future business needs and deliveries Responsible business conduct Accuracy in orders and timely payment 	<ul style="list-style-type: none"> New Procurement Strategy with focus on sustainable value delivery beyond cost savings, page 132 Reviewing and clarifying expectations in Yara's Code of Conduct for Business Partners, page 162 Extensive stakeholder engagement around the Belarus situation, along with the initiation of a safety program and the secondment of a safety director to Belaruskali, and a progress report on yara.com, page 31
<p>Investors and lenders We engage to provide the public with accurate, comprehensive, and timely information, to form a good basis for making decisions related to valuation and trade of the Yara share.</p>	<ul style="list-style-type: none"> Stock exchange releases, press releases, and presentations Roadshows, conferences and meetings 	<ul style="list-style-type: none"> Yara's strategic transformation Operational performance, including progress on Yara Improvement Program targets Competitive shareholder returns Increasing food- and fertilizer prices and European natural gas price spike Belarus situation ESG expectations and performance, including regulatory environment such as the EU Taxonomy, ETS and CBAM 	<ul style="list-style-type: none"> Communicating about material strategic events such as the launch of the Agoro Climate Alliance, the divestment of Salitre, and the decision to invest in green ammonia in Porsgrunn, Norway Distributing additional dividend in September 2021 Communicating transparently on consequences of market developments, including curtailments in Europe as a result of high gas prices Strengthening our ESG reporting, launching Yara's first integrated report and our Strategy scorecard, and reporting along People, Planet, and Prosperity axes in quarterly reporting
<p>Regulators and policy makers We engage to share our knowledge and shape regulatory actions in pursuit of common goals and industry transition within the framework of the SDGs and the Paris agreement.</p>	<ul style="list-style-type: none"> Engagement in policy-making processes and provision of analyses and studies Dedicated advocacy resources in Oslo (Norway), Brussels (EU), Washington DC (USA) and Ottawa (Canada) Engagement in industry associations by leaders across the company's different locations Visits, social events, and conferences 	<ul style="list-style-type: none"> Fertilizer market and industry trends Clean ammonia production and use Climate policies Food security, nutrition, and sustainable food systems Decarbonization of farming Regenerative agriculture Sustainable nutrient management and nutrient use efficiency Soil health Biodiversity Organic farming Product registration, quality, and safety 	<ul style="list-style-type: none"> Establishing Yara Clean Ammonia, page 91 Working closely with authorities and industry associations to develop the framework conditions for production of renewable and low-carbon nitrogen products, thus supporting the 55% emission reduction aim of the EU Climate Law. Joining climate leaders in calling for ambitious actions ahead of COP26 and cofounding the First Movers Coalition, page 25 Publishing Yara's roadmap for putting the EU Farm to Fork Strategy into action Preparing for the 2022 EU Fertilizer Product Regulation Working closely with Ammonia Energy Association to seek supportive legislation for green ammonia development Leading industry collaboration to properly define innovative products for proper regulatory oversight
<p>Food industry We see ourselves as a perfect partner for a food industry eager to provide healthier and more sustainable food.</p>	<ul style="list-style-type: none"> Partnerships, joint initiatives, projects, and trials Partnering in industry coalitions Visits, meetings, and seminars 	<ul style="list-style-type: none"> Decarbonization of the food chain Nutrient use efficiency Sustainable farm practices Regenerative agriculture Farmer incentives, livelihoods, and financing 	<ul style="list-style-type: none"> Launching the Agoro Carbon Alliance to help decarbonize farming, page 98 Joining forces with top global food chain companies in the Sustainable Agriculture Initiative Platform (SAI Platform), page 26 Building partnerships with global and regional food companies to drive more sustainable solutions in specific food value chains, page 19 Running trials and projects with food chain partners and engaging in initiatives such as Nestlé Colombia Dairy, Barry Callebaut's Forever Chocolate program, the NKG Bloom project, and Danone's Farming for Generations

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Key concerns raised in 2021

Our activities in Belarus continued to draw attention in 2021, as did our decision to remain in Myanmar after the military coup in February. The invasion of Ukraine in 2022 brought deep concerns over the humanitarian consequences and the conflict's impact on food security.

Yara's CEO provides a thorough briefing on the company's operational and financial performance and other material developments at every Board meeting. We set up specific task forces to manage extraordinary events and keep our governing bodies updated on developments. Throughout 2021, the Board received regular updates on the Covid-19 situation as well as updates from the task forces handling our involvement in Belarus and Myanmar throughout 2021, and now on the situation in Ukraine as it is escalating in 2022.

Belarus

Yara has sourced potash from Belarus since 1996. Potash is a non-replaceable key ingredient for the production of mineral fertilizers used in food production.

Since the contested presidential election in Belarus in August 2020, Yara has been very clear in its support for free and transparent elections. Yara has a strong

commitment to universal human rights and condemns all forms of repression and human rights violations.

Through regular dialogue with Belaruskali management and trade unions, the implementation of a joint safety program in Soligorsk, first-hand observations, the secondment of a Yara Safety Director, and through several other visits to Soligorsk, Yara has laid the groundwork for lasting improvements for Belaruskali workers. Some examples are machinery protection, trade union involvement, and risk-based safe work assessments.

Yara's approach of seeking influence through continued presence has been supported by the Belarus Independent Trade Union (BITU), The Belarusian Congress of Democratic Trade Unions (BKDP), and IndustriALL, as well as the Norwegian Confederation of Trade Unions (LO) and Industri Energi. The approach has also been supported by expert human rights organizations like the Norwegian Helsinki Committee (NHC).

In January 2022 however, the effects on the supply chain from the current sanctions on Belarus forced Yara to initiate a wind-down of its sourcing of Belarusian potash. Despite the wind-down of raw material sourcing, Yara aims to continue the industrial safety program initiated in 2021, in close cooperation with the independent trade union in Belaruskali and in full compliance with applicable sanctions.

Yara will continue to monitor for any changes in the situation, including sanctions, as part of its ongoing sourcing operations.

Myanmar

In February 2021, a military coup created turmoil in Myanmar, rolling back societal gains from five years of democracy. Civil service departments went on strike, bringing the country to a standstill. Peaceful protests were followed by mass arrests and deadly crackdowns by security forces countrywide. Resistance groups formed in April, targeting the security forces. This has led to daily clashes and firefights in both urban and rural areas. According to UN (United Nations) sources, over 400,000 people have been displaced due to the ongoing violence.

Yara formed a crisis management team immediately after the coup. This team is still managing the situation locally. All Yara employees were working from home due to Covid-19 precautions when the coup took place, and they have remained safe throughout the year.

In response to the coup, Yara Myanmar halted all market activities for two and a half months and diverted imports for six months. Operations resumed at the end of May, following thorough risk assessments.

Several activist groups have questioned Yara's continued presence in Myanmar. The decision to resume operations was anchored in Yara's desire to keep supporting the country's farmers with necessary inputs for their crops and help to feed the people of Myanmar through a looming food crisis. The country is highly dependent on imports of farming inputs and Yara's local office and operations – supported by our large operations in neighboring Thailand – enabled us to quickly resume deliveries.

We have strengthened our due diligence activities

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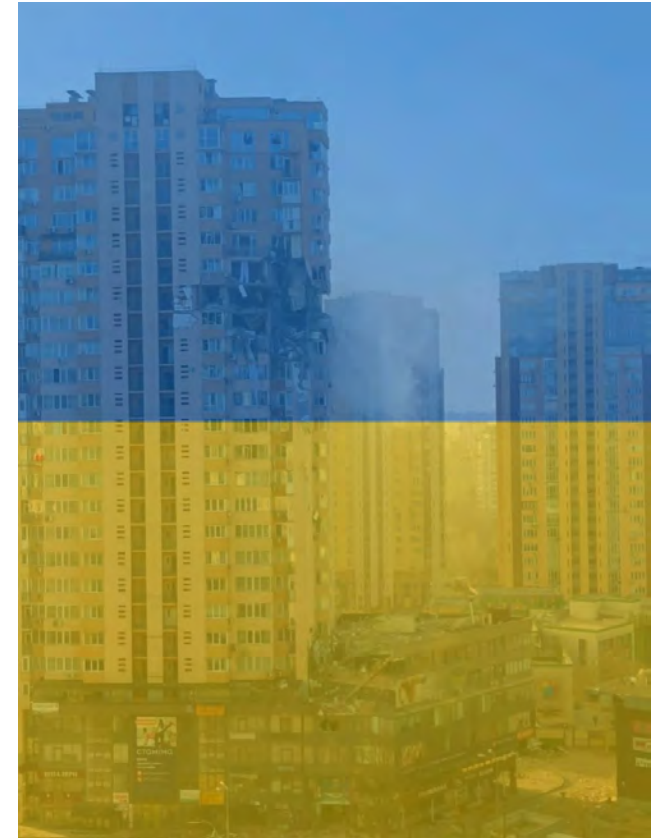
in Myanmar, based on strong collaboration with the Norwegian embassy and EuroCham. Yara also signed up to a statement by the Myanmar Centre of Responsible Business with over 180 other in-country companies expressing “deep concern at the developments in Myanmar since the declaration of a state of emergency on 1st February. As investors, we inhabit a ‘shared space’ with the people of Myanmar, including civil society organizations, in which we all benefit from respect for human rights, democracy, and fundamental freedoms – including freedom of expression and association – and the rule of law. The rule of law, respect for human rights, and the unrestricted flow of information all contribute to a stable business environment. We remain committed to our employees and to the people of Myanmar. We hope to see a swift resolution of the current situation based on dialogue and reconciliation in accordance with the will and interests of the people of Myanmar.”

Ukraine situation

The Russian invasion of Ukraine from late February 2022 has brought increased geopolitical risks to global markets and business operations. Yara has been directly hit by the conflict both by having employees in the war zone in Ukraine and by a missile that hit the Yara office building in Kiev. Fortunately, none of our employees were physically harmed.

Yara established crisis management teams at both the strategic and operational levels to coordinate planning and day-to-day management of the situation. The company’s priorities are to safeguard our employees, contractors, partners, and society; to be a responsible company and operate according to government regulations, sanctions, and guidelines; and to keep our operations running, to help support continued food supply, as well as supply of other essential products to society – also in times of crisis. On 11 March 2022, Yara announced it had stopped sourcing from several Russian entities due to latest EU sanctions.

We are deeply concerned over the long-term consequences of the war on global food supply. Ukraine is the world’s largest producer of grains, and Russia is one of the largest producers of wheat and has enormous nutrient resources. It is therefore crucial that the international community comes together and works to secure world food production and reduce dependency on Russia.



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MATERIALITY

Our material topics

In 2021, we renewed our approach to materiality. We widened our mapping of impacts, linked the materiality assessment to our stakeholder, strategy, and risk processes, and strengthened the connection between our material topics and performance management.

At Yara, we want to direct our attention and efforts to the topics that truly matter to our value creation and to our stakeholders. As a global company with high aspirations for sustainability, we are conscious of the fact that risks and opportunities can be material from both a financial and non-financial perspective, recognizing the concept of double materiality. We therefore define material topics as matters that have the potential to affect our value creation, along with topics that represent actual and potential negative or positive environmental and social impacts related to our activities and business relationships.

We are transforming our business with the ambition of offering nature-positive solutions, which entails both new challenges and new opportunities. This, along with a desire to further integrate sustainability and our stakeholder engagement with strategy, risk, and performance management processes, spurred a revision of our materiality assessment approach in 2021. We believe this renewed approach is better suited to ensuring that our priorities are relevant and aligned with our ambitions.

Four-step approach

The 2021 materiality assessment was conducted in four steps and led internally by our Sustainability Governance function:



1. Identify impacts

- Collate information from internal and external sources
- Identify relevant impacts
- Group impacts into coherent topics



2. Prioritize topics

- Assess the importance of each topic to Yara
- Assess the importance of each topic to stakeholders
- Set thresholds for tier 1 and 2 topics



3. Validate and approve material topics

- Review material topics against corporate strategy and risk universe
- Verification by Strategy and Risk functions and approved by CFO
- Directional support from Board Audit and Sustainability Committee (BASC)



4. Implement

- Introduce the fourth pillar Governance to our Strategy scorecard
- Confirm existing KPIs and initiate target-setting for tier 2 topics
- Define and implement targets in performance measurement system

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Step 1: Identify impacts

Our mapping of potential impacts covered economic, environmental, and social impacts and drew on input from several sources and processes, not least from our stakeholder engagement.

Holistic performance management is fundamental to the way we measure our success. We approach materiality in the same manner – holistically – by identifying all impacts relevant to our stakeholders and our future value creation.

In 2021, we reviewed and consulted with several sources – external and internal – to identify and develop the initial list of actual and potential negative and positive impacts on the environment, people, and economy. We also drew on information from our Stakeholder Management Procedure, which we established in 2020. It mandates our business units to conduct regular stakeholder analyses, create engagement plans, and report their findings and responses.

[» Stakeholder Management Procedure, page 28](#)

We prioritize seven stakeholder groups in the materiality analysis; employees, distributors and retailers, farmers, suppliers, investors and lenders, regulators and policy makers and food industry.

The complete list of impacts was consolidated into topics and relevant subtopics to reflect the connectivity of issues, and we developed topic descriptions to prepare the involvement of internal subject matter experts in the prioritization process.

Sources used to identify impacts

External:

- Stakeholder engagement
- Global policy development
- Regulatory changes
- Megatrends
- Industry trends
- ESG standards
- ESG ratings

Internal:

- Yara’s strategy
- Yara’ risk map and risk universe
- Internal audits
- Business partner monitoring
- Human rights impact assessments

Step 2: Prioritize topics

Involving subject matter experts from around the organization, we assessed the significance of the impacts to Yara’s value creation and to our stakeholders’ assessments and decisions and prioritized them in tier 1 and 2 topics.

We assigned ownership of subtopics to internal subject matter experts in order to assess the significance of the impacts. Each subtopic was assessed in terms of scale and likelihood of negative and positive impacts on Yara, and in terms of their importance for our stakeholders’ assessments and decisions related to our company. We also determined where in our value chain the impacts are relevant, and whether they are likely to play out over the short- (0-1 years), medium- (2-5) or long-term (6-30 years).

The assessment process was facilitated by our Sustainability Governance function, which also provided second opinions and initiated broader discussions when needed. Conducted on a shared platform with assessments of individual topics accessible to all involved, this process step created much engagement and dialogue internally. Whole departments got involved and topics were refined and subtopics regrouped to better reflect their connectivity, importance, and management.

The outcome of the assessment process was a complete list of material topics and subtopics prioritized in tier 1 and 2 topics. The tiered approach reflects our commitment to strengthening the connection between our material topics and performance management system.

Step 3: Validate and approve material topics

The prioritization process and outcome were validated by our Strategy and Risk functions, approved by the CFO, and directionally supported by the Board Audit and Sustainability Committee (BASC).

Our Strategy and Risk functions reviewed the list and weighting of topics against our strategic priorities and Yara’s risk profile and provided their feedback on thresholds for tier 1 and 2 topics. Following the review and final amendments, the material topics were validated by the heads of Strategy and Risk, and by Yara’s CFO. The materiality assessment approach and outcome was also directionally supported by Yara’s Board Audit and Sustainability Committee (BASC).

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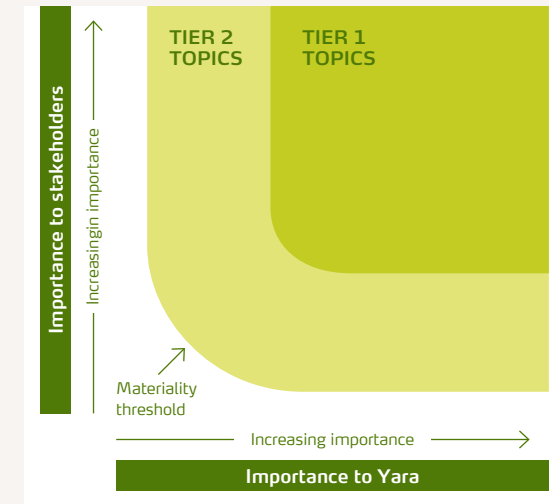
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Connecting material topics to performance measurement

AMBITION	OUR PILLARS	TIER 1 TOPICS	TIER 2 TOPICS
Growing a Nature-Positive Food Future	People	KPIs All tier 1 topics are measured through strategic KPIs	Targets All tier 2 topics are to be measured annually through targets
	Planet	<ul style="list-style-type: none"> ▪ Occupational and process safety ▪ Leadership and employee enablement ▪ Diversity, equity and inclusion 	<ul style="list-style-type: none"> ▪ Entrepreneurship and agility ▪ Human rights and labor practices ▪ Health and well-being at work ▪ Security and emergency ▪ Product safety
	Prosperity	<ul style="list-style-type: none"> ▪ Opportunities in clean tech ▪ Climate change ▪ Sustainable farm management ▪ Energy 	<ul style="list-style-type: none"> ▪ Water management in production ▪ Air quality ▪ Circularity ▪ Protection of ecosystems
	Governance	<ul style="list-style-type: none"> ▪ Profitability ▪ Sustainable finance ▪ Digitalization 	<ul style="list-style-type: none"> ▪ Customer management ▪ Sustainable supply chains ▪ Socioeconomic impacts on communities
		<ul style="list-style-type: none"> ▪ Business integrity 	<ul style="list-style-type: none"> ▪ Regulatory change and compliance ▪ Stakeholder engagement ▪ Board composition and oversight

We report on our priorities and progress for each material topic in the Performance section of this report. Three exceptions are Stakeholder engagement, which can be found on [page 28](#), and Board composition and Profitability, which are reported in Yara’s Integrated Report 2021.



Criteria used to prioritize topics

Importance to Yara:

Scale: Significance of negative or positive financial impact

Likelihood: Chance of the negative or positive impact materializing

Importance to stakeholders:

Importance of topic to stakeholders’ assessments and decisions about Yara

Thresholds

We applied thresholds for tier 1 and tier 2 topics. This tiered approach clarifies our prioritization of issues.

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Material topics and how Yara understands them

PEOPLE: Our employees and culture are important success criteria for Yara. We measure how we develop a culture of safety, engagement, diversity and inclusion among our employees.



Occupational and process safety: Keeping all our employees, contractors and neighbouring communities safe and minimally exposed to risks generated by our processes.



Leadership and employee enablement: Developing, recruiting and retaining the skills and talent needed to deliver our strategy and fulfil our purpose.



Diversity, equity and inclusion: Building an inclusive and diverse working environment, and ensuring fair treatment and equal opportunities for all employees.



Entrepreneurship and agility: Our ability to design, launch and run new business models to exploit business opportunities.



Human rights and labour practices: Respecting internationally recognized human rights along with all relevant labour rights throughout our operations and in our supply chain, and maintaining good and constructive relations with our employees and their organizations.



Health and well-being at work: Promoting a healthy working environment that protects the physical and mental well-being of all while at work.



Security and emergency: Protecting our people, environment, assets and reputation from internal and external threats and potential emergencies.



Product safety: Taking proper care of our products' compliance, quality, safety and environmental footprint through the entire value chain.

PLANET: Our ambition is to become nature-positive and climate-neutral by 2050. Decarbonizing our own operations is critical, but we also want to contribute to reducing emissions and impacts on nature both from our operations and from the farmers and other customers who use our solutions.



Opportunities in clean tech: Reaping the benefits of implementing low-carbon and other environmental technologies in our operations and in our offerings.



Climate change: Mitigating climate change by reducing greenhouse gas emissions and adapting to climate change by increasing our resilience.



Sustainable farm management: Facilitating and supporting sustainable farming practices that impact positively on crop quality, GHG emissions, soil quality and water use efficiency.



Energy: Improve energy efficiency and intensity, and define the company position on sourcing of renewable energy.



Water management in production: Protecting clean water and minimizing water stress by using water and managing discharges efficiently.



Air quality: Protecting fresh air and preventing ambient air pollution by mitigating emissions to air.



Circularity: Moving towards Circular Economy by using materials efficiently and improving waste management by prioritizing recycling and circularity and developing technologies to enable it.



Protection of ecosystems: Supporting the health of ecosystems by preventing deforestation and loss of nature and species, and by preserving soil and water quality.

PROSPERITY: We aim to improve the profitability of our operations and grow new business areas to create value for our customers and society at large, and to deliver superior returns to our shareholders.



Profitability: Sustaining profitability in our business and delivering superior shareholder returns based on reliable and cost-efficient operations, capital discipline and global optimization.



Sustainable finance: Supporting sustainable finance by implementing sustainability criteria in our investment decisions, and maintaining a favourable ESG profile and high ratings on ESG criteria.



Digitalization: Applying digital technologies to improve our production, agronomy services and overall business.



Customer management: Customers' experience, interaction and perception of the whole series of encounters with Yara when they buy goods or services.



Sustainable supply chains: Understanding and managing environmental, social and economic impacts along the value chain.



Socioeconomic impacts on communities: Establishing and maintaining mutually beneficial relationships with the communities in which we operate.

GOVERNANCE: Sound governance is the foundation for living our purpose, and for progressing on the other three pillars People, Planet, and Prosperity.



Business integrity: Honoring responsible business conduct and promoting accountability by maintaining proper policies and practices, upholding a culture of respect, honesty and fairness, and contributing to transparency.



Regulatory change and compliance: Conforming to all applicable laws, regulations, standards, permits and voluntary agreements while keeping abreast of and prepared for new regulatory changes.



Stakeholder engagement: Engaging with material stakeholders, including the processes in place to identify and understand stakeholders' key concerns and Yara's impact on stakeholders, for soliciting stakeholders' input, and for guiding the Board's prioritizations for long-term value creation.



Board composition and oversight: The extent to which the composition, role, and work of our Board of Directors is aligned with long-term value creation.

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Where and when impacts are likely to occur

How we manage and monitor material topics depends on where and when they are likely to have an impact.

We therefore consider the significance of each impact along our value chain. Acknowledging the fact that many sustainability-related impacts are expected to play out over the coming years and decades, we applied time horizons longer than normal business planning.

Time frame

- **Short term:** Impacts exist or can arise expectedly or unexpectedly within 0–1 years
- **Medium term:** Impacts are expected to arise or increase in significance within 2–5 years
- **Long term:** Impacts are expected to arise or increase in significance within 6–30 years

How we define the value chain:

- **Sourcing:** Selection and engagement with suppliers providing raw materials, products, and services.
- **Production:** All stages of the manufacturing of Yara’s nitrogen fertilizers and industrial products to factory gate.
- **Distribution:** Logistics operations and transport of products from factory gate to delivery and sales through local distributors and retailers or directly to end users.
- **Application:** Use of our products and services in industrial applications or in the field to grow crops.

Level of impact:

- High ● Medium ○ Low

Impact in our value chain		Sourcing	Production	Distribution	Application	Time frame
People	Occupational and process safety	●	●	●	○	●●●
	Leadership and employee enablement	●	●	●	○	●●●
	Diversity, equity and inclusion	●	●	●	○	●●●
	Entrepreneurship and agility	○	●	●	●	●●●
	Human rights and labor practices	●	●	●	●	●●●
	Health and well-being at work	○	●	●	○	●●●
	Security and emergency	●	●	●	●	●●●
	Product safety	●	●	●	●	●●●
	Planet	Opportunities in clean tech	●	●	●	●
Climate change		●	●	●	●	○○●
Sustainable farm management		○	○	○	●	○○●
Energy		●	●	●	○	●●●
Water management in production		○	●	○	○	●●●
Air quality		●	●	●	●	●●●
Circularity		●	●	●	●	○○●
Protection of ecosystems		●	●	○	●	○○●
Prosperity		Profitability	○	●	○	●
	Sustainable finance	○	●	○	○	○○●
	Digitalization	○	●	○	●	●●●
	Customer management	○	○	●	●	●●●
	Sustainable supply chains	●	○	○	○	○○●
	Socioeconomic impacts on communities	○	○	○	○	●●●
Governance	Business integrity	●	●	●	●	●●●
	Regulatory change and compliance	●	●	●	●	●●●
	Stakeholder engagement	●	●	●	●	●●●
	Board composition and oversight	●	●	●	●	●●●

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Inviting feedback from all employees

In late 2021, we invited all employees to share their thoughts on the materiality assessment and final list of material topics on Yara’s intranet. In doing so, we hope to involve our employees worldwide, many of them also neighbors and local community members, in shaping our priorities and future reporting.

Step 4: Implement

While the 2021 materiality assessment did not result in any significant changes in our overarching strategic goals, it prompted target-setting for tier 2 topics and a restructuring of our sustainability reporting.

The materiality assessment has resulted in several changes in our reporting for 2021, most notably a more granular presentation of our material topics. While the list of topics differs from what we presented last year, our newly defined tier 1 topics essentially mirror the strategic goals we presented in the 2020 report. In other words, the materiality assessment did not lead to any significant changes in our strategic KPIs.

[» Strategy scorecard, page 15](#)

At the tier 2 level, the 2021 materiality assessment introduces several new topics. Many of them had previously been grouped together under overarching titles. We believe that ungrouping them will support transparency and accountability, not least on human rights and labor practices, protection of ecosystems, health and

well-being at work, customer management, and sustainability in our supply chains.

This belief is backed by the way we measure our performance. Our material topics are significant to Yara’s value creation and our stakeholders, and are managed and measured accordingly. Tier 1 topics are strategically important and reported through strategic KPIs on a quarterly basis, to the extent possible. Tier 2 topics are materially important and reported annually through targets. Target-setting for tier 2 topics is ongoing and targets will be published in the 2022 report. We are continuously working to improve and maintain data quality in our performance management.

While we intend to review the materiality assessment annually, sudden changes in our business environment can trigger more frequent updates. Future materiality reviews will be run ahead of our corporate business plan process to integrate sustainability requirement, KPIs and targets into the individual business plans of our regions and functions.

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Matching topics with KPIs and targets

Our tier 1 topics match well with our strategic KPIs. In 2022, we intend to set targets for all tier 2 topics.

 People	
Tier 1 topic	KPI
Occupational and process safety	TRI rate
Leadership and employee enablement	Engagement index
Diversity, equity and inclusion	Diversity and inclusion index , Female senior managers
Tier 2 topic	Target
Entrepreneurship and agility	TBD
Human rights and labor practices	TBD
Health and well-being at work	TBD
Security and emergency	TBD
Product safety	TBD

 Prosperity	
Tier 1 topic	KPI
Profitability	Ammonia production, Finished fertilizer, Finished fertilizer production, Premium generated, Revenues from new business models, Working capital (ROIC), Fixed costs, Capex, Net debt / EBITDA
Sustainable finance	MSCI rating, Sustainalytics rating
Digitalization	Active hectares, Revenues from online sales
Tier 2 topic	Target
Customer management	TBD
Sustainable supply chains	TBD
Socioeconomic impacts on communities	TBD

 Planet	
Tier 1 topic	KPI
Opportunities in clean tech	TBD
Climate change	GHG emissions - intensity, GHG emissions - scope 1+2
Sustainable farm management	Carbon marketplace
Energy	Energy efficiency
Tier 2 topic	Target
Water management in production	TBD
Air quality	TBD
Circularity	TBD
Protection of ecosystems	TBD

 Governance	
Tier 1 topic	KPI
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Tier 2 topic	Target
Regulatory change and compliance	TBD
Stakeholder engagement	TBD
Board composition and oversight	TBD

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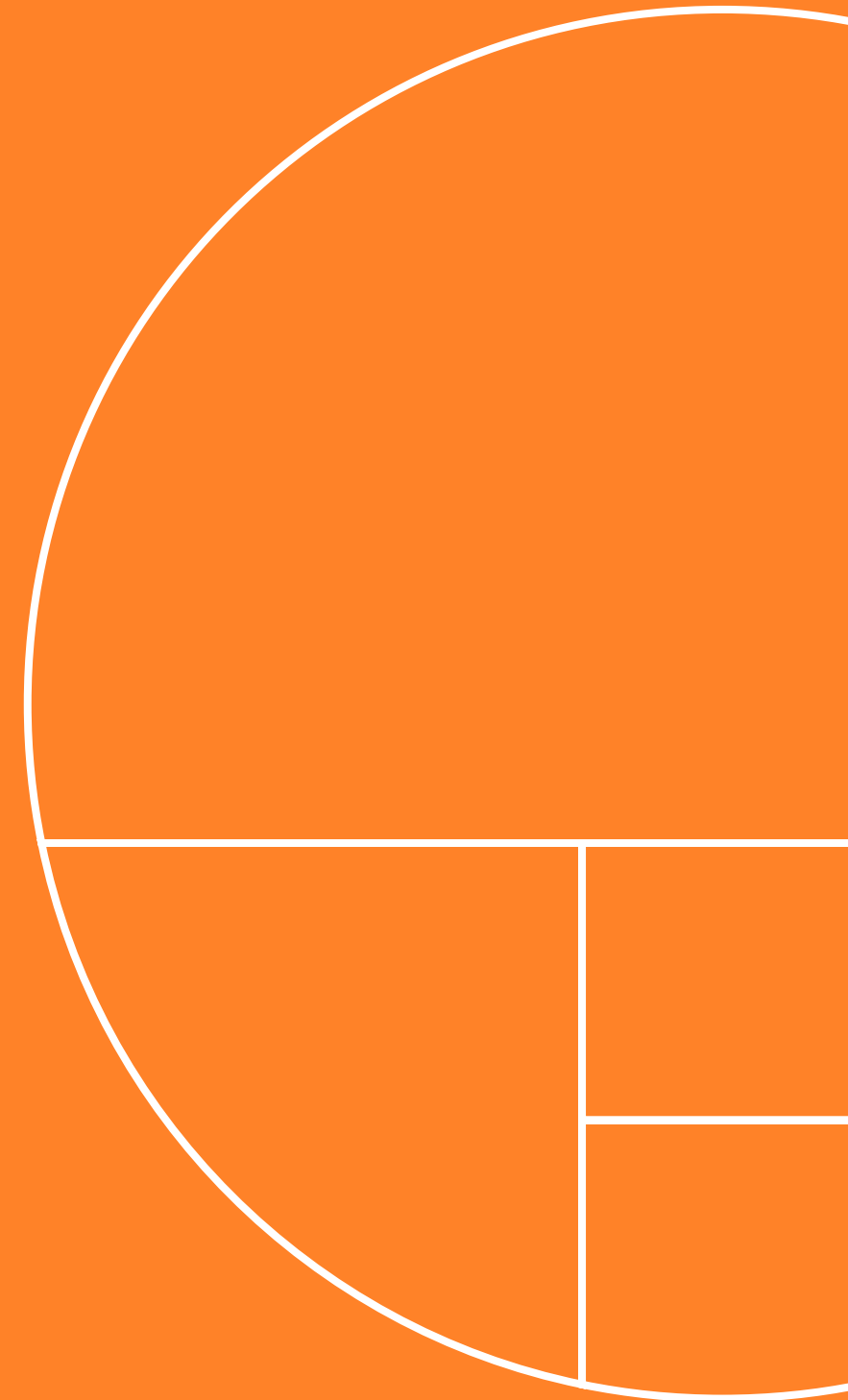
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How we perform

What gets measured gets managed. That is why we manage and measure our value creation along the three pillars of People, Planet, and Prosperity. To drive holistic performance management, Governance is being adopted as a fourth pillar on our Strategy scorecard.



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People

Our employees are the key drivers of success for Yara. We want to build a culture of engagement, entrepreneurship, diversity and inclusion to ensure that Yara is well positioned to tackle the challenges ahead of us. Protecting our employees' physical and psychological health remains a top priority for Yara.



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Paying a living wage is key for Yara to meet its goals of providing decent work and reducing inequality.

CASE: LIVING WAGE

What is a living wage

How can a global company ensure it pays its employees decent and sufficient wages? It's more complicated than you might think, but Yara is taking action.

Working poverty is a reality for millions of people worldwide. For many, holding a job does not mean a way out of poverty for themselves or their families.

Yara, like other companies, pays employees according to the labor market in the countries in which it operates. In countries with strong labor rights, this is likely to mean that Yara pays employees a living wage, as wages more accurately reflect the cost of living. In other markets, labor rights are virtually non-existent, and the risk of under-paying workers increases.

Paying a living wage is key for Yara to meet its goals of providing decent work and reducing inequality. The challenge is that there is no universally agreed definition of what constitutes a living wage. However, this is not an excuse for inaction.

Yara's Living Wage project aims to develop standards for the markets it operates in and analyze whether Yara needs to make changes to its compensation policy in order to pay its employees a living wage in all 60 countries of operation.

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The living wage definition will be implemented in Yara's global compensation policy as a minimum standard.



Yara is running a pilot study in 11 key markets. Through this, a Yara definition of what constitutes a living wage will be developed as a key first step to assess whether or not Yara meets those benchmarks. This is not as straightforward as one might think.

For example, ask yourself what a living wage is in your country – not just the minimum wage, but an actual living wage that enables people to participate fully in society. Should Yara's wages reflect the size of average households in the country? Should it be taken into account whether the average family has one or two wage earners? Should it allow room for culture and other leisure activities? What about money for tobacco and alcohol?

Can we have a global definition of what a living wage is, or does it have to be adapted to each region, country or indeed municipality?

“Living Wage is an important part of Yara's People ambition related to diversity, equity, and inclusion – to ensure that all our employees, no matter where they live and work, will have the opportunity to participate fully in society. We actively seek to find good definitions of

what this means and to make necessary adjustments to our compensation policies if we find countries and markets with wages below what will be defined as a living wage.”, says Solveig Hellebust, EVP People Process & Digitalization.

Together with consulting company Mercer, Yara is currently in the process of testing a suggested living wage definition in the pilot countries. Once that is agreed, we will assess whether Yara meets that definition in the markets or not. If Yara does not meet the living wage standards agreed, work will be undertaken to ensure compliance.

Over the next three years, Yara aims to include more countries in the project, and to also include contractors within the scope. The living wage definition will be implemented in Yara's global compensation policy as a minimum standard.

Yara's new ambition of Growing a Nature-Positive Food Future has people and prosperity as key elements. Ensuring that we meet our commitments to our own employees is a key first step.

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TIER 1 TOPIC

Occupational and process safety

We care for our employees and contractors, and safety is therefore a high priority at Yara. Our belief is that all accidents are preventable. We want to be the best and safest company in our industry, to set high goals for ourselves, and to use external benchmarking to compare our safety performance with the industry leaders and other top performers. Everyone working for Yara is expected to comply with our safety standards and requirements.

Subtopics in this section:

- Occupational safety
- Process safety



Commitments

Strive towards zero accidents: Achieve a Total recordable injuries (TRI) rate <1.2 by 2021 and <1.1 by 2022 on our journey towards zero injuries

✔ On track

Preventing serious incidents: Maintaining a Potential Severe Injuries and/or Fatalities (PSIF) rate < 1.0 in 2021 and 2022

✔ On track

Process safety: Achieve a Process Safety (PS) index >70% in 2021 and in 2022 achieve a 3% improvement at every site, with 2021 as the baseline

✔ On track

HESQ index: Achieve a 5% improvement in our HESQ index at every production site in 2022, with 2021 as the baseline

✔ On track

Priorities

Yara's HESQ Management System

Our HESQ Management System is built on four pillars linking our HESQ ambitions to Yara's values and embedding continuous improvement in the organization. The governance elements within our management system clarify expectations for managers, supervisors, employees, and our business partners. The four pillars are:

1. Commitment to compliance and excellence in HESQ
2. Understanding hazard and risk
3. Managing risk
4. Learning from experience

All production sites have a mandatory health and safety committee that covers all of the employees working on the site.

We are committed to corporate-wide certification to the three standards: ISO 9001 (Quality management), ISO 14001 (Environmental management), ISO 45001 (Occupational Health & Safety) and ongoing transfer to ISO 50001 (Energy management). Despite Covid-19 restrictions, a total of 28 units were audited by third-party certification and 19 units were audited by our corporate HESQ functions in 2021.

Safety Committee

Our Safety Committee consist of regional and key HESQ representatives, Yara's labor union representative, Yara's Executive Vice Presidents, and Yara's CEO. The committee meets twice a year to review the company's safety progress, trends, and major incidents and to decide on actions. For example, in 2021 the committee identified risk assessment and traffic safety as the most pressing areas for improvement. Taskforces on both

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issues were established in 2021, and new operating standards will be implemented in 2022.

Safe by Choice framework

Safe by Choice is our corporate-wide journey to develop a value-based and sustainable HESQ culture to reach our ultimate goal of Zero Harm. The culture we strive for is one where we all, individually and collectively, take responsibility to care for ourselves and each other; with better quality, more ownership, engagement, and consistency in what we do.

Since 2013, the framework has helped strengthen our safety culture and improve our safety performance. We are now implementing Safe by Choice as an integrated framework to strengthen and improve all our HESQ objectives and work towards the goals of:

- Zero Injuries
- Safe and Sustainable use of chemicals
- Zero Harm to the environment and
- Protecting our people, environment, assets, and reputation from internal and external threats and potential emergencies.

Our Safety Management Principles provide guidance to employees and contractor to comply with our safety framework, standards, and requirements, including mandatory life saving Golden Rules, which set the minimum global standards on safe working practises.

» [Safe by Choice, Golden Rules – Saving Lives Every Day](#)

In 2021, we developed several e-learning courses for our HESQ Academy, addressing key risks and priorities in safety work, such as working at heights, process safety bootcamp, traffic safety, and the physical and psychosocial work environment.

Safety Award

The Yara Safety Award was established more than 20 years ago to recognize excellence in safety and is an integral part of our Safe by Choice framework. While results are essential, the award aims to recognize both systematic and innovative activity intended to bring about profound improvements in safety behaviour and the candidates' safety culture.

Annual Health & Safety Day

We have celebrated annual Health & Safety Days for more than 20 years, timing the event with the United Nations' World Day for Safety & Health at Work since 2016. The 2021 event was a success, despite the pandemic, as we managed to engage our employees and contractors in activities from our plants and terminals as well as their home offices. In 2021 the event focused on mental health, risk assessments, contractor management, and work planning and preparations. As always, it was kicked off by a personal message from Yara's CEO.

Incident reporting system

Our Corporate HESQ function manages a company-wide system for the reporting and handling of HESQ-related accidents, breaches, near-misses, and hazardous conditions. All such incidents are systematically investigated according to defined severity levels,

and lessons learned are shared across our units. We use independent off-site experts to conduct investigations of the most severe incidents. Classification of personal injuries is aligned with Occupational Safety and Health (OSHA) requirements.

Non-conformities to our policies and standards are reported and handled internally. Any deviations from mandatory requirements are subject to management approval.

PSIF program

Our Potential Severe Injuries and/or Fatalities (PSIF) program ensures that we review, investigate, and share lessons learned from incidents with high potential severity in a structured manner and establish effective improvement actions. PSIF cases are discussed monthly on a corporate-wide platform with participants from across the organization, including Yara's CEO.

Process safety

Process safety is part of our license to operate and has our continuous commitment. We have established a risk-based process safety management system, serving our final objective of mitigating and managing risks generated by our processes to prevent catastrophic accidents. We develop this system continuously, informed by events that occur within our own operations as well as in the industry.

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Performance

We believe every accident is preventable. Our goal is to drive the total recordable injury (TRI) rate down to 1.0 or less by 2025, a stepping stone to achieving our ultimate goal of zero injuries. In 2021, we recorded a TRI rate of 1.0, in line with our 2025 goal and lower than industry benchmarks. Strong safety focus and reduced personnel at our sites during the pandemic explain the achievement.

PSIF rate

The PSIF rate was introduced in 2020 to enable us to work more systematically on the prevention of major

incidents with potential for severe injuries or fatalities. In 2021, we recorded 66 incidents with potential for severe injuries and/or fatalities and a PSIF rate of 1.2. The main reason for this increase is that we have paid major attention to the importance of reporting PSIF cases throughout the whole organization and to raise awareness.

PS index

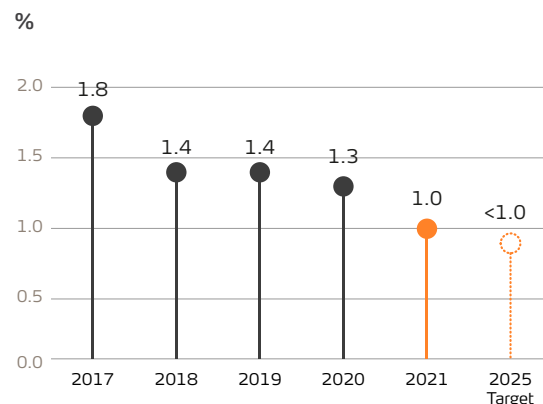
In 2020, we also launched a new internal target to measure our process safety performance and promote a mindset of continuous learning and improvements, the PS index. Through systematic follow up, but also efforts and focus in efficient competence development, and sharing of lessons learnt within Yara's global

Process Safety Community of Practice, we achieved a PS index of 82% in 2021, above our target of 70%.

HESQ index

In 2021, we launched the HESQ Index for occupational safety to raise attention on the quality, reporting, and closing of HESQ reports, and to ensure continuous improvement in safety leadership and operational discipline. The HESQ index will be a new leading indicator in 2022, with 2021 as the baseline. We aim to reach an individual site improvement score of 5% in 2022.

Strive towards zero accidents



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.

TRI rate

	2021	2020	2019	2018	2017
TRI rate employees	1.0	1.4	1.6	0.9	1.5
TRI rate contractors	0.9	1.2	1.4	1.9	2.3
TRI rate employees & contractors	1.0	1.3	1.4	1.4	1.8

PSIF rate, PS index, HESQ index

	2021 Target	2021	2020
PSIF rate	<1.0	1.2	1.0
PS index	> 70%	82%	73%
HESQ index	> 60%	60%	n.a.

The Potential Severe Injuries and/or Fatalities (PSIF) rate expresses as the number of PSIF incidents per million hours worked for employees and contractors.

The Process safety (PS) index combines several indicators to gain more focus on the quality, reporting, and closing of process safety incidents and reports.

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Durban, South Africa won the Yara Safety Award 2021

In 2021, Yara Durban, South Africa won the Safety Award for their commitment and achievements in building a safety culture. The Yara Safety Committee highlighted strong leadership, a management team supported by employees, high employee engagement, and use of innovative methods to engage employees as important qualities that helped Yara Durban to maintain a strong safety culture throughout the year and overcome the challenges of the pandemic.

The way forward

- **Review of Process Safety indicators:**

In 2022, we intend to review certain elements of the process safety indicators. We will shift our focus to creating a learning environment where we involve all layers of the organization to discuss dilemmas, share ideas, and ensure the sustainability of our performance. The target of a PS index >70% will therefore be replaced with an improvement (%) score.

- **Safety survey:**

Our safety culture is the cornerstone of our safety performance. We have run company-wide safety surveys, the Safety Barometer Survey, on a bi-annual basis since 2015, and the next survey is planned in 2022.

- **Integrated HESQ framework:**

We launched our revised HESQ policy in December 2021. In 2022 we will continue implementing Safe by Choice as an integrated framework to strengthen our management and improve our performance across all HESQ objectives.

- **Potential Severe Injuries and/or Fatalities (PSIF):**

Developing and improving our PSIF program based on our Golden Rules and root-cause incident analysis, will be a priority. This includes training at our HESQ Academy.

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TIER 1 TOPIC

Diversity, equity and inclusion

At Yara, we believe that creating a diverse, equitable, and inclusive work environment is both the right and the smart thing to do. In a diverse, equitable, and inclusive work environment employees feel valued for their uniqueness and safe to speak up, which benefits our business. When a variety of perspectives are present in a company, teams can make better decisions, increasing the team’s ability to perform well in a fast-changing environment.

Subtopics in this section:

- Diversity, equity, and inclusion program
- Balanced representation among all employees
- Balanced representation among senior leadership
- Prevention of discrimination and harassment
- Pay equality among under-represented groups and minorities



Commitments

Diversity and inclusion index:

Through 2025, maintain a Diversity and inclusion index in the top quartile of international benchmarks

✔ On track

Female senior managers:

By 2025, increase the share of women in senior management positions to 40% or more

✔ On track

Priorities

Diversity, equity and inclusion program

Yara aims to create an inclusive work environment and a psychologically safe workplace for all employees. We want to provide equitable access to growth opportunities and are determined to continue removing barriers from processes and practices. Numerous activities and initiatives were run throughout 2021 in pursuit of these objectives:

- In September, we celebrated Global D&I Day worldwide at Yara, choosing to focus on psychological safety in activities, webinars, and workshops across all our locations.
- We continued to engage with our employees’ global

ambassador network to raise awareness and challenge each other to broaden the understanding of DEI.

- Women in Agronomy was successfully launched, connecting female agronomists with senior colleagues across units and regions for mentoring, networking, and visibility.
- The Work-Life Balance and Well-Being Framework was officially launched in early 2021 and fully implemented in all Yara locations before the summer.
- Toolkits were developed to make managers aware of and more prepared to talk about unconscious bias and inclusion in the workplace.
- Yara’s CEO signed the CEO Commitment for Diversity, Equity and Inclusion, which brings together leaders, decision-makers, and personalities

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from businesses and organizations who believe in the value of diversity in the workplace.

- One year after starting the Black Talent Initiative, we launched the Borderless Leadership Program for 200 senior leaders, guiding them through a five-hour workshop on tackling race bias and discrimination in the workplace, followed by four monthly group coaching sessions.
- We developed our first DEI VR (Virtual Reality) experience to be launched as a pilot for 700 employees.
- We celebrated dedicated United Nations days to raise awareness, including International Women’s Day, the International Day of Elimination of Racial Discrimination, and the International Day of People with Disabilities, and Pride Week.
- We equipped our leaders and HR partners with skills and tools that better enable them to integrate DEI into all areas of the business.

Yara’s first Global Diversity & Inclusion Day

On 14 September 2021, we celebrated our first Global Diversity & Inclusion Day, with all employees participating in workshops, games, webinars, and other local activities. The celebration marked the introduction of the topic equity to our already established Diversity and Inclusion program and put the spotlight on how we create a psychologically safe environment in which everyone feels comfortable being themselves and sharing their own perspectives.

Performance

Balanced representation among all employees

The chemical industry has traditionally been a field dominated by men. Yara currently employ too few women across all areas, with the exception of administration. At the end of 2021, approximately 24% of Yara employees in permanent positions were women. The share of women has grown consistently over the last five years.

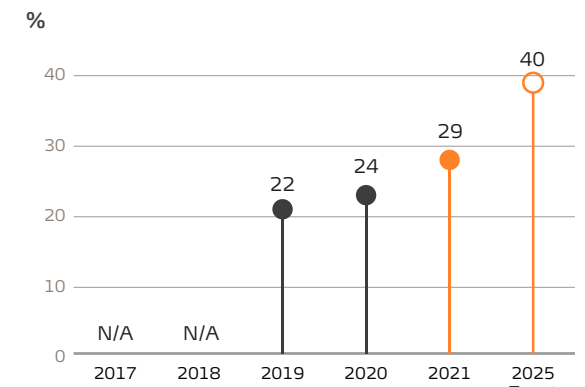
Our ambition is to continue to increase the number of women across all levels at Yara and the more women that apply for our positions, the faster our women representation will grow. To this end, several actions were put in place across our regions to make Yara more attractive to women. One such example is our Women in Agronomy program. Together with our overall DEI efforts, it contributed to a decline in the turnover of female agronomists from 24% in 2020 to 19% in 2021. We follow termination rates closely to identify differences between women and men and spot clusters of positions where we are less likely to retain women than men.

Women in Yara

	2021	2020	2019	2018	2017
Permanent	23.6%	21.6%	20.7%	19.9%	20.1%
Non-permanent	32.8%	30.8%	33.3%	28.6%	26.8%
Overall	24.2%	22.3%	21.6%	20.7%	20.9%

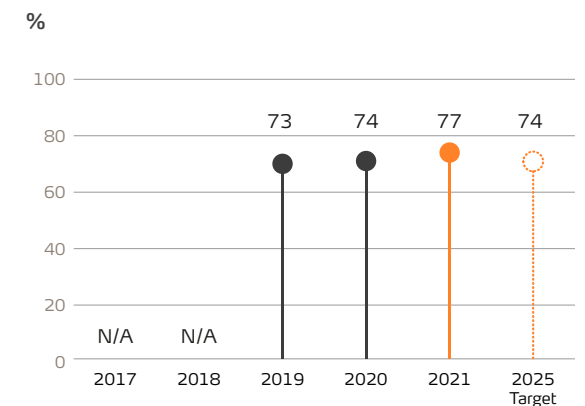
» For more details, please see the People metrics chapter, page 78

Female senior managers



The number of female senior managers is measured as the percentage of top positions, as defined by Yara’s position level system, that are held by women.

Diversity and inclusion index



The Diversity and inclusion index is measured through surveys done by an external third party. The threshold for being in the top quartile was at 74% in 2021.

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In 2021, the share of women was higher among new hires than it was among terminations in all our regions.

We also work to increase representation of other groups in our workforce. Due to legal implications and the sensitivity of the data, we cannot track and report representation in terms of ethnicity, sexual orientation, religion, or other parameters of diversity. Regardless of this, we continue to raise awareness of unconscious biases and follow up with concrete actions, outlined in our DEI program.

Balanced representation in senior leadership

In 2021, we aligned our practices for measuring gender balance at the senior personnel level with industry indices, including only leadership positions at the top three levels in the organization, instead of all

high-graded ones. In this subset of senior leadership positions, 29.1% were women at the end of 2021, up from 23.7% at year-end 2020. We also raised the gender diversity target for senior levels to 40% women by 2025. Our previous goal was a minimum of 35%. The new target has been cascaded to all regions and functions, and progress is tracked and reported on a monthly basis.

We continue efforts to achieve better gender balance in our leadership positions. Our figures suggest that internal promotions into senior personnel positions (high-graded positions) were more significant than external hires. Therefore, inclusive talent management initiatives are vital to raise awareness about possible biases in decision making on both promotions and new hires.

Female movements in permanent positions

	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Overall
Ratio of female hires (%)	26%	33%	40%	43%	36%	33%	39%
Ratio of female terminations (%)	4%	19%	22%	26%	24%	21%	23%

» [Employee hires and exits in People metrics, page 79](#)

Senior personnel movements

	Female	Male	Rate (%)
Internal movements – in	22	32	42%
External hires	14	15	48%
Terminations	3	19	14%
Internal movements – out	5	11	31%

At year-end 2021, Yara’s Group Executive Board comprised nine members, five of whom were women. Six management team members were Norwegian, one was French, one was Spanish, and one was British. Five of whom were more than 50 years old and four were between 30 to 50 years old.

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, of whom six are shareholder-elected and four are employee-elected Board members. Three of the shareholder-elected and one of the employee-elected Board members are women.

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Diversity and inclusion index, questions

Questions	Favorability, %	Benchmark General Industry, top quartile
Promotions and assignments are made fairly in Yara.	55%	50%
Yara values and promotes employee diversity.	87%	82%
In my work environment, everyone is treated fairly regardless of personal background or characteristics.	80%	81%
I am treated with respect as an individual.	90%	86%
I can freely express my views without fear of negative consequences.	74%	73%
DEI index	77%	74%

Diversity, equity and inclusion program

Results from the Diversity and inclusion index show positive developments from the actions we have taken to promote DEI in our workforce. While we reached our target in 2021, further actions are needed to increase diversity and improve equity and inclusion in the workplace in order to benefit from the business value this creates.

Prevention of discrimination and harassment

In 2021, Yara’s Ethics and Compliance Department received a total of 77 notifications classified as harassment or discrimination. Of the 77 notifications, 65 were resolved within the reporting period and 19 of these were substantiated.

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

- 3 employees were dismissed
- 5 employees were given a written warning
- 5 employees received coaching/training
- 4 cases without disciplinary measure
- 2 cases pending outcome

Preventing and raising awareness of discrimination and harassment has high priority at Yara. In addition to our formal Ethics and Compliance training, available in both face-to-face and e-learning, Yara has implemented several other initiatives towards this issue in the DEI program.

[» Human rights and labor practices, page 65](#)

Pay equality among under-represented groups and minorities

Yara is committed to paying employees fairly, regardless of personal beliefs or any individual characteristics. In accordance with the compensation policy, individual remuneration will vary based on specific factors such as country of employment, market conditions, position, performance, and competence.

To ensure that this policy is applied consistently, we have monitored and published developments of our gender pay gap analysis since 2018. Our study follows the methodology suggested by Glassdoor, using ordinary least squares (OLS) regression to measure the

impact of gender on pay after we have statistically controlled differences in other factors, such as job level (grade), job role, local market conditions, performance, and time in the role. Due to new variables included in the analysis, results from 2021 are not comparable with previous years, but the outcome insights are still valuable to understand how we can improve pay equality in our locations of operation. The 2021 study covered 25 countries and more than 7,000 employees in positions graded by Willis Towers Watson methodology and not covered by tariff agreements, as tariff schemes provide strong protection against gender bias. The gaps reported ranged from zero in several countries to 10% in Singapore.

[» People metrics, page 78](#)

To provide a more easily comparable figure over the years, we have also included the so-called unadjusted gender pay gap in this report. It shows the difference between male average salaries over female average salaries in percent, irrespective of any other characteristics. One of the main outcomes of this analysis is to understand how women are progressing in their careers in the company, since it does not take into account the job level of the position – the main factor behind salary variations. Since the majority of the male population in Yara are located in entry levels and women are more predominant in the middle level, women’s average salaries are slightly superior to the male. In 2021, the Unadjusted gender pay gap was -1.4% based on 84% of our workforce. Employees without salaries registered in Yara PeoplePath system were omitted from the analysis due to local data privacy constraints.

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Unadjusted gender pay gap

	2021	2020	2019
Unadjusted gender pay gap	(1.4%)	(0.4%)	(2.6%)
Average female salary over average male salary	101.4%	100.4%	102.6%
Employees covered	85.2%	84.6%	83.9%

Even though this is not alarming, Yara is committed to ensuring a more balanced representation at the top levels and in the company overall, while providing equal pay for equal work. We have implemented stricter rules for salary review and recruitment processes and other actions are being managed and adopted by each unit as permitted by local laws. Some examples are listed below:

- Set targets for women in leadership positions and in the pipeline
- Include multiple women on shortlists for recruitment
- Measure the number of applications per gender and set target for recruitment of women
- Use structured interviews and skill-based assessment tasks for recruitment
- Distinguish minimum requirements from differentiators in job postings
- Guarantee that entry programs (e.g. internship and trainee) have fair gender distribution
- Impose salary review guidelines, including increase suggestions to favor lower compensated and higher performance employees
- Analyze readiness per gender
- Challenge managers on their decisions on committee and require explanation if targets are not met
- Establish a program to facilitate return from parental leave

The way forward

• **Inclusive talent management:**

Yara intends to provide equitable access to growth opportunities and to keep removing barriers from people processes and practices. We aim to provide learning and development opportunities to all our employees on how to make equitable decisions and show inclusive leadership. DEI is embedded in our People Strategy and in everything we do.

• **Allyship project:**

We want to create a more inclusive culture by explicitly developing environments where employees from all backgrounds thrive. To create that environment and awareness, we will launch the Allyship project in 2022, in which everyone in the company who is not a member of a certain underrepresented group but who takes action to support a group, will have the opportunity to transform awareness into more inclusive actions.

• **Workshops promoting awareness:**

We will define and implement actions with HR, leaders, and employees on DEI topics such as unconscious bias, racial bias, and equity to promote a more inclusive culture and behaviour.

• **Lifting Black Talent Initiative and Women in Agronomy:**

We are proud of these programs as they are successful examples of our DEI ethos. We will continue to strengthen collaboration with the regions and better adapt to cultural and language barriers. Actions will continue to focus on offering support, expanding

our reach and fostering networks by involving other employees to balance and complement discussions and to evoke a mindset shift and allyship. Communications campaigns will be addressed to facilitate adoption of new activities and sensibilization actions from managers.

• **WomenLiftingWomen extensions:**

Through the knowledge and experience gained through the Women in Agronomy program, we aim to leverage Yara's reach and influence to benefit other women in the food chain by understanding their needs and offering access to similar resources and agronomic knowledge. WomenLiftingWomen extensions in 2022-2023 will focus on Latin America and Africa, through already established initiatives such as AfricaConnect and building key collaborations with distributor channels in Colombia.

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Women in Agronomy

Yara's Women in Agronomy Program offers exclusive opportunities to more than 150 women agronomists.

The Women in Agronomy Program, developed and successfully launched in 2021, has gone from a successful 6-month pilot of 60 participants to a permanent, full-blown 10-month global program for 251 participants representing 36 countries. Based on an in-depth analysis made in 2020, the program has taken a holistic approach and set priorities to support women through mentoring programs, networking groups, and visibility channels.

The mentoring program links new talents with employees in senior roles across the company to increase their opportunities for knowledge exchange, self-development, and counseling. In 2021, we matched 207 employees in this program. Twenty-four networking groups of female agronomists across the world have been created to open pathways for safe discussions and connections with other women. Visibility channels have

also been created, serving as pockets of opportunities for talented women to expose their expertise and profile to female leaders and other colleagues in the company.



From left to right: Arnold Rinke (Sales Agent), Dr Stephano Haarhoff (Agronomist), Chrisna Heuer (Marketing Manager for the Southern African Countries) and Gerhard Bamberger (Agronomist)

Number of women receiving mentoring support:

108

Number of networking groups:
(7 women in each)

24

Countries represented:

36

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Leadership and employee enablement

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 motivation to successfully drive innovation, productivity, and continuous improvement. Their engagement will be even more important in the coming years as we set out to build a culture of entrepreneurship.

Subtopics in this section:

- Employee engagement and enablement
- Career and performance management
- Upskilling, reskilling, learning culture, and training
- Leadership development and communication
- Transition programs



Commitments

Employee engagement:

Maintain an employee engagement score in the top quartile of international benchmarks

✔ **Achieved**

Priorities

Upskilling, reskilling, learning culture, and training

Knowledge is part of our DNA and key to our future success. Learning enables employees to embrace change, develop new skills, and improve overall performance. Our learning activities provide opportunities for both upskilling and reskilling. Upskilling aims to improve employees' skills and capabilities to grow in their existing or a similar role, while reskilling enables employees to fill new roles.

We firmly believe that skills and expertise can be developed through perseverance and hard work, and that failures are opportunities to learn and continuously improve. We are making significant investments in competence development, especially within digital learning. These investments have enabled us to expand learning offerings and their reach, as well as the evaluation and implementation of new technologies. In 2021, Yara provided access to LinkedIn Learning, Udemy and Coursera, three learning platforms with over 26,000 courses to choose from. These platforms will give every employee access to everything they want to learn, from short skill-specific courses and resources to officially accredited courses from universities and major institutions like Google and IBM.

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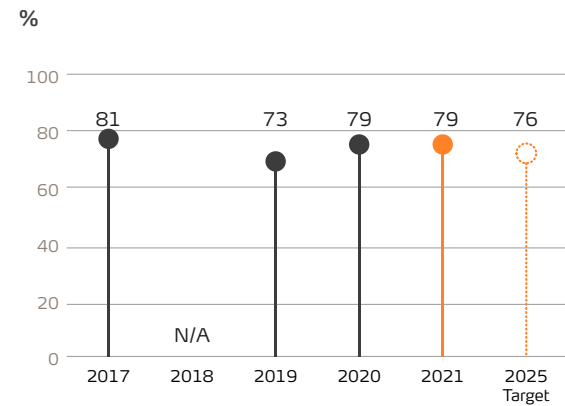
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Performance

Employee engagement and enablement

The pandemic continued to influence all areas of engagement at Yara in 2021, and we focused our actions primarily on the health, safety, and well-being of our employees. Line managers were encouraged to increase their engagement with employees and actively partner with them to manage the Covid-19 situation through local initiatives. In 2020, our employees reported high levels of stress and lack of support when feeling mentally strained. We gave priority to improvements in this area throughout 2021.

Engagement index



Employee engagement is measured through surveys done by an external third party. The threshold for being in the top quartile was at 76% in 2021.

In 2021, the employee engagement index remained high and at the same level as in 2020. This index measures how committed employees are to the company, and how willing they are to put in an extra effort for the organization. We consistently score well against the industry benchmark on questions related to employee engagement and are particularly pleased to see that the vast majority of our employees are proud to work at Yara.

In 2021, we started to follow up employee enablement in addition to engagement. While the latter measures the degree of “willingness to do”, enablement is the degree of “ability to do” based on skills, tools, processes, support, and other elements which impact how effective employees can be in their roles, elements even more important in a fast-changing environment.

Our employees reported that the level of employee enablement was good (74%) and about the same as in 2020 (73%), but significantly better than two years ago (68%). Despite the positive development, we score two percentage points below the benchmark of multiple industries in this area, highlighting employee enablement as an area of improvement.

The 2021 survey had a response rate of 79% among all permanent employees, an increase from 77% in the 2020 survey.

Intensified e-learning

New digital learning solutions were launched in September 2021 and sparked immediate interest among employees by offering a wide selection of contents in an

Engagement index, questions

Questions	Favorability % 2021	Benchmark General Industry P75	2020
I feel proud to work for Yara.	90%	86%	89%
I would recommend Yara as a good place to work.	88%	81%	87%
I feel motivated to do more than is required of me.	78%	76%	78%
Yara motivates me to do more than is required.	68%	68%	67%
Given your choice, how long would you plan to continue working for Yara?	71%	71%	73%
Employee engagement	79%	76%	79%

Questions	Favorability % 2021	Benchmark General Industry P75	2020
My job makes good use of my skills and abilities.	83%	81%	80%
My job provides opportunities to do challenging and interesting work.	83%	81%	82%
Conditions in my job allow me to be as productive as I can be.	66%	72%	67%
There are no significant barriers at work to doing my job well.	64%	68%	62%
Employee enablement	74%	76%	73%

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off-shelf format. Before the end of the year, it had more than 4,800 users and had delivered 36,995 lessons/ videos consumed, amounting to almost 8,000 hours of learning activities. This was in line with our expectations. We aim to increase activities on this platform going forward.

Yara PeoplePath continues to serve as our internal interactive learning platform. It offers a single repository for all global learning programs and contains a wide range of training material developed internally. Of the approximately 15,500 employees and contractors that had IT accounts by the end of 2021, about 11,740 completed trainings on the PeoplePath learning platform. We saw activity on the PeoplePath platform decline from 2020 to 2021 due to the launch of our new Digital Learning Solution. Going forward, the PeoplePath platform will be centered around our internal learning resources.

In addition to interactive courses, our sites 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 2021, Yara spent approximately USD 6.5 million on locally managed trainings, equating to approximately USD 365 per employee, an increase from the USD 4.9 million spent

in 2020, when Covid-19 restrictions hampered many external training activities.

Career and performance management

Career development is a crucial part of the employee experience and retention in Yara. We believe that each employee is responsible for his/her own career journey, and encourage everyone to shape them based on individual aspirations, capabilities, and the expanding internal opportunities.

In 2021, 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 mid-year when career and development discussions take place. Managers are also expected to follow up and provide frequent feedback, coaching, and support to employees.

Yara’s global people processes are supported by Yara PeoplePath, our global HR platform, which serves as a tool and hub for job appraisals and talent development. All employees and managers have access to it.

Employees with regular job appraisals

	2021	2020	2019	2018	2017
Female	82.5%	77.9%	76.0%	78.6%	20.1%
Male	70.1%	63.7%	63.1%	66.1%	26.8%

Indigenous trainee program in Australia

The Australian traineeship for indigenous people is a great example of local programs with big impact on communities’ growth. Yara Pilbara worked together with the Murujuga Aboriginal Corporation to develop the 18-month school-based Indigenous Trainee program which started in March 2021. The launch of the program drew great interest from the students at Karratha Senior High School after visiting the site. Traineeship is offered to year 11 and 12 students and on completion of the 18-month program, the students will receive a Certificate II in Engineering. The students can then apply for workplace traineeships and/or apprenticeships at Yara Pilbara. The students are given mentors and are gaining experience from different work areas at Yara Pilbara. To help support the program, cultural awareness training was rolled out across the site to coincide with the initiative.

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Transition programs

Another relevant aspect of career management is when employees leave the company. Yara sites and locations 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.

Countries providing assistance programs

	2021	2020	2019
Africa	20%	33%	50%
Asia & Oceania	54%	29%	31%
Brazil	100%	-	-
Europe	38%	40%	64%
Latin America, ex. Brazil	11%	22%	10%
North America	67%	67%	67%
Yara	37%	34%	44%

Types of assistance offered

	2021	2020	2019
Percentage of countries that offer assistance when transit to retirement	18%	18%	18%
Percentage of countries that offer outplacement services	27%	16%	22%
Percentage of countries that offer pre-retirement planning	18%	19%	17%
Percentage of countries that offer severance pay	32%	32%	41%
Percentage of countries that offer training for ones continuing professional career	17%	16%	30%

The way forward

● **Performance management review:**

A strong performance management process is required to meet Yara’s organizational goals. In 2022, we will review the current process to ensure it is up to date and aligned with our corporate goals and strategy.

● **Yara Voice action plans:**

Our business units will work together with managers

and employees to define actions and initiatives based on the results from the survey related to employee engagement and enablement as well as on specific areas of improvement.

● **Learning Experience Platform:**

In 2022, we will increase accessibility and competence development by establishing a hub for all learning in Yara – a learning experience platform (LxP). This platform will provide a Netflix-like experience for our employees, suggesting learning content associated with the skills they demonstrate interest in or skills that are required by their current roles or career aspirations.

● **Continuous learning:**

We will explore new technologies to facilitate relevant, personalized, and easily accessible learning, and establish learning communities. This focus on continuous learning will further be strengthened by the Yara Academy in Porsgrunn, delivering both physical and virtual training.

● **Career journeys:**

We will target career journey management for certain job types, particularly technical disciplines. Our objective is to establish frameworks to create and manage the journeys and competencies required by the business, and to build a career ecosystem that is aligned with both the learning and talent strategy. We will encourage broader career thinking and support the gathering of skills and work experiences in different job functions.

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TIER 2 TOPIC

Entrepreneurship and agility

Successful execution of our strategy not only depends on shifts in mindsets and behaviors from our leaders, but it also requires all of us to think like entrepreneurs and act with agility. We believe that a growth mindset and trusting environment will encourage employees to embrace disruption and change, and develop new skills. We have to learn when and where to accelerate while maintaining a safe and healthy work environment.

Subtopics in this section:

- Leading change
- Thinking and acting entrepreneurially
- Agility and our ability to adapt
- Investing in promising start-ups



Commitments

We are committed to building a culture of entrepreneurship and agility

✓ On track

Priorities

Leading change

Yara’s Change Management Framework has been designed to enable the desired cultural changes in our organization. In 2021, we launched a new e-learning program to make the framework accessible to all managers responsible for driving change. This e-learning brings the framework to life, challenging managers to react to scenarios of change and giving them the opportunity to reflect on their strengths and weaknesses when encountering change.

Thinking and acting entrepreneurially

In order to build entrepreneurship and a learning organization, we focused on gathering insights from our leaders and employees in 2021. For example, we

ran a virtual ‘Knowledge Exchange’ in which 650 leaders were asked to define a culture of entrepreneurship and ways to create it. Their feedback, along with information from other processes across our operation, form the basis for future actions to build the desired culture. Entrepreneurship has also been translated into our Operational Excellence initiative, defining what it means in terms of behaviors and mindsets in a production environment. Furthermore, it has been integrated into our People Strategy, which outlines what we expect from all our people, how we will enable them to succeed, and why entrepreneurship and agility is important for the future success of Yara.

Agility and our ability to adapt

Inspired by the lean-agile mindset, we define agility as a rapid, continuous, systematic adaptation and

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entrepreneurial innovation to gain and maintain competitive advantage. To foster this mindset in the organization and develop the (cap)ability to adapt, we have introduced an advising approach and hands-on coaching towards leadership and operational teams.

In 2021, a team of 25 skilled practitioners supported the many initiatives to instill knowledge of change management and drive entrepreneurship. Our actions primarily targeted the digital organization and activities, impacting 18% of our workforce, but will be expanded progressively to reach 6,000 employees.

Our practices reinforce behaviors and equip leaders and teams with practices focused on three interconnected levers:

- **Ways of working:** we increasingly put customers at the core of everything we do, involve them in our processes and let them guide our decisions. Work is also organized and produced in shorter cycles to enable experimentation and faster validation based on data.
- **Governance processes and structures:** by ensuring that we prioritize the right projects throughout the organization, we react faster to halt or boost initiatives, nurture accountability in decisions, and become quicker to adopt new solutions.
- **Culture and mindset:** the pillars of a trusting and open working environment; we co-create as much as possible, solve issues in collaboration, and empower those involved to make decisions.

Performance

Leading change

The Yara Voice survey captures our employees' perception of our ability to change as a company. We score above industry benchmarks, but recognize that there is progress to be made in terms of building trust and confidence in senior leaders to lead effectively through changing environments.

Thinking and acting entrepreneurially

We have seen positive developments on topics related to entrepreneurship in Yara Voice and generally score better than the industry benchmarks. The survey nevertheless underlines the importance of responding better to changes in the business environment and communicating them clearly. Encouraging new thoughts and ideas is another area of improvement.

Yara Voice, leading change

Questions	Favorability % 2021	Benchmark General Industry P50
Yara makes efforts to get the ideas and opinions of employees.	73%	63%
I have a good understanding of my work group's goals and objectives.	89%	85%
I believe that Yara has the right strategic priorities and goals.	78%	68%
I have trust and confidence in senior leaders to lead us effectively through change.	70%	65%

Yara Voice, thinking and acting entrepreneurially

Questions	Favorability % 2021	Benchmark General Industry P50
I understand how my job contributes to Yara's strategic priorities and goals.	89%	83%
Yara is responding effectively to changes in the external business environment.	77%	61%
We continuously look for ways to improve our organization to better serve our customers.	82%	77%
It is acceptable to make mistakes as long as we learn from them.	82%	71%
I am encouraged to come up with new or better ways of doing things.	78%	71%

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Yara launched a venture capital team to invest in promising startups

Yara Growth Ventures was launched in 2021 and is Yara's corporate venture capital team. It invests in disruptive startups in the agri-food and hydrogen industries globally in order to advance Yara's mission of responsibly feeding the world and protecting the planet.

The new team scouts high potential startups around four investment themes: new revenue models in agriculture, climate-smart crop solutions (including soil health, circular economy, and organics), farm connectivity and food value chains, and decarbonization (including green hydrogen).

The startup investments are a way to work directly with entrepreneurs, potentially bringing new ideas and partners into Yara's activities. Yara Growth Ventures also invests in funds to partner with talented venture capitalists and achieve scale in local startup ecosystems.

At the end of January 2022, Yara Growth Ventures had investments in:

Start-ups



One of the leading agribusiness online markets in Latin America with compelling offerings to help digitalize sales and improve service to farmers



A startup working to accelerate atmospheric carbon removal through carbon storage using agricultural soils



A leading developer of novel microbial products to improve crop yield and quality

[» yaragrowthventures.com](https://yaragrowthventures.com)



The developer of E-TAC, a novel method for producing green hydrogen by splitting water that is over 95% efficient, safe, and cost-competitive with fossil-fuel hydrogen



A global leader in biological solutions for increasing yields, improving nutrient use efficiency, and making plants more resilient



A leading Turkish agriculture fintech start-up providing attractive financing to farmers and retailers

Funds



AgVentures Fund II, focused on investing in leading agri-food tech startups across Latin America



Fund II, focused on investing in the fast-growing hydrogen industry

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The way forward

- **Communications campaign:**
We will position and promote the People Strategy's cultural ambitions with a clear brand and communications concept to ensure full understanding and adoption in our organization.
- **Global Leadership Development:**
We will continue to develop and run leadership programs in entrepreneurial behaviors and change management to enable our senior leaders to successfully guide and support their organizations in a rapidly changing world.
- **Change management:**
Alongside the leadership development programs, we will launch easily accessible tools and use our business partners as agents to drive change.

Knowledge Exchange event

Breaking Through was the theme of Yara's 'Knowledge Exchange' event, which was held for the first time in 2021. It gathered 670 senior managers digitally to discuss the breakthrough moment the food industry finds itself in, and how we can also break through to deliver Yara's corporate strategy. Through panel debates, presentation, and interactive work sessions the participants engaged in discussions and learning on the three core topics of Diversity, Equity, and Inclusion, Resilience, and Transformational Leadership over two full days.

For the finale of the event, all employees were invited to attend the Yara Values Award ceremony to celebrate our most innovative project. Winners were selected from a highly competitive field:

Ambition

Yara Porsgrunn, for excelling in cutting GHG emissions and generating excess CO₂ quotas

Curiosity

Action Africa, for helping to turn a time of crisis into transformation for rural communities

Collaboration

Europe's South Region, for persistent efforts to provide more efficient and sustainable fertilizers

Accountability

Ravenna and Ferrara plants, for their pandemic response and performance in 2020



Yara Birkeland

Yara Birkeland, the world's first zero-emission and autonomous container ship, had its maiden voyage in the Oslo fjord in November 2021. Both the Norwegian Prime Minister Jonas Gahr Støre and Yara employees were welcomed onboard to experience innovation and climate solutions first hand. Yara Birkeland will transport mineral fertilizer between the Porsgrunn plant and the Brevik port and will contribute to significant emission cuts. The vessel will be in commercial operation from 2022. Read more about Yara Birkeland [here](#).

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TIER 2 TOPIC

Security and emergency

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. Our global activities can be exposed to security threats from criminals, terrorists, activists, local populations, states, competitors, and hackers which could pose risks to our personnel, the environment we work in, our assets, and our reputation. We are prepared by implementing necessary mitigating measures to reduce our vulnerability.

Subtopics in this section:

- Covid-19
- Crisis management
- Cyber security
- Data privacy
- Data retention and deletion
- Information handling
- Security practices
- Training of security personnel



Commitments

Security:

We are committed to protecting life, health, assets, information, data, our reputation, and the environment we work in from security risks and threats.

✔ On track

Security and human rights:

We are committed to promoting awareness and the implementation of The Voluntary Principles on Security and Human Rights throughout the organization and within our value chain.

✔ On track

Priorities

Covid-19 pandemic: from preparedness to business continuity

We have monitored developments closely since the start of the pandemic. Scenario-based contingency plans and other mitigating actions have been prepared and are ready to be activated, if necessary.

At the start of the year, the pandemic was hitting us hard. Combined with ongoing conflicts and the climate crisis, it has increased the number of security threats and humanitarian needs, impacting Yara operations in all regions. Fortunately, there were no significant

disruptions to our business continuity and all our units remained operational throughout the year.

We have established a policy on Covid-19 vaccination. Yara underlines that vaccination is an individual decision, but scientifically, a vaccination against Covid-19 would be advisable when available, as authorized and recommended by relevant local health authorities. Our employees shall follow local government rules and guidelines when travelling. In countries where vaccination is not funded by the government, Yara will accept the cost of the vaccination as part of the duty of care for our employees. Our policy shall follow applicable regulations and data privacy laws at all times.

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The key to the successful handling of emergencies in 2021 was the application by the local crisis teams of a holistic, multi-disciplinary approach, with focus on the prepare and prevent phases. A key lesson learned is that the better we do at these stages, the better we manage the crisis and enable business continuity.

Cyber Security and Privacy Day

In February 2022, we marked our fourth annual Cyber Security and Privacy Day, highlighting how everyone at Yara can help protect company, customer, and personal data. The event was global and offered learning opportunities for employees in all locations to promote our three Digital Golden Rules and cornerstones of a human firewall.

Annual Emergency Preparedness Forum

In September 2021, we held the Annual Emergency Preparedness Forum with representatives from corporate functions providing support to line management during emergencies. Because of the rapidly changing risk landscape, we have decided that this forum will be conducted on a quarterly basis in 2022. This will give more frequent support to local line management and equally frequent feedback and updates to our corporate Enterprise Risk Management process and business plan development.

Security management and threats

We put substantial resources and efforts into minimizing potential risk of loss from inadequate or failed internal processes, people, and systems, or from external events. Our focus is on managing the causes and mitigating their potential impacts through detective controls and actions: know the risk – control the risk – mitigate the risk – accept the risk.

Our main security threats remained largely unchanged from 2020. However, the Covid-19 pandemic has led to higher levels of uncertainty in general. Three particular risks – cyber security, political and eco activism, and theft – became more apparent and increased in probability, though not impact, in 2021.

Cyber security and privacy

Yara is undergoing a digital transformation. We are building new applications, digitizing internal processes, and modernizing our factories and have full focus on cyber security. A large share of Yara’s staff have worked primarily from home during the pandemic. This has increased our vulnerability to cyber-attacks,

which in general have increased significantly over the last two years. There is also more focus on the data privacy of our customers and employees.

» [Information and cyber security risk in Yara Integrated Report 2021](#)

Emergency preparedness

Emergency preparedness requires a strong business continuity program along with a process for the early detection of risks. We have access to different security information services to enable early warning and preparedness that help us prevent incidents and ensure business continuity. Our Security key functions constantly monitor these platforms and assure relevant regions are informed when needed. Our Covid-19 approach along with other scenarios have shown that our emergency preparedness organization is agile, adaptive, and successful in responding to crises.

Crisis Manager

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

International SOS

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.

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Voluntary Principles on Security and Human Rights

Throughout 2021, we engaged with the Voluntary Principles Initiative, which we became a full member of in the spring. This is a unique platform to meet stakeholders – governments, civil society actors, private sector – and discuss challenges and dilemmas. In-country working groups in Ethiopia, Myanmar, and Mozambique provided valuable input to Yara about the support provided to local crisis management teams.

We continued to implement and promote the Voluntary Principles on Security and Human Rights in our organization and value chain in 2021. This work is summarized in a separate report, based on guidelines from the Voluntary Principles Initiative.

[» Yara's Voluntary Principles Report 2021](#)

Training of security personnel

We proactively plan and train for emergency events to protect our workforce, the environment, and the

communities in which we operate. Because of the pandemic, we adapted our training practices to keep our people safe while making sure that they had the skills to conduct their job safely and effectively. We transitioned to virtual training platforms and incorporated safety measures when in-person training was required.

In 2021, all Yara security personnel and contracted security guards were trained in line with requirements from our Ethics and Compliance Department. In industrial parks or shared office buildings, where we do not directly control security arrangements, we have met with the managers of the security guards to communicate Yara's policy on security and human rights.

The way forward

- **Managing the aftermath of the pandemic:**

Covid-19 will remain a key driver of operational, political and security risks, particularly as the economic impacts of the crisis develops. The recovery process will be turbulent and will generate new

challenges. Several Covid-19-endemic zones will emerge that are likely to experience severe economic pressures over many years, leading to rising political, operational, and security risks.

- **Early identification:**

Our Covid-19 pandemic approach has proven that early identification is key. We intend to improve our applicable tools and scenario mapping, and will update our threat assessment, scenario analysis, and risk rating tool.

- **Address vulnerabilities in the supply chain:**

We are preparing for our supply chain to be more exposed to organized crime from insider threats but also the illegal use of the supply chain, our products, and our brand.

- **Voluntary Principles on Security and Human Rights:**

In 2022 we will continue to incorporate training material on specific topics. External stakeholders in the Voluntary Principles Initiative have already brought unique perspectives into our security management approach.

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TIER 2 TOPIC

Human rights and labor practices

Yara has made a commitment to respecting internationally recognized human and labor rights throughout our own operations, as well as in our supply chain – not only because it is the right thing to do, but because it makes business sense. Respecting human rights is fundamental to sound risk management and Yara’s value creation. We value our good relations with employees and their organizations and engage with them frequently.

Subtopics in this section:

- Child labor
- Forced or compulsory labor
- Indigenous peoples
- Engaging with unions
- Managing restructurings and closures
- Decent work and involuntary part-time work
- Human trafficking
- Living wage



Commitments

Human rights management, own operations:

By 2025, conduct Human Rights Impact Assessments (HRIAs) and address findings in all countries where we consider that our operations have the highest impact on human rights, focusing on Brazil in 2021, and selected operations in Africa and Asia in 2022.

✔ On track

Human rights management, supply chain:

Respect the rights of people in the supply chain by continuing our human rights due diligence activities, including audits and training, directed at high-risk business partners.

✔ On track

Living wage: By 2025, establish living wage benchmarks and conduct gap analyses for all our countries of operation.

✔ On track

Priorities

Supporting established principles

As a global company Yara is committed to respecting and protecting the rights of stakeholders that may be impacted by our business operations. We support the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, and the core conventions of the International Labor Organization (ILO).

» [Living by high standards, page 20](#)

Human rights impact assessments

Conducting targeted human rights impact assessments (HRIAs) is an integral part of meeting our due diligence obligations. HRIAs 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 HRIAs are presented to the Group Executive Board and the Board of Directors. Mitigating actions remain a local management responsibility, and the Ethics and Compliance Department monitors implementation and reports on progress.

Each human rights impact assessment (HRIA) we have conducted to date has proven highly valuable. They help us, in a strategic and systematic way, to evaluate how our human rights policies are implemented on the ground. The assessments provide awareness at a country level on what human rights risks mean in a Yara context and develop competencies and skills amongst our employees to identify and address potential risks. It is also a way to manage our stakeholder

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relations and increase the knowledge of rights-holders on their rights.

Managing human rights in the supply chain

In 2021, we started the process of drafting a Sustainable Procurement Policy and Supplier Compliance Management Process. These are specific measures to monitor compliance with the Code of Conduct for Yara’s Business Partners, and advance our human rights due diligence efforts, and raise the sustainability performance of our suppliers.

[» Managing compliance in the supply chain, page 161](#)

Raising human rights awareness

Human rights is included in all Code of Conduct training, including mandatory e-learning for new hires and face-to-face training programs. Additional e-learning modules are also available to our employees, covering topics such as ethical conduct and reporting concerns, with specific sections on human rights, harassment, and discrimination and gender bias. Human rights was also one of five key topics for discussion during Yara’s first Ethics Week in 2021.

[» Ethics Week, page 137](#)

As a response to our commitment to the Voluntary Principles on Security and Human Rights (VP), we developed and rolled out a specific training program incorporating Yara’s program for human rights and VP training material in 2021. The training material is mandatory for relevant internal staff and contracted security providers.

Performance

Human rights due diligence

Each year, we update our global human rights risk assessment and rank our countries of operation, as well as countries from which we source raw materials, in terms of human rights risk exposure. This guides our focus on where to conduct more targeted human rights impact assessments (HRIA). In addition, HRIA findings form our understanding of what Yara’s main risks to people’s human rights are, as presented in our Code of Conduct. We recognize that this landscape might change, and that we continuously need to monitor the potential impacts from our operations and supply chain.

We use the Integrity Due Diligence (IDD) process to identify human rights risk exposure in our supply chain.

[» Managing compliance in the supply chain, page 161](#)

Identified risks

The 2021 Yara human rights risk assessment identified 19 high-risk countries, up from 18 in 2020. All high- and medium-risk countries are monitored through our Compliance Program and specific action plans are developed to mitigate identified impacts.

Previous human rights impact assessments (HRIA) have identified risk of negative impact from our operations in connection with contracted labor performing services for Yara, especially where manual labor is combined with heat exposure. Mitigating actions are in place to address these issues locally, and in cases where findings are relevant to Yara globally, actions have

been initiated to implement or develop new policies to lift our standards in all locations. One example is the global policy on Physical Requirements to the Work Environment, which was introduced in 2021. It is relevant for all employees working on our sites, including contracted workers. In 2021, we also initiated a project to assure living wages for all Yara employees globally.

[» Case: Living wage, page 42](#)

In 2021 we conducted HRIA’s on our main production sites in Brazil, including selected fertilizer blending units and bagging warehouses. The main concerns identified were related to:

- Occupational health and safety issues on site, including manual labor in hot working conditions
- Working conditions for contracted logistics providers
- Working conditions for contractors and other business partners on our sites
- Child and adolescent sexual exploitation in local communities due to influx of labor at ports and in industrial areas (see below)

Mitigating actions are in place to address these issues. Site-specific findings are followed up locally, and progress is reported regularly to the Executive Committee in Brazil. Findings and actions are also formally discussed at the highest levels in the organization.

Addressing the findings related to child and adolescent exploitation has priority. This is one of the major social issues identified in the local communities surrounding some of Yara’s operations. These negative impacts arise from the influx of labor at ports and in industrial

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Global policy on physical work environment as a result of human rights impact assessments

In 2019 we conducted human rights impact assessments in India, Colombia, and the Philippines. Common risks were identified at all sites in connection to contracted labor performing services for Yara, especially where manual labor is combined with heat exposure. Local actions were put in place, but we acknowledged the fact that we were likely exposed to similar issues at other Yara sites.

Discussions were initiated around setting a Yara standard on these matters. This resulted in the global Physical Work Environment Procedure, which includes requirements on ergonomic conditions and manual handling, temperature, humidity, and noise, and hygienic conditions including dust, access to water, and hygienic facilities. The procedure is relevant for all employees working on our sites, including contracted workers.

We aim to implement these requirements across our sites before the end of 2023. This includes assessing and controlling risks of working in hot environments, avoiding piece-rate pay, and no manual handling of weight above 25 kg to be performed more than 10 times a day per Yara employee or contractor.

areas, including road freight activities possibly linked to Yara’s activities. A Yara multi-disciplinary team has been established to engage in dialogue with key stakeholders for the prevention of sexual exploitation of children and adolescents and to develop a country-level strategic plan to help identify, prevent, and address this risk in connection to our operations. Stakeholders involved include local communities, NGOs, local service stations, road freight users, transportation companies, and drivers’ unions.

No significant breaches or human rights impacts involving rights of indigenous people or related to forced labor were identified in 2021 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 child or forced labor, however 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.

Training

Since we introduced human rights in our training portfolio in 2018, 1,142 Yara employees and 171 external business partners have received specific human rights training.

» [Business integrity, page 139](#)

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

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relationships, and respecting local legislation and requirements.

In 2021, about 66% of Yara employees were covered by collective bargaining agreements and 31% of all employees were covered by agreements that also included health and safety topics, like arrangements for resolving health and safety problems or levels of health and safety practices to apply. For those not covered by collective bargaining agreements, working conditions and terms of employment are determined by local laws and market practices, being neither influenced nor determined by other collective bargaining agreements.

The establishment of the Brazilian Works Council of Yara (BWC) marked an important event in 2021. This is Yara’s first ever Works Council outside Europe. The full BWC comprises 15 representatives from different parts of Yara Brazil.

Yara does not consider any of its fully owned operations to be at significant risk of violating employees’

right to freedom of association or the right to collective bargaining, and no specific concerns were identified in 2021.

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 the Code of Conduct for Yara’s Business Partners, and has been demonstrated with our business partner in Belarus during 2020 and 2021.

[» Key concerns raised in 2021, page 31](#)

Managing restructurings and closures

In 2017, Yara and the European Works Council agreed on guidelines for organizational restructuring with the purpose of creating a fair and transparent framework that is both respectful and professional and in accordance with national laws and the EWC agreement. The document outlines a set of measures to mitigate any negative impacts on our employees from downsizings, clearly establishing terminations as the last resort. The guidelines also describe measures for managing facility closures and protecting the jobs of the people working there, whether it be by retaining critical personnel, selling the facility and transferring the employees or supporting the employees in finding alternative jobs. In 2021, 143 Yara employees were affected by layoffs:

- 106 in Brazil due to closure of the Canoas and Jau plants and reduction of portfolio in Paulinia.
- 24 in France due to migration of activities to Lithuania.
- 3 in Sweden due to the closure of the Helsingborg plant and and 8 in Yara Marine Technologies Sweden due to workload reduction
- 2 in Australia due to organizational restructuring.

[» Closings in Brazil, page 129](#)

Employees covered by collective bargaining agreements

	2021	2020	2019	2018	2017
Africa	23%	26%	27%	30%	25%
Asia & Oceania	12%	12%	14%	9%	14%
Brazil (2017-18 incl. Galvani)	92%	90%	91%	100%	99%
Europe	75%	82%	80%	79%	81%
Latin America	30%	6%	7%	6%	6%
North America	20%	27%	29%	30%	30%
Yara	66%	67%	70%	71%	72%

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Decent work and involuntary part-time work

At Yara, we want to offer job stability to our employees. This has been a point of emphasis throughout the pandemic, particularly with regard to position contractors and non-permanent employees at risk of being replaced or terminated when their contracts expired.

We continuously internalize talents and competences, particularly in units with high representation of position contractors and non-permanent employees. In 2021, 900 employees on temporary contracts were employed on a permanent basis. Over the years, this practice has developed the share of permanent employees among the overall workforce.

At Yara, and especially in countries with the necessary legislative flexibility, the decision to work part-time is entirely up to each individual employee. Yara generally does not offer part-time positions to candidates and nor has it had to use of this practice to prevent layoffs. In 2021, 1.6% of our employees worked part-time. None of them did so involuntarily.

Employees by contract type

	2021	2020	2019	2018
Permanent employees	16,478	15,552	14,971	15,132
Non-permanent employees	1,322	1,266	1,062	1,622
Position contractors	309	371	366	1,034
Permanent employees ratio (%)	91.0%	90.5%	91.3%	85.1%

The way forward

• **Human rights impact assessments:**

Human rights impact assessments conducted by external subject matter experts are an essential part of our human rights' due diligence work. In 2022, we will perform human rights impact assessments on selected operations in Africa and Asia.

• **New human rights e-learning course:**

We will continue to improve our work on raising awareness on human rights in our organization. In 2022, we will design and implement a new human rights e-learning course and make it available to all employees.

• **Sustainable supply chains:**

We will continue to work on improving our systems and processes to support responsible practices and sustainability throughout our supply chain. The process of drafting a Sustainable Procurement Policy and Supplier Compliance Management Process is to

be finalized and implemented in 2022. To support implementation of these measures we will use, as of 2022, third party business sustainability ratings to evaluate our suppliers and support implementation of any corrective action plan where needed in our supply chain. We will also perform human rights due diligence activities on selected high risk business partners, including audits and training.

• **Living wage project:**

We are committed to paying employees fairly. In 2021, we started a project with external subject matter experts to define a living wage benchmark for all our employees, including guidance on how to set similar requirements for contractors and subcontractors. This work will continue in 2022.

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TIER 2 TOPIC

Health and well-being at work

At Yara, we recognize that our employees are unique individuals, and that work and personal life are two parts of a whole - not separate spheres. We want to enable our employees to balance work with outside interests and to live healthier lives. New procedures are in place to promote the physical and mental health of everyone working for us.

Subtopics in this section:

- Work-Life Balance and Well-being Framework
- Improving the physical and psychosocial work environment
- Provision of health services and employee benefits
- Sickness rate and pandemic response
- Programs for assisting employees, families, and community members affected by serious diseases
- Parental leave
- Recognition of World Mental Health Day



Commitments

Work-Life Balance and Well-being:

Ensure that we live by our Work-Life Balance and Well-being Framework throughout our operations

✔ On track

Priorities

Work-Life Balance and Well-being Framework

In 2020, we launched our global Work-Life Balance and Well-being Framework to take a more active role in enabling our employees to balance work with outside interests and family life, and to live healthier lives. The framework established company-wide practices of giving all employees access to counseling, ensuring six months parental leave for primary caregivers globally, and supporting flexible working. It also clarifies our position on family caregiver leave, meeting times, frequent travelling, and the availability of multipurpose rooms.

All local units were asked to develop new or amend existing policies and practices in line with the Work-Life Balance and Well-being Framework in 2021. We have also developed practical guides for employees and managers on selected topics to support the adaptation to new practices.

We intend to review the framework and its implementation in 2022, taking into consideration feedback received through an employee survey we ran late in 2021.

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Improving the physical and psychosocial work environment

In 2021, we introduced two new procedures to enhance the physical and psychosocial work environment, establishing practices to ensure an engaging, fair, psychologically safe and health-promoting work environment.

The development of the Physical Work Environment Procedure was motivated by human rights impacts assessments conducted in 2019, which uncovered risks related to the physical work environment. The findings gave us reason to believe that similar risks existed on other sites, spurring the development of this new corporate policy. It sets strict requirements for ergonomics, dust, noise, water access, eating facilities, and hygienic, climatic, and temperature conditions. It also stipulates that beyond 2023 there shall be no manual handling of weight above 25 kg more than 10 times a day per employee or contractor and there shall be no piece rate pay. Workers at Yara sites shall be treated fairly, respectfully, and equally regardless of being contractors or employees. Contracting companies are required to follow a new guideline for contractor work environment.

The Psychosocial Work Environment Procedure reflects our increased focus on promoting the mental health of our employees and outlines our commitment

to upholding a working environment with positive psychosocial interactions, psychological safety, and a supportive work culture.

All of our sites and units will implement continuous improvement programs for the work environment, including risk assessments and the monitoring of progress. In addition, interactive working groups are established to improve the psychosocial environment in teams and departments. We also offer an employee assistance program, which includes peer support and professional counselling.

Recognition of World Mental Health Day

In 2021, we marked the World Mental Health Day to increase awareness of mental health and create opportunities to discuss how it relates to our work, working environment, coping with the Covid-19 pandemic, and more. Leading up to the World Mental Health Day, the Yara Well-being Challenge was put in place to raise awareness of mental health, and to encourage employees to pursue and log well-being activities like exercise and hobbies. We held three global webinars on in the first quarter, including one on International Health and Safety Day and one in connection with World Mental Health Day.



Yara Well-being Challenge

Leading up to the World Mental Health Day on October 10, we launched the Yara Well-being Challenge to raise awareness of mental health and encourage employees to engage in well-being activities, like exercise and hobbies. One employee proposed using an exercise app to motivate employees, and Yara soon embraced the idea and vowed to donate USD 20 to the nonprofit organization ‘Right to Play’ for every hour of exercise logged. 430 employees recorded almost 3,800 hours of exercise, raising USD 75,000 for a good cause.

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Performance

Sickness rate and pandemic response

In 2021, the Covid-19 pandemic continued its deep impacts on our employees' work and personal lives. Yara managed well throughout the year, and we were able to run our operations without major disruptions. Yet, we recognize that pressure from both work and private life may be difficult to juggle, and that the pandemic has amplified this. In collaboration between corporate functions and our local sites we have developed contingency plans and provided services to support our employees' physical and mental safety at our sites and at home. Our Yara Voice results

show a very positive perception among employees of Yara's responses to the pandemic. We included more Covid-related questions in the survey in 2021 and the responses indicate that the actions put in place were effective.

We keep insights into the number of confirmed Covid-19 cases through our HESQ reporting database. Like many other companies we got hit by the virus in 2021 and this resulted in a total of 1,828 infected employees, of which Yara Americas had to cope with a total of 1,060 confirmed cases.

Excluding the Covid-19 cases, the sickness rate for

Yara was 3.0% and 83.1% of the sick leave hours came from male employees, a slightly higher proportion than the 76% of workforce constituted by men.

Programs for assisting employees, families and community members affected by serious diseases

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. We aim to develop our support in these areas alongside the development of our Work-life Balance and Well-being Framework. The table on the next page shows the share of countries of operations in which we have programs for assisting employees, families, and community members affected by serious diseases – occupational or non-occupational related impairment of health with serious consequences for employees, their families, and communities, such as HIV/AIDS, H1N1 influenza virus, SARS, diabetes, RSI, and stress.

Sick leave rate

	2021 ¹⁾	2020	2019	2018	2017
Sick leave rate %	3.0	3.4	3.2	3.4	2.8

¹⁾ In 2021 the sick leave hours related to confirmed Covid-19 cases were excluded from our sick leave rate

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

Yara Voice, pandemic response

Questions	Favorability % 2021	2020
I am confident that Yara is able to cope with industry challenges created by Covid-19.	94%	93%
Yara's communications on Covid-19 help me to understand rules and actions I need to follow, to protect myself/colleagues while working/during work hours.	94%	93%
Yara has taken effective measures to provide a safe working environment for its employees during Covid-19.	93%	92%

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Provision of assistance related to serious diseases, share by country

	Programs	Counselling program	Education or training program	Prevention and risk assessment program	Treatment program
Africa	80.0%	80.0%	80.0%	60.0%	70.0%
Asia & Oceania	69.2%	53.8%	61.5%	46.2%	53.8%
Brazil	100%	100%	100%	100%	0%
Europe	33.3%	29.2%	20.8%	25.0%	33.3%
Latin America	66.7%	66.7%	66.7%	66.7%	66.7%
North America	33.3%	33.3%	33.3%	33.3%	33.3%
Yara	55.0%	50.0%	48.3%	43.3%	48.3%

Parental leave

Following the launch of our global standard for parental leave, the share of employees entitled to parental leave and receiving benefits above local statutory requirements has grown as shown in the table below. Yara's global standard of parental leave for Yara employees consists of six months of paid leave for primary caregivers and five weeks, on average, of paid leave for secondary caregivers. This shall be provided in combination with any

applicable benefit from national social security schemes, personal insurance scheme, or equivalent. Yara shall pay the difference where Yara's global standard is higher than the accumulated benefit of parental leave support from other schemes. The table below presents our current average number of weeks by gender and the number of employees who received this benefit.

Parental leave above statutory requirements

Year	2021	2020	2019
Permanent	44.1%	20.9%	18.5%
Temporary	18.1%	11.8%	8.1%

	Average number of weeks of parental leave	Entitled to parental leave	Took parental leave	Returned to work after parental leave ended	Still employed 12 months after their return from parental leave
Male	5,5	712	587	572	483
Female	27,9	303	200	181	153

Provision of health services and employee benefits

Our provision of health services, life insurance, pension plans, and disability coverage go hand in hand with our focus on the well-being of our employees. It is our ambition to increase the share of employees with access to programs that support flexibility and security in their lives. Our benefits schemes provision and governance are framed and guided by the Benefits Procedure. The table on the next page shows the current share of employees eligible to receive the core benefits broken down by type of contract.

The types and value of benefits provided vary between geographies, depending on market practices, cost, and tax legislation.

Flexible working hours represent any kind of local system which does not restrict employees to a pre-established working shift, allowing employees and leaders to agree working and compensatory hours.

Health facilities / subsidies cover medical assistance or treatment needed by our employees, according to prevalent local market practices, in countries where the public health service does not cover basic needs for required medical treatment or hospitalization. The benefit can either be provided by health insurance, subsidies, or facility administered by Yara.

Retirement / pension plan are benefits for employees to use upon retirement, and can be in form of either a salary, a lump-sum payment, or a fund that the employee can access after certain retirement criteria are met (for example, a certain age, stop working etc). This

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is usually not an insurance, and will last through the employee life, even after they leave the employer.

Life insurance refers to a risk insurance of any form of compensation in case the employee dies, either accidentally or not. The benefit is only valid while the employees are working and usually below the retirement age. It will not carry over if they leave the company, retire etc. It can be either provided by an insurance coverage, social security or may be included in a pension plan in some jurisdictions, but is a different benefit than life insurance and pension plan itself. The payout might be a one-time lump sum, an annuity, or monthly instalments.

Employee benefits

	Permanent	Non-permanent
Flexible working hours	72.7%	44.0%
Healthcare facilities / subsidies	94.9%	76.9%
Retirement / pension plan	86.1%	68.7%
Life insurance	91.3%	72.2%
Disability coverage	86.7%	73.5%

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

Disability coverage refers to a risk insurance of any form of income protection that the employee is eligible in case he becomes temporary or permanently unable to work. The benefit is only valid while the employees are working and usually below the retirement age. It will not carry over if they leave the company, retire etc. It can be either provided by an insurance coverage, social security, pension plan paid by the company and/or the employee. The payout might be a one-time lump sum, an annuity, or monthly instalments.

The way forward

- **Work-life Balance and Well-being Framework:**
We will continue to build and amend the framework over time as we see the results from the elements currently in place.
- **Physical Work Environment Procedure implementation:**
We will implement the requirements of the new global procedure by 2023.
- **Psychosocial work environment:**
A project is ongoing to continue to improve in this area and to align our policies, procedures, and ways of working with the ISO 45003 standard for psychosocial health and safety at work.
- **Mental health:**
We will continue our activities to raise awareness of and promote mental health.

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TIER 2 TOPIC

Product safety

We are committed to protecting human health and the environment from negative impacts resulting from the use of our products throughout their life cycle. To achieve this, we provide relevant information to our customers and the public, raise awareness of the hazards, and share knowledge on how to mitigate risks and use the products safely, always in line with regulatory requirements. Our comprehensive global HESQ steering system provides a strong foundation to our product stewardship foundation.

Subtopics in this section:

- Chemical compliance
- Chemical safety
- Misuse of products
- Product stewardship
- Marketing and labelling



Commitments

Safety and security audits: By 2021, execute ammonium nitrate safety and security audits at own and contracted facilities (128 audits)

✔ **Achieved**

By 2022, execute ammonium nitrate safety and security audits at third party facilities (89 audits)

✔ **On track**

Compliance: By 2022, ensure compliance with new EU Fertilizer Products Regulation

✔ **On track**

Product stewardship: By 2022, achieve product stewardship certification at 'Excellence' level for all units

✔ **On track**

Priorities

Product stewardship

We adhere to the principles of product stewardship 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. Our product stewardship program addresses product safety, environmental aspects, safe food production, and security against theft and misuse. The program requires frequent assessment of health, safety, and environmental (HSE) impacts of all our significant product categories. These assessments cover the life cycle of the products in both fertilizer and industrial applications and are done in accordance with requirements

in fertilizer sector product stewardship programs and relevant legislation.

Our operations are certified to the fertilizer sector's product stewardship programs (Fertilizers Europe Product Stewardship Program in Europe and the International Fertilizer Association's program outside Europe) and are regularly subject to third party audits. Our European fertilizer activities were re-certified to the Fertilizer Europe Product Stewardship program in 2020, valid until 30 June 2023. Outside Europe, certification and recertification to the IFA Protect & Sustain program continued in 2021. Apart from one, all certified units achieved the 'Excellence' level of the program. In 2022, we will focus on maintaining, embedding, and anchoring the 'Excellence' levels.

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Chemical compliance and safety

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.

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 at Yara. We avoid, whenever possible, procurement of chemicals classified as most hazardous such as carcinogenic, mutagenic, persistent, or bio-accumulative. We have an effective process for Phasing out Substances of Very High Concern. If substitution of such chemicals is not feasible, the necessity of using them on an industrial scale is strictly assessed and requires site management approval.

All chemical substances of concern are being tracked

and managed centrally by Corporate HESQ, with defined responses according to the regulatory processes. We make new insights available in dialogue with representatives of politics and science as well as interested general public.

Safety Data Sheets and labelling for products

It is our responsibility to make sure that the identified safety aspects of our products are known by our customers and markets. According to our newly published overarching HESQ policy, we work towards the safe and sustainable use of chemicals. We classify and label our products in line with the European CLP Regulation or local legislation. Our safety data sheets cover information which is needed for the classification of our products. We provide safety data sheets for all relevant products in all markets. The safety data sheets include important information such as:

- The properties of each chemical
- The health, physical, and environmental health hazards

- Protective measures
- Safety precautions for storing, handling, and transporting the chemical.

We cross-reference this data with local and regional legislation to establish the relevant hazard classifications. This information is published digitally on country-specific safety data sheets in multiple languages and on the labels of our products. The data sheets are maintained electronically and updated if there are relevant changes, or during a 3-5 year review cycle. We communicate this information mostly through relevant digital channels. Paper safety data sheets are still common in some countries and can also be provided on demand through customer service.

In 2021, Yara was not subject to any significant fines for non-compliance with laws or regulations concerning the provision and use of products and services.

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Performance

Ammonium nitrate safety

After the devastating blast in Beirut, Lebanon in August 2020, we started an in-depth verification and audit process to ensure that not only all relevant units in Yara but also third-party facilities and transport companies fully adhere to established safety and security procedures. A global taskforce with a clear mandate was established to execute remote audits.

We identified a total of 217 locations and areas as subject to audits. They were prioritized in three waves based on a risk mapping. In 2021, we completed 171 of the 217 audits. Zero major findings were reported but improvement areas were identified. The main improvement areas are related to ammonium nitrate risk awareness and training, review of risk assessments, and emergency preparedness and exercises, including technical line of defenses. Based on the

audit outcomes per year-end, we concluded that we have tight and strong standards in place related to the production, handling, and storage of ammonium nitrate and high nitrogen containing products.

In 2021, Yara recorded no significant incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products or services. We follow up all reported incidents related to chemical hazards through our emergency services support.

Ammonium nitrate safety and security audits

	Target 2021	Nr of audits executed	Nr of remaining audits
Wave 1	65	65	-
Wave 2	63	63	-
Wave 3	89	43	46

The way forward

- **EU Fertilizer Products Regulation:**

The new EU Fertilizer Products Regulation will come into force in 2022, bringing major changes to the production, marketing, and labelling of fertilizer products. We are preparing for the new regulation through a centrally coordinated project to ensure timely and full compliance.

» [EU Fertilizer Products Regulation, page 146](#)

People metrics

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TIER 1 TOPIC

Leadership and employee enablement

Total number of employees

Employees by employment contract and gender

	Gender	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand Total
Permanent	Female	107	421	1,232	1,607	389	135	3,891
Permanent	Male	492	1,421	4,333	4,869	938	534	12,587
Total permanent¹⁾		599	1,842	5,565	6,476	1,327	669	16,478
Non-permanent	Female	25	40	192	117	50	9	433
Non-permanent	Male	29	56	310	314	156	24	889
Total non-permanent²⁾		54	96	502	431	206	33	1,322
Total employees³⁾		653	1,938	6,067	6,907	1,533	702	17,800
Position contractor	Female	3	5	-	54	1	3	66
Position contractor	Male	20	14	-	197	1	11	243
Total position contractor⁴⁾		23	19	-	251	2	14	309
Total permanent, non-permanent and position contractor		676	1,957	6,067	7,158	1,535	716	18,109
External contractor⁵⁾		338	975	835	221	792	1	3,162

¹⁾ Total permanent comprises all individual employees who are in an employment relationship with the organization according to national law or practice without a predetermined end date to employment.

²⁾ Total non-permanent comprises all individual employees who are in an employment relationship with the organization according to national law or practice with a predetermined end date to employment. The employment relationship can be based on a regular format (temporary), apprenticeship or internship.

³⁾ Total employees are the number of individuals covered in permanent and non-permanent employee categories.

⁴⁾ Any worker who has an approved position in the organization chart, is integrated in the team, and receives specific instructions from a Yara employee, holds a temporary position or a temporary project role, is considered a 'Position Contractor'.

⁵⁾ 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'.

At the end of 2021, Yara had 17,800 employees globally, of which 16,478 were employed on a permanent basis, representing an increase of 926 employees compared to the previous year. The main increases were in Europe (372), Brazil (318), and Asia & Oceania (143). The overall headcount increase is attributable to the growth in job functions related to the focus on Yara's strategy and market expansion, and are mainly digital roles, and production and sales positions.

In relation to workers who are not employees, Yara had 309 position contractors and 3,162 external contractors globally, representing an increase of 1,109 in both types altogether compared to the previous year. The main changes in both types were seen in Latin America (785), Africa (248), Asia & Oceania (179) and Europe (-160).

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New employee hires

Total number of new permanent employee hires in 2021, by age, gender, and region.

Gender	Age Groups	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand Total
Female	Under 30	4	69	141	77	26	7	324
	30 - 50	6	49	107	130	21	16	329
	Over 50	1		2	7		5	15
	No age informed		9		34		1	44
Total female		11	127	250	248	47	29	712
Male	Under 30	9	140	167	90	46	16	465
	30 - 50	15	107	192	187	41	27	569
	Over 50	1	3	12	26	1	13	56
	No age informed	6	7		21		2	36
Total male		31	257	371	324	85	58	1,126
Grand total		42	384	621	572	132	87	1,838

¹⁾ Excluding Yara Marine Technologies

Part-time employees

Total number of part-time and full-time employees in 2021 by gender and region.

Gender	Gender	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand Total
Full-time employees	Female	131	457	1,424	1,560	438	142	4,152
Full-time employees	Male	520	1,476	4,642	5,071	1,093	558	13,360
Part-time employees	Female	1	4	0	164	1	2	172
Part-time employees	Male	1	1	1	112	1	0	116

Employee exits

Total number of permanent employee exits in 2021, by age, gender, and region.

Gender	Age Groups	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand Total
Female	Under 30	1	17	74	34	12	3	141
	30 - 50		26	116	57	20	7	226
	Over 50		1	9	22	2	2	36
	No age informed		3		2			5
Total female		1	47	199	115	34	12	408
Male	Under 30	3	90	205	44	38	8	388
	30 - 50	13	89	406	105	66	24	703
	Over 50	6	19	75	167	6	12	285
	No age informed		2		6			8
Total male		22	200	686	322	110	44	1,384
Grand total		23	247	885	437	144	56	1,792

¹⁾ Excluding Yara Marine Technologies

Employee turnover

The employee turnover rate is calculated as the number of permanent staff terminations in the period divided by the starting permanent employee headcount. Turnover rates vary considerably between our regions due to different labor market characteristics. For 2021, Yara regions had the following turnover rates: Brazil, 16.9%; rest of Latin America, 11.2%; Asia & Oceania, 14.5%; Europe, 7.2%; North America, 8.8% and Africa 4%.

Employee turnover rate

2021	2020	2019	2018	2017
11.5	10.4	14.4	11.4	17.3

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TIER 1 TOPIC

Diversity, equity and inclusion

Equal pay gap for equal work analysis per country

The 2021 study covered 25 countries and more than 7,000 employees in positions graded by Willis Towers Watson methodology and those not covered by tariff agreements, as tariff schemes provide strong protection against gender bias. Our study is based on ordinary least squares (OLS) regression to measure the impact of gender on pay after we have statistically controlled differences in other factors, such as job level (grade), job role, local market conditions, performance, and time in the role.

Depending on the job roles present in each country and availability of data, the percentage of permanent employees covered in the analysis varies significantly. Countries such as Finland, France, and Germany, for example, heavily composed of production plants and employees covered by tariff schemes, have lower coverage in this study.

The R2 measure presented below represents the strength of the relationship between the linear regression model and the dependent variable “Base salary” on a 0 – 1 scale. The closer to 1 it gets, the better we can trust in the evidence found in the study. We adopted a threshold for a country to be included in the analysis of at least 25 employees from each gender and a minimum 10% female ratio.

The gaps reported ranged from zero in several countries to 10% in Singapore. The table below shows the results from 2021 for each country in the scope of the analysis.

Equal pay for equal work

Country	Gender equal pay for equal work gap inference	R2*	Women in scope	Men in scope	% of permanents employees covered
Argentina	0.0%	0.91	34	41	56%
Australia	0.0%	0.86	27	77	48%
Belgium	0.0%	0.84	67	181	46%
Brazil	1.9%	0.96	829	1179	36%
Canada	0.0%	0.91	22	59	35%
China	0.0%	0.93	47	51	80%
Colombia	4.3%	0.93	155	165	50%
Finland	0.0%	0.73	58	142	26%
France	0.0%	0.81	37	155	35%
Germany	0.0%	0.83	71	150	29%
India	6.7%	0.93	114	780	97%
Italy	0.0%	0.83	42	167	57%
Lithuania	0.0%	0.81	106	68	49%
Mexico	0.0%	0.90	69	89	43%
Netherlands	0.0%	0.82	34	259	38%
Norway	0.0%	0.90	281	503	57%
Singapore	10.0%	0.84	88	64	91%
South Africa	0.0%	0.87	27	49	33%
Spain	0.0%	0.91	32	35	87%
Sweden	0.0%	0.81	37	84	39%
Switzerland	0.0%	0.89	23	31	100%
Thailand	0.0%	0.90	39	63	100%
United Kingdom	7.1%	0.89	64	106	66%
United States	0.0%	0.87	57	136	73%
Vietnam	0.0%	0.82	19	80	89%
Overall Yara			2,379	4,714	46%

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Planet

Our ambition is to become nature-positive and climate-neutral by 2050. Decarbonizing our own operations is critical, but we also want to contribute to reducing emissions and impacts on nature from farmers, other customers, and in other sectors. Precision farming technology and enabling the hydrogen economy are key focus areas for Yara.

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CASE: WATER IN FARMING

More crop per drop

Water plays a critical role in food security. Population growth and climate change means that water use efficiency in agriculture must increase if we are to responsibly feed the world and protect the planet.

Maximizing water resources

Today, cropland, meadows and pastures take up 38 per cent of the world's land surface (FAO, 2020), but account for 70 per cent of the water withdrawals (FAO, 2017). Increasing water use efficiency in agriculture is crucial to protecting both people and planet from water scarcity.

While reducing water usage in agriculture and producing more food for a growing population might seem an impossible task, increased water use efficiency will actually help increase yields. Optimal crop nutrition increases both the crop yield and the water use efficiency of agriculture. Done right, irrigated agriculture will increase water use efficiency and be 2–3 times as productive as rainfed agriculture.

Irrigation refers to the artificial application of water to the soil through various systems of tubes, pumps, and sprays. Instead of watering the crops only when it rains, the crop is watered a little bit all the time, according to crop needs.

The case for fertigation

Although water systems are important for water management, Yara works to advance water use efficiency through optimized crop nutrition. There is a fundamental relationship between crop nutrition and water consumption. A crop that receives balanced nutrition takes up

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Optimal crop nutrition increases both the crop yield and the water use efficiency of agriculture.



water more efficiently and produces more yield per unit of water. Similarly, adding biostimulants helps the crop resist environmental stress and improves both water and nutrient uptake.

Adding nutrients and water together, fertigation, further strengthens these mechanisms. Fertigation enables fine adjustment of nutrient supply to crop nutrient demand at each crop growth stage. This increases nutrient use efficiency and reduces nutrient loss and emission to the environment. All irrigation systems can be turned into fertigation systems if you add nutrients to the water. At Yara, we believe that fertigation is a large part of the solution in achieving a nature-positive food future.

Take potatoes, for example. If you give potato crops exactly the nutrients and water they require through drip fertigation, our field trials found that the finished potatoes have required 31 per cent less water and emitted 36 per cent less CO₂ equivalents per tonne,

compared to results obtained with sprinkler or center pivot irrigation and dry fertilization.

Working together with nature

Timing agricultural activities to the weather has always been crucial to successful farming. Drought is the enemy of all crops, and excessive watering, either artificially or by rainfall, can lead to nutrient runoffs and leaching.

Yara has worked on nutrient and water use efficiency for a long time and has now put irrigation scheduling in the palm of farmers' hands with its Farm Water Advisor. Combining Yara's crop-demand and soil-water models with The Weather Company's hyper-local weather forecasts, the Farm Water Advisor provides precise irrigation run times and frequencies.

Although many countries, like China and India, subsidize installation of fertigation systems, for many, the challenge with such systems is the cost of installation. This means that while total irrigated land should

increase, the water use efficiency in rainfed agriculture must also improve. Using the same weather forecasts, Yara's Farm Weather advises farmers on when to water and apply nutrients to the crop based on both recorded weather and a 2-week hyper-local forecast, making it possible for all farms and farmers to improve water and nutrient use efficiency.

To grow enough food for the world in a nature-positive way requires us to think differently. We know that by providing the exact amount of nutrients and water that a crop needs, we will produce more food with lower emissions and less water use. In other words: more crop per drop.

Read more about our indirect and direct impacts on water resources:

» [Sustainable farm management, page 95](#)

» [Water management in production, page 102](#)

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TIER 1 TOPIC

Climate change

Introduction – Our impact on the environment

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. Our contribution is twofold: reducing greenhouse gas emissions from our own operations, and offering and exploring new, sustainable solutions for farmers and food companies and for a clean hydrogen- and ammonia-based economy.

Subtopics in this section:

- GHG emission reductions
- Climate risk management
- Product carbon footprints



Commitments

Climate-neutrality: Our ambition is to become climate-neutral by 2050.

✔ On track

GHG emissions intensity: By 2025, reduce our carbon intensity (emissions in ton CO₂e/ton N) by 10% or more from a 2018 baseline.

✔ On track

GHG emissions, scope 1+2 (market-based): By 2030, reduce our absolute scope 1 and 2 GHG emission by 30% or more from a 2019 baseline.

✔ On track

Science Based Targets: By 2022, set science-based targets for our scope 1, 2, and 3 GHG emissions.

✔ On track

Priorities

Road towards climate-neutrality

Our ambition is to become climate-neutral by 2050. We have set the intermediate targets for carbon intensity and absolute GHG emission reductions (presented left) to reach our main goal. We are developing a roadmap for achieving our ambition of Growing a Nature-Positive Food Future, including a long-term plan for becoming climate-neutral by 2050.

Natural gas is the main energy source and feedstock in our core processes, production of nitrogen fertilizers, and industrial chemicals. Our main emission sources are CO₂ from the use of natural gas in the ammonia process. Ammonia is the key component in our fertilizers and almost 80% of our direct GHG emissions

are related to ammonia production. Reducing GHG emissions from our ammonia production is therefore a key priority.

Our most significant initiative to reduce GHG emissions so far is the development and installation of N₂O catalyst technology in our nitric acid plants. It removes about 90% of the N₂O emissions and is also commercially available to third parties. Alongside energy efficiency efforts, it has resulted in an about 45% reduction of our scope 1 and 2 emissions since 2005.

Our 2025 carbon intensity target represents about 2 million tonnes CO₂e and includes projects to reduce our N₂O emissions to the very minimum as well as energy efficiency projects, electrification of machinery, and various projects to substitute the use of natural gas with biobased sources.

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In addition to these projects, our roadmap to the 2030 target includes plans to substantially reduce emissions from ammonia production through step change technologies such as producing clean ammonia.

[» Clean ammonia, page 91](#)

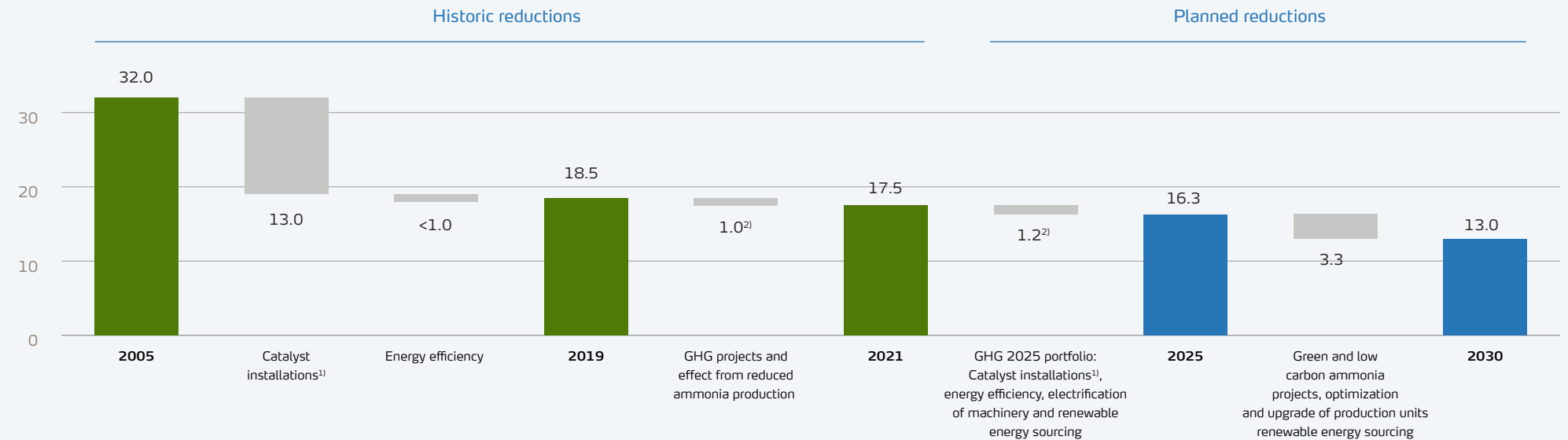
Progress on GHG 2025 Program

We continuously invest in our production plants to improve reliability and energy efficiency and actively manage a portfolio of projects to reduce our GHG emissions. The effort required to reach our 2025 carbon intensity target includes more than 90 profitable projects across our plants and regions, at an estimated investment of more than USD 300 million. Altogether, these projects represent GHG emission reductions of

about 2 million tonnes CO₂e by 2025. In 2021, a total of 18 projects were completed, delivering emission reductions of 0.3 million tonnes CO₂e. Another 32 projects were in the execution phase. We are well on track to reach the 2025 target. At year-end 2021, projects that were either completed or in the execution phase represented emission reductions of 1.4 million tonnes CO₂e reductions per year.

Our climate roadmap to 2030

Million tonne CO₂e



¹⁾ N₂O abatement in nitric acid plants

²⁾ Sum of GHG program and production volume effects

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Science Based Targets

In order to ensure that our GHG emission reduction targets are in line with independent climate science and to deliver on the Paris Agreement, we are in the process of defining Science Based Targets for our scope 1, 2, and 3 emissions. Through our Science Based Targets and actions it is our ambition to deliver concrete solutions for protecting and restoring nature and reduce climate change. A core team has been established and will provide a clearly defined pathway specifying our plan to deliver on this ambition and the Paris Agreement.

Climate Scenario Analysis

In 2021, we started a climate risk and opportunity analysis based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD). This Climate Scenario Analysis 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 risks and opportunities across our value chain and global activities and assessed the climate scenarios to ascertain their future materiality for us.

The Climate Scenario Analysis is a joint project between the Sustainability Governance, Corporate Finance, Corporate HESQ, Energy & Environment, Strategy, and Risk functions. The analysis will be updated on a regular basis – at a minimum bi-annually.

» [Climate risk in Yara Integrated Report 2021](#)



N₂O catalyst technology will reduce GHG emissions by 400,000 tonnes CO₂e from our plant in Cartagena, Colombia.

GHG 2025 Program

The project portfolio of our GHG Program is diverse in nature and includes energy efficiency projects, the electrification of machinery, and some projects replacing steam production based on fossil fuels with sustainable biobased materials. However, almost two-thirds of the reduction comes from projects improving the N₂O abatement in our nitric acid plants. The installation of this technology in the nitric acid plant in Cartagena, Colombia, results in a GHG reduction of 400,000 tonnes CO₂e every year. The portfolio also contains many smaller projects to improve energy efficiency in our plants. One such example is in Belle Plaine, where we are upgrading the steam turbine of the synthesis gas compressor in the ammonia plant where we will reduce CO₂ emissions by 20,000 tonnes every year. Several of similar energy efficiency projects are included in the GHG 2025 Program, amounting to about 450,000 tonnes CO₂ per year.

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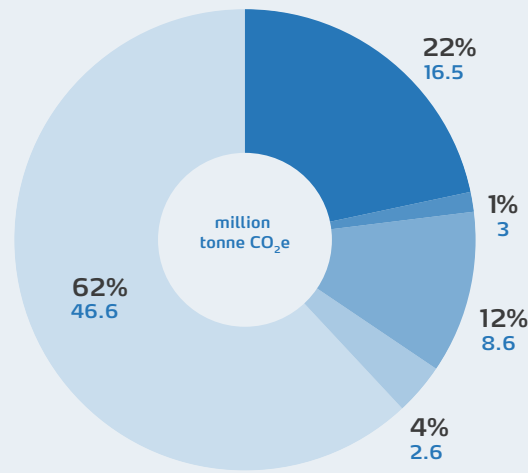
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Yara's carbon footprint 2021



- Scope 1: Direct emissions from Yara production sites
- Scope 2: Indirect emissions from purchased electricity (market-based)
- Scope 3: Indirect emissions from purchased fuels and raw materials
- Scope 3: Indirect emissions from transport (upstream and downstream)
- Scope 3: Indirect emissions from the use of fertilizer

Performance

Reducing our scope 1 and 2 emissions

For more than a decade, we have made good progress in reducing GHG emissions from our operations. In 2021, our scope 1 and 2 (market-based) GHG emissions totalled 17.5 million tonnes CO₂e, a 5% reduction from our 2019 baseline. Plant reliability and production volumes were the most decisive factors for our GHG emission in 2021. We are on track to reaching the 2025 goal of a GHG intensity of 2.7 tonnes CO₂e/tonne N or better.

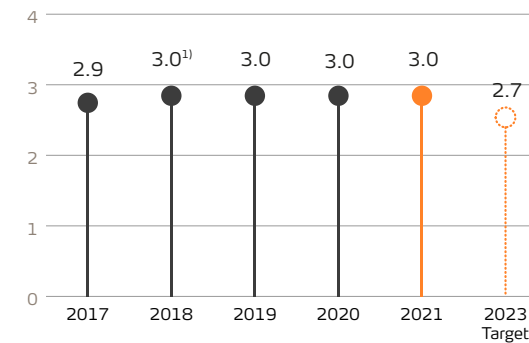
Indirect emissions

The use phase accounted for 62% of Yara's carbon footprint in 2021, underlining the importance of developing and adopting sustainable practices in the food chain. In 2021, we have sold more fertilizers with high nitrogen content, resulting in a 10% increase of scope 3 GHG emissions from the use of sold products from 2020 to 2021. Despite Yara's global supply chains, transport accounts for a modest 4% of GHG emissions over the fertilizer life cycle.

» [Calculations and details in Planet metrics, page 110](#)

GHG emissions, intensity

t CO₂e/tN

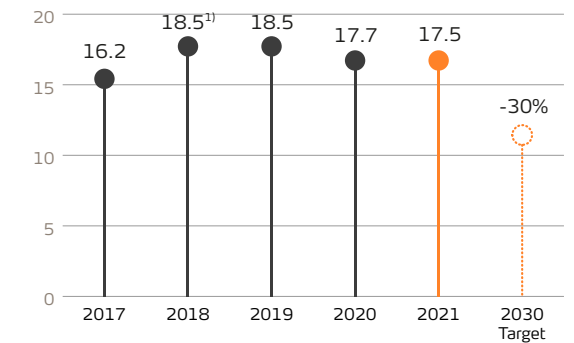


¹⁾ From 2018 onwards, scope 1 emissions from own generation of electricity has been included.

The GHG intensity KPI is defined as tonne emissions of CO₂e per tonne nitrogen in Yara's own produced products. The CO₂e emissions include scope 1, scope 2 (electricity consumption), and emissions from production of Yara's third-party ammonia consumption.

GHG emissions, scope 1+2 (market-based)

million tonne CO₂e



¹⁾ From 2018 onwards, scope 1 emissions from own generation of electricity has been included.

On top of the intensity KPI, Yara in 2020 established an additional climate KPI – to reduce the absolute scope 1 + 2 emissions by 30% by 2030 from a 2019 baseline.

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Product carbon footprint

Our product carbon footprints are calculated using Fertilizer Europe's product carbon footprint methodology. We use our own production data into the methodology.

[» Carbon Footprinting in Fertilizer Production - Fertilizers Europe](#)

We are running a Product carbon footprint verification program to update our footprint calculations, taking into account recent improvements in our production units. We are using third parties to verify the calculations. In 2021, we updated more than 500 product carbon footprints of Yara's existing fertilizer grades across our major sites, enabling our customers to document that they are using fertilizers with lower GHG emissions than the market average. We are rolling out the use of the factory-gate carbon footprint verification statements across our market organizations.

European Emissions Trading System

Yara's European nitric acid and ammonia plants are covered by the European Union Emissions Trading System (EU ETS). In 2021, Yara's emissions regulated under EU ETS was approximately 8.1 million tonnes CO₂e from our plants in Europe. Yara has surplus of allowances for our emissions from nitric acid plants which to a great extent balance out our deficiency of allowances for our ammonia plants.

The primary reason for the surplus is our N₂O catalyst technology, which was developed and introduced shortly after the EU ETS took effect. This technology has generated a surplus of CO₂ allowances from our nitric acid plants since 2008, balancing out the GHG emissions from our ammonia production.

We have implemented a system of carbon pooling at the corporate level to redistribute the allowances to plants facing shortages (ammonia plants). This strategy has so far enabled us to avoid purchasing EU ETS allowances externally, meaning that the net financial impact of the EU ETS at present (consolidated level) is zero.

The way forward

• **GHG roadmaps:**

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 in business plans. All our ammonia and nitric acid plants have set GHG targets up to 2025.

• **Manage climate risks:**

In 2022, we will focus on establishing governance and a central process for regular updates, as well as carry out quantitative physical risk assessments for key production assets.

• **Reduced Product carbon footprint:**

We have established a methodology to determine the product carbon footprint when we introduce low carbon ammonia volumes in our production system. This methodology enables us to work closely with our customers to support their low carbon initiatives, such as in our collaboration with Lantmännen to supply low carbon fertilizers.

[» Partnerships, page 19](#)

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TIER 1 TOPIC

Energy

As almost 90% of Yara’s energy consumption is related to the production of ammonia, the key component in our fertilizers, we focus on optimizing the energy efficiency and intensity of our ammonia units to reduce GHG emissions. We do this by setting specific energy and GHG reduction targets for each plant, benchmarking our performance, and carrying out energy efficiency diagnostics and audits that result in systematic improvement actions. We are also exploring renewable energy sources and step change technologies to deliver zero-emission fertilizer and clean ammonia.

Subtopics in this section:

- Energy efficiency
- Renewable energy use



Commitments

Energy intensity:

By 2025, reduce the energy intensity in our ammonia production to 32.7 GJ/ton ammonia or less

✔ On track

Energy management system certification:

By 2022, obtain ISO 50001 Energy Management certification for all our 20 major production sites

✘ Lagging

Priorities

Energy management

Yara aims to have all major production sites certified to the ISO 50001 Energy Management standard by 2022. Covid-19 restrictions have slightly hampered progress on this goal. A total of nine sites had been certified at year-end 2021, and another nine certification processes are planned in 2022. We intend to have the remaining two sites certified before year-end 2023.

Raising energy awareness

We have a well-established Community of Practice for Energy & Environment. It 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 plants globally.

Improving energy efficiency and plant reliability

We have learned from experience that certain core concepts must be employed in our plants to achieve improvements in energy efficiency and reliability. These concepts are captured in our Yara Productivity System (YPS) which is a common framework describing routine practices and behaviors for managing and improving performance, along with mandatory and recommended concepts, methods, and tools. The YPS framework has helped us to identify energy efficiency risks and opportunities, some of which have been included in our GHG project portfolio.

[» Climate change, page 84](#)

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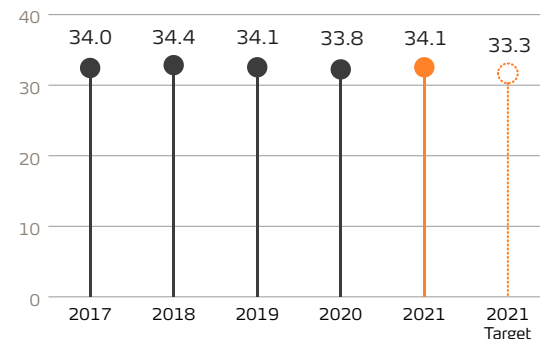
Energy efficiency

Consumption of hydrocarbons, mostly natural gas, for the ammonia production process is both Yara’s main variable cost and driver of GHG emissions. Energy efficiency improvements come with a dual bottom line and climate benefit, and it is expressed as GJ consumed per tonne ammonia produced.

In 2021, we used 0.9% more energy per tonne produced ammonia than we did in 2020. Energy efficiency was 2.4% (0.8 GJ/t) above the target set for 2021, mainly due to gas curtailment as a consequence of high natural gas prices. Also, reliability issues in some of our production units - Cubatão, Tertre, Pilbara, Tringen I & II, Porsgrunn, Brunsbüttel, Le Havre, and Ferrara – impacted the overall energy consumption negatively. As

Energy efficiency

GJ/t NH



Energy efficiency numbers refer to operational control and includes all ammonia plants. Hence, the numbers are not comparable to the energy numbers in the Integrated Report where only 49% Tringen is included and the plants of Babrala and Cubatão are excluded.

did a postponed plant turnaround in one of our major production units in Sluiskil. Benchmarks show that the average energy intensity in our ammonia plants in 2019-2020 was 4% better than the 2019-2020 benchmark: global average of ammonia plants.

In 2021, Yara’s total energy consumption in production was 273 million GJ. 86% of the energy was consumed as feed or fuel in ammonia production. Natural gas is the main energy source for Yara, with close to a 95% share of all energy consumed.

Renewable energy use

We purchased about 3,298 GWh of electricity for use in production, where about 7% was certified low carbon. Our Brazilian units purchase a minor quantity of wood chips for use as fuel in its operations. Wood chips made up less than 0.3% of the total fuel use in Yara in 2021.

Energy consumption

Measure	2021	2020	2019	2018
million GJ	273	279	285	301

The way forward

- **Energy management:**

We aim to certify 9 major production sites in 2022, the remaining will take place in 2023 to complete the process of attaining energy management system certification for all major sites.

- **Yara Improvement Program 2.0:**

We will continue to target improvements in energy efficiency and plant reliability in the Yara Improvement Program 2.0, which is firmly anchored in our corporate strategy.

- **Renewable energy use:**

Define the company’s sourcing policy for renewable electricity procurement for the purposes of reducing scope 2 emissions.

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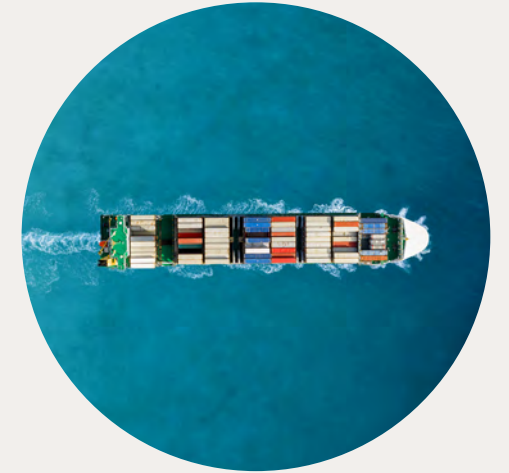


Opportunities in clean tech

Clean technologies and the quest for decarbonization have broadened our business model and are shaping our operations and markets. Building on a century of ammonia production, we are well positioned to lead the development of clean ammonia as a means to decarbonize crop production, and the shipping and power sectors. Our portfolio already includes emission abatement solutions for the transportation and maritime sectors along with products for water treatment, odor control, and solar power plants.

Subtopics in this section:

- Clean Ammonia
- Green fertilizers
- Greener maritime industry
- Industrial solutions



Commitments

Hydrogen Pledge to WBCSD:

By 2030, source and/or produce a minimum of 3 million tonnes of reduced-carbon ammonia (equivalent of 530 kT of reduced-carbon hydrogen), of which minimum 50% low-carbon or ultra-low carbon.

✔ On track

¹⁾ [Per WBCSD definition](#)

Priorities

Clean Ammonia

In 2021, we established Yara Clean Ammonia as a dedicated segment to develop and capture opportunities from decarbonizing ammonia production and hard-to-abate sectors. New applications are expected to more than double the world's total ammonia demand by 2050, and Yara Clean Ammonia aims to be the world's largest shipper and distributor of ammonia in this emerging market. We focus on developing markets and demand for zero or low carbon ammonia in fertilizer production, deep sea shipping, and coal-based power production in countries with limited production of renewable energy, such as Japan and South Korea.

Beyond fertilizers, three opportunities guide the work of Yara Clean Ammonia in the next five years:

1. Utilize Yara's existing infrastructure, global ammonia supply network, and century-long experience in ammonia handling to provide ship owners with reliable supplies of clean ammonia
2. Work with partners to enable safe and reliable clean ammonia bunkering solutions for ship owners in all major shipping hubs
3. Develop clean ammonia value chains that enable low carbon ammonia to be used for co-firing in existing coal fired power production

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Blue ammonia is produced in a conventional process using natural gas, but with the addition of a carbon capture and storage (CCS) process to capture and permanently store CO₂ emissions.

Green ammonia is generated by using 100% renewable energy and feedstock sources, resulting in zero or minimal GHG emissions. One example is using hydrogen from water electrolysis based on renewable energy, and nitrogen separated from the air.



World's first ammonia bunkering terminal

The Ammonia Fuel Bunkering Network project brings together partners along the entire chain for ammonia as a marine fuel, including Yara Clean Ammonia. In 2021, the project was granted NOK 89 million in public funding to develop and demonstrate an ammonia fuel bunkering network for ships.

Yara Clean Ammonia is actively developing a pipeline of blue and green ammonia projects. Our project portfolio comprises both large-scale blue ammonia production, and pilots, and large-scale projects for green ammonia production. In 2021, Yara was granted governmental financial support to begin the electrification of the ammonia plant in Porsgrunn, Norway.

In 2021, we saw increased interest in and increasing demand for clean ammonia as the preferred zero- or low carbon shipping fuel and for co-firing of ammonia in coal-based power plants. We signed multiple agreements with like-minded partners in the shipping and Japanese power production industries.

[» Partnerships, page 19](#)

We also participate actively in a number of consortiums and joint industry projects to advance engine technologies and bunkering solutions for ammonia as a shipping fuel. In 2021, the shipping company Viridis Bulk Carriers and a consortium of partners, including Yara, secured development funding from the Norwegian government to realize a carbon-free short sea bulk transportation service based on ammonia-powered ships. Yara is also a partner in the Ammonia Fuel Bunkering Network project in which the bunkering technology company Azane Fuel Solutions will build the world's first green ammonia bunkering terminal.

Making fertilizers green

Ammonia is the nitrogen source and starting point for all nitrogen fertilizers, and its production is our primary source of direct GHG emissions. Our initiatives in clean ammonia are therefore crucial to enabling us

to produce green fertilizer. When producing nitrate based fertilizers from ammonia no production process changes are needed to switch from grey to clean ammonia. For urea, the potential to reduce climate emissions is much lower than for other nitrogen containing products as CO₂ is needed for the production process of urea, and the amount of CO₂ that can be sequestered is much lower than for nitrate and most NPK fertilizers. Urea contains CO₂ which is released when the urea is applied to the soil. The future of urea as a fertilizer product will be impacted by the strength of future regulation frameworks and taxation. Yara is well positioned to increase the relative share of nitrate-based fertilizer production for the future.

Greener maritime industry

Shipping is an efficient cargo transport mode, but the sector accounts for about 3% of global CO₂ emissions along significant emissions of substances harmful to people and the planet, not least particulate matter and sulphur oxides. Authorities are addressing these environmental issues, and the International Maritime Organization (IMO) has introduced rules to cap sulphur emissions. The IMO is now aiming to reduce GHG emissions from a global fleet almost completely reliant on fossil fuels.

Yara Marine Technologies provides technologies for a greener maritime industry and works closely with ship-owners, yards, and naval architects to drive sustainability in the sector. Making shipping green will take time, but our products can have a direct impact on reducing emissions from day one:

- Our Vessel Optimization solutions enhance vessel

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Wind Propulsion by Yara Marine Technologies can save up to 30% fuel



FuelOpt by Yara Marine Technologies saves fuel and enables ship owners to comply with EXXI and CII

efficiency. FuelOpt reduces emissions by up to 15% and Fleet Analytics by up to 10%.

- Our Emission Abatement technologies include scrubbers which remove SO_x from exhaust gases, and in 2021 we helped to reduce SO_x emission by 156,000 tonnes globally.
- Our WindWing technology enables the use of wind power, reducing fuel consumption and emissions by up to 30% on average trading patterns
- Our Shore Power solutions eliminate emissions at berth, cutting up to 25% of all emissions while reducing noise.

At year-end 2021, our emissions abatement systems had been installed in more than 500 vessels and over 200 vessels used our Vessel Optimization solutions. During 2021, we successfully managed sea trials of our scrubbers, helping our customers achieve necessary certifications, and completed the commissioning of 27 FuelOpt systems enabling automated and direct fuel savings.

Industrial solutions

Yara Industrial Solutions provides nitrogen products on a global scale to a wide range of sectors and for a variety of applications. Our portfolio includes emission abatement solutions for the transportation sector along with products for water treatment, odor control, and solar power plants. We are the world's leading manufacturer of diesel exhaust fluid, called DEF in the US, AdBlue in Europe and ARLA 32 in Brazilian markets. This catalyst fluid reacts with harmful NO_x emissions in diesel engines' exhaust, cleansing the emissions.

Performance

Green fertilizers

In 2021, we signed our first commercial contract for green nitrate-based fertilizers with Lantmännen. Expecting to sign more contracts in 2022, we intend to expand our production capacity for green fertilizer. This will help us to stay on path to achieving our 2030 GHG reduction targets and enable GHG emission reductions of up to 30% per tonne crop produced.

In 2021, we updated product carbon footprints for more than 500 different fertilizers products, enabling farmers to benchmark our products against alternatives on the market.

» [Product carbon footprints, page 88](#)

Emission abatement

In 2021, our deliveries of diesel exhaust fluid helped to reduce NO_x emission by more than 1.3 million tonnes globally. We also deliver air abatement reagents and DeNO_x systems to industrial plants. Our SCR (Selective Catalytic Reduction) and SNCR (Selective Non-Catalytic Reduction) systems are developed to meet the highest standards and performance. More than 600 such systems have been installed globally.

NO_x abatement at industrial customers and in transportation

Thousand tonne

2021	2020	2019	2018	2017
1,625	1,511	1,591	1,541	1,570

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The way forward

- **Build momentum for clean ammonia:**

Yara Clean Ammonia intends to continue building momentum with likeminded partners across the value chain for clean ammonia. A special focus will be on developing the maritime shipping market and the required distribution and bunkering network for clean ammonia as the preferred zero emission fuel, which represent a large opportunity for Yara. The limited availability of renewable power and the current cost levels for electrolyzer technology challenge the economic viability of large-scale green ammonia

projects. Additional incentive mechanisms and public support schemes are required for large-scale green developments to be feasible. Yara will continue to lead the technology development and voice the need for incentive mechanisms, and actively contribute to developing certifications schemes for clean ammonia. As a transition solution, Yara will also seek to bring blue ammonia production with carbon capture and storage to the market to enable the maritime shipping industry to start the decarbonization transition based on ammonia as a shipping fuel at scale.

- **Adopting new marine technologies:**

Yara Marine Technologies is committed to adopting promising new technologies, whether it be through R&D, collaborations, or acquisitions. In late 2021, we launched the second edition of 'Yara Marine X', our start-up accelerator program targeting clean technologies for the maritime sector. It gives newcomers an opportunity to gain direct access to our network and resources, and enables us to identify partnership and business opportunities based on innovations in green maritime technologies.

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TIER 1 TOPIC

Sustainable farm management

Yara aims to support agriculture in its transformation to become climate-neutral and nature-positive. We do this by developing and facilitating sustainable farming practices that impact positively on crop and soil quality, increase nutrient and water use efficiency, and reduce GHG emissions from agricultural soils. Backed by more than 60 years of research activities and deep agricultural knowledge, we intend to create measurable, positive global impact and deliver actions that protect nature and improve livelihoods.

Subtopics in this section:

- Carbon farming
- Scope 3: GHG emissions from fields
- Regenerative agriculture
- Biostimulants
- Water in farming
- Application and crop knowledge



Commitments

Carbon marketplace:

We launched the Agoro Carbon Alliance in 2021, and intend to establish a KPI to measure and report the impact of this carbon marketplace.

Revenues from new business models:

By 2025, we aim to generate revenues of USD 1,500 million from sales of services and new products, such as biostimulants and carbon farming.

✔ On track

Priorities

Regenerative agriculture

Yara is engaged in the development of regenerative agriculture as a concept and framework for future food production. At its core, the objective of regenerative agriculture is to regenerate ecosystems and achieve nature-positivity. Regenerative agriculture is a relatively new concept, and we are actively engaged in multi-stakeholder initiatives to co-design frameworks, generate knowledge, develop the toolbox, and drive the implementation of regenerative agricultural practices.

Our objective in these processes is to promote the implementation of science-based practices that will

enable a climate-neutral and nature-positive food system. We recognize the need to translate the concept of regenerative agriculture into a more practical framework and, over time, a global standard, but believe it will be important to maintain sufficient flexibility to allow local adaptation and address the heterogeneous character of agriculture.

Soil health is a cornerstone of regenerative agriculture. We have intensified our R&D efforts and engagement in this area, compiling research findings underlining the importance of balanced nutrition and the avoidance of soil acidification for carbon sequestration and soil health. We believe this topic should be given more attention, and it was therefore a focal point when we

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presented our Climate Smart Crop Nutrition concept at the 8th World Congress of Conservation Agriculture in June 2021. It demonstrates how the combination of decarbonized fertilizers, precision tools, and selection of the right nitrogen forms can reduce GHG emissions and help to avoid soil acidification, which in turn is important for soil health and carbon sequestration.

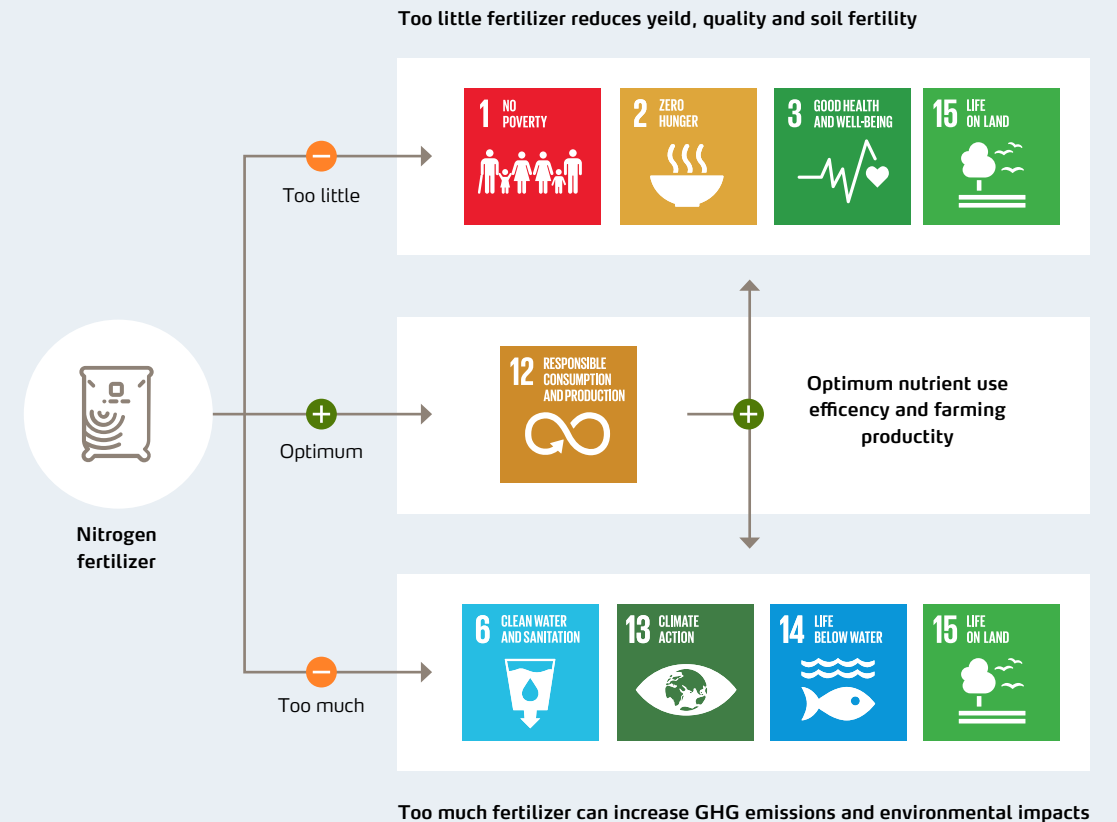
As a member of OP2B, Yara has contributed to the dialogue on the use of mineral fertilizer in a sustainable food system. Opinions on this topic are many, and our emphasis has been on providing a differentiated view on plant nutrition and the significant role of mineral fertilizers in plant protection and the maintenance of soil health. OP2B’s framework for regenerative agriculture, which was launched in 2021, aims to reduce the use of mineral fertilizer globally, but acknowledges that more mineral fertilizer is needed in some regions to support farmers’ livelihoods, food security, and biodiversity and to spare land. The framework also includes nitrogen use efficiency as a metric to measure sustainability performance.

Yara is a founding member of the Regenerative Agriculture Program within the Sustainable Agriculture Initiative (SAI) Platform. The SAI Platform will be key in driving engagement and the implementation of suitable solutions for farmers. It can help to enable local adaptation and establish pragmatic, cost-effective, and reliable systems to measure, report, and verify the sustainability performance of crop production. This is critical, as the real impact on nature and climate will come from the ground – from the way our food is produced.

» [Uniting for change, page 25](#)

Sustainable nutrient management

Optimum crop nutrition supports better yields and healthier crops, while reducing GHG emissions and nutrient losses



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Reducing GHG emissions from soils

Nitrous oxide (N₂O) is the third most important greenhouse gas globally, after carbon dioxide (CO₂) and methane (CH₄). Most N₂O emissions occur in the agricultural sector and are emitted directly from agricultural soils. They are driven by nitrogen inputs from various sources, such as nitrogen fertilizer, manure application, and grazing animals. In total, N₂O accounts for about 10% of the anthropogenic global warming effect and for approximately 6% of all GHG emissions in Europe. About one third of the N₂O emission from agricultural soils are attributed to the use of mineral nitrogen fertilizers.

Yara organizes and conducts substantial research to develop solutions and methods for reducing N₂O emissions. In 2021, we continued the development of a field-specific method for assessing N₂O emissions from agricultural soils, in line with guidelines from the Intergovernmental Panel on Climate Change (IPCC). It includes an array of parameters, such as water balance, nitrogen balance, carbon balance, climate conditions, and management practices.

Our research shows a clear correlation between application of nitrogen fertilizer and N₂O emissions. Balanced fertilization, to match the crop's exact demands, is an obvious option to reduce the emissions. Another important measure is to adjust the nitrogen form to local soil and climatic conditions. Dry soils, particular light- to medium-light soils, should be fertilized with nitrate-based fertilizers to avoid excess N₂O emissions. Ammonia-based fertilizers should not be used under conditions for nitrification.

Biostimulants' role in sustainable agriculture

Plant biostimulants can enhance tolerance to abiotic stress, nutrient use efficiency, and crop quality and yield, and are becoming increasingly important tools for achieving sustainable crop production. They are complementary to fertilizers by improving the availability, uptake, and use of nutrients. This makes biostimulants an essential element in Yara's crop nutrition solution.



Soil health: Certain biostimulants can improve soil health and fertility, impacting positively on biodiversity, soil restoration, and water use efficiency.



Tolerance to climate change: Biostimulants can enhance plants' tolerance to abiotic stress, such as drought or extreme temperatures, and help plants to adapt to climate change, enabling continued crop quality and marketable yield, thus reducing waste.



Nutrient use efficiency: Biostimulants can support root development or improve nutrient availability in soil, supporting higher nutrient use efficiency and reducing nutrient losses to the environment.



Crop quality: Biostimulants can improve crop quality and yield and contribute to more vigorous and healthy plants, supporting farm profitability and reductions of food waste.

Our trials repeatedly demonstrate the benefits of integrating biostimulants in crop nutrition programs.

Trials on greenhouse tomatoes in Sicily, Italy showed that Yara's solution, with biostimulants, outperformed the farmer standard by 26% in average crop yield and on several quality parameters. Trials on other crops showed that our crop nutrition programs containing biostimulants improved crop quality and reduced the share of unmarketable produce.

Water in farming

Agricultural practices hold significant potential for better water management and improved water use efficiency. There is a fundamental and close relationship between crop nutrition and crop water productivity and our R&D activities have convincingly demonstrated the positive effects of crop nutrition on water use efficiency. We continue to investigate this relationship 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. The Yara Water Solution enables farmers to irrigate on-demand and save up to 20% water, and our Farm Water Advisor uses a range of data including field-specific weather, soil, and irrigation system information to advise farmers when, where, and how much to irrigate for the coming seven day period.

» [Case: Water in farming, page 82](#)

» [Protecting the Baltic Sea, page 98](#)

» [Designing and enabling adoption of water smart practices and models, page 128](#)

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Protecting the Baltic Sea

Gypsum treatment of agricultural fields has been studied in Finland for more than ten years. Application of gypsum adds to the soil's ability to absorb phosphorus and capture organic carbon, and can reduce phosphorus loads from fields. In 2020, the Finnish Ministry of the Environment launched a three-year pilot project on gypsum treatment of fields, with the ultimate objective of reducing nutrient leaching from agriculture to the Baltic Sea. The project involves around 85,000 hectares and 3-4,000 farmers, and will be supported by deliveries of approximately 350,000 tonnes of phosphogypsum from Yara Siilinjärvi. Researchers estimate that by applying gypsum to fields, Finland alone could reduce the phosphorus load to the Baltic Sea by 300 tonnes annually.

Performance

Carbon farming

Agoro Carbon Alliance is an agri change company engaged in the sequestration and commercialization of carbon and the reduction of CO₂ emissions. Backed by Yara, the company was launched commercially in the summer of 2021 and signed over 500,000 acres of farmland in the USA through direct sales and channel partner relationships before the year was over.

Its connection with Yara has granted Agoro legitimacy with farmers and in the carbon market from day 1. The company continues to establish itself in the rapidly evolving markets for agricultural carbon and carbon certificates. Agoro's long-term ambition is to reinforce its competitive advantage through technology in areas such as remote sensing.

The way forward

- **Modelling of emissions:**

We will continue to develop the field-specific model for estimation of N₂O emissions into a knowledge base for emission reductions. Going forward, our focus will be on integrating the different determinant of such emissions, notably nitrogen management, soil temperature, and precipitation.

- **Expand in carbon farming:**

In 2022, Agoro will focus on expanding its operations and presence in the USA. Agoro will also pursue its global ambitions by establishing pilot projects in Europe, India, and Brazil.

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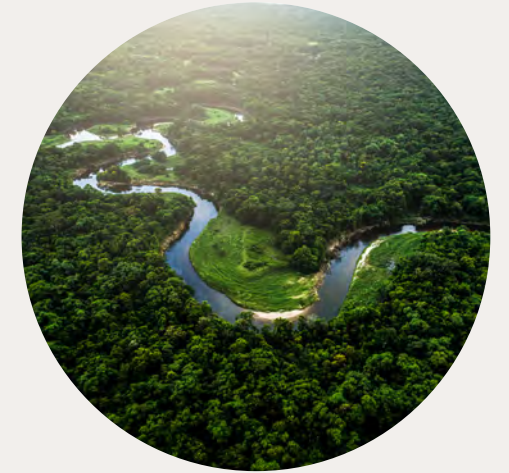
TIER 2 TOPIC

Protection of ecosystems

We recognize the urgent nature of the climate crisis, and we are positioning Yara to play an important role in driving change and value creation for the future. We will expand our knowledge sharing to create a measurable, positive global impact in order to help feed the world and contribute to a responsible food system while protecting nature, reducing emissions, and improving livelihoods. Our new ambition of ‘Growing a Nature-Positive Food Future’ entails a commitment to helping stall the new cultivation of natural land while protecting precious water, soil, health and biodiversity.

Subtopics in this section:

- Biodiversity
- Land use change
- Soil quality
- Groundwater quality



Commitments

Nature-Positive Roadmap;

By end 2022, develop the first version of Yara’s Nature-Positive Roadmap, embedding regenerative agriculture

✔ On track

Mining sites:

Prevent any significant biodiversity impacts at our mining sites

✔ On track

Environmental footprinting;

By 2022, pilot Fertilizer Environmental Footprinting to analyze environmental, health, and ecosystem impacts through the fertilizer life cycle

✔ On track

Priorities

We consider ecosystem impacts both directly at our operational sites, and indirectly - through our agromonic products and services.

Nature-Positive Roadmap

Our strategic ambition has been updated to Growing a Nature-Positive Food Future. A roadmap will be developed, describing how we will embed nature into our governance and target setting, as well as a long-term perspective on how to reach our nature-positive and climate-neutral by 2050 ambitions.

Regenerative agriculture

The objective of regenerative agriculture is to regenerate ecosystems and achieve nature-positivity. We are determined to embed this concept in Yara’s solutions and offerings. The only way we can produce enough food, without cultivating more land and neglecting biodiversity, is by making agriculture more efficient. In this context, efficient means increasing crop yield and nutrient uptake through better farming practices, the right fertilizers and farm inputs, and digital knowledge tools-, all components of regenerative agriculture.

Going forward, we aim to contribute measurable progress on nutrient use efficiency and farming productivity, as well as on nature in and around farms. When it comes to nature, we will give particular attention to

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soils, land, and water. Healthy soils promote biodiversity and are better able to store carbon, and with our knowledge we can help farmers to maintain optimal soil health through balanced nutrition, biostimulants, and sustainable farmer practices. Outside the farm, preventing land use change is crucial to protect natural habitats, reduce GHG emissions and mitigate climate impacts. This can be achieved by producing more food on existing agricultural land.

Efficiency in farming is also decisive to avoid water stress. While over-fertilization can cause emissions and run-off and is a waste of money, balanced nutrition ensures that crops take up water more efficiently and produces more yield per unit of water. We offer several solutions that will help farmers increase their water use efficiency and avoid losses of nutrients to water bodies. Through our R&D on soils and water, we are also learning more about how GHG emissions from agricultural land can be avoided.

» [Case: Water in farming, page 82](#)

» [Sustainable farm management, page 95](#)

Fertilizer Environmental Footprint

We have established a pilot project to assess life cycle impacts of mineral and organic fertilizers. This is to increase awareness of the key impact categories and impact pathways along the entire fertilizer life cycle. Results from the pilot will be used to set fact-based and focused actions to prevent damage to ecosystems, human health, and resource availability.

Preserving soil, groundwater and biodiversity at Yara sites

Yara maintains an up-to-date assessment and reporting of risks and impacts to ambient environment, ecosystems, soil, and groundwater caused by all of its operational units. Yara has stringent technical and operational standards aiming to build high-integrity plants and to operate them in a safe manner, thus protecting the ambient environment from pollution, spills, and leakages. Remediation actions are taken when an existing condition could cause environmental damage or when there is a contractual or regulatory obligation. Provisions are accounted for any current and foreseen liabilities according to IFRS rules.

Specific investigations such as biodiversity risk assessments are carried out if the local risk level requires further analysis, to appraise our understanding that our impact is minor or even positive. We see biodiversity impacts as an emerging topic, also requested by the European Taxonomy Regulation, which sets a Do No Significant Harm requirement related to biodiversity impacts.

Digital farming offerings

Imbalanced crop nutrition is one of the major drivers of soil degradation. Our digital offering includes precision farming tools that support farmers with improved management practices and promote balanced crop nutrition. This offering ranges from satellite-enabled precision fertilization tools to nutrient management applications providing field-tailored crop nutrition programs based on soil or tissue analyses. Our digital crop

nutrition tools are fine-tuned by agronomy experts and optimized for both crop and geography variances. We will continue to apply our deep and growing knowledge, products and digital solutions to enhance crops, soil health, and reduce pollution. This focus will shape regenerative farming and support farming productivity, nutrient use efficiency, and positive impacts on nature.

» [Digitalization, page 119](#)

» [Sustainable farm management, page 95](#)

Avoiding land use change

Arable land is a scarce resource that needs to be used in the most appropriate way to ensure food security without further land use change. Land use and land use change for agriculture accounts for about 10% of world GHG emissions (FAOSTAT 2020). Stopping land use change and deforestation is therefore a primary objective in climate protection, and it is Yara's position that the increasing demand for food, feed, and fiber can be met on existing farmland.

Cropland has the lowest carbon content of all land types, except for deserts and semi-deserts¹⁾. Intensification of arable production can save rainforests, grassland savannahs, and wetlands from being converted into croplands. It therefore has a positive effect on carbon balance and helps to protect natural habitats and biodiversity.¹⁾

¹⁾ Cool Farming, Bellarby et. Al. (2008)

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Performance

No significant biodiversity impact at our mining sites

Yara has recognized biodiversity impacts as material for our mining operations and in farming. Neither of the two operational mining sites (Siilinjärvi, Finland and Salitre, Brazil) are near protected areas or areas of high biodiversity, nor are either of them required to prepare a biodiversity management plan. No significant, negative impacts on biodiversity, protected habitats, or endangered species have been identified nor reported as a consequence of our 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

In 2021, we prepared a voluntary biodiversity management plan for the Yara Siilinjärvi mine. The plan describes the flora and fauna in the area, biodiversity aspects and risk management, the site's goal with respect to biodiversity management, responsibilities, stakeholders/interested parties, actions, monitoring, and compensations. The mine applies operational and management principles necessary to protect the ecosystems, species, and habitats in the mining area, including e.g.:

- No net loss-principle in planning and commissioning of new land areas;
- Preservation of valuable biodiversity areas within the mining area;
- Sustainable Forestry principles at the forest areas of the mine;
- Combatting the threat of alien species.

The way forward

- **Taskforce on Nature-Related Financial Disclosures (TNFD):**

We will follow the development of the TNFD framework which is planned for release in 2023. The TNFD is designed to build upon the structure and foundation of the TCFD. The two frameworks will be comprehensive in their coverage of climate and nature-related financial risks, and complementary in their usability. Land use, biodiversity and soil health are emerging topics and we are therefore focusing on setting fact-based targets.

- **Reverse the loss of biodiversity:**

The UN Convention on Biological Diversity (CBD) Secretariat and EU Farm-2-Fork strategy outlines a new Global Biodiversity Framework to guide actions worldwide through 2030 to preserve and protect nature and its essential services to people. The new framework has an ambition to halt and start to reverse the loss of biodiversity to reach 'nature-positive' by 2030. It will transform how we value nature and unlock its full potential in underpinning the Sustainable Development Goals and the Paris Agreement on climate.

Novel sustainability projects

In 2021, Yara Sluiskil officially opened two novel sustainability projects, one related to biodiversity, the other to algae-based water treatment.

Biodiversity project

The biodiversity project falls under a policy directive called 'Temporary Nature' aiming to improve the ecosystem performance of idle industrial plants. Activities implemented at Yara Sluiskil include the establishment of a nature trail; 'accommodation for birds, bats and bees; a water pool; and the planting of vegetation to promote biodiversity.

Algae basin

Yara Sluiskil has introduced an algae basin to extract nutrient loads, mostly nitrogen from untreated wastewater. The biomass produced in this way can be used as a bio-fertilizer, or can supply pigments, oil, or sugars. The project is financed in parts by Yara and private owners, and also receives local subsidies.

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TIER 2 TOPIC

Water management in production



Water stress is a measure of the ratio of total water withdrawals to available renewable surface and groundwater supplies and is a major global environmental, health, and economic challenge. Water is essential in our fertilizer production processes, but is primarily used for cooling, which means we return nearly all the water unpolluted. We assess all production sites for water-related risks and monitor water withdrawal, consumption, and discharges.

Subtopics in this section:

- Effluents and discharges
- Water consumption
- Impact on water stressed areas

Commitments

Effluents and discharges:

By 2021, monitor and set compliance targets for 2022 related to environmental permits and statutory requirements at all our production units

✔ **Achieved**

In 2021 and 2022, identify issues and defining solutions related to effluents and water management via our Environmental roadmap program.

✔ **On track**

Water risk assessments:

In 2021, assess all sites for water scarcity risks using the Aqueduct Water Risk Atlas

✔ **Achieved**

In 2022, continue to evaluate water risks related to our sites as a part of the ongoing assessment of physical climate related risks relevant to our assets via our Physical Climate Risk Assessment.

✔ **On track**

Priorities

Managing our water use

In our production units, water is primarily used for cooling purposes, and to a lesser extent, for steam production and the production of liquid products. Hence, nearly all the water that we withdraw is returned to the water source unpolluted. The parameters of concern in the wastewater discharges from our production units are mainly nitrogen and phosphate, both nutrients that can cause the eutrophication of waterways.

All our production units must comply with 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. Discharges are continuously monitored and reported to the local

environmental authorities, as required. In addition, any exceedances and incidents related to water withdrawal and discharges are reported, investigated, and corrective actions are taken.

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.

Assessing water risks

Our production units are located across several continents and consequently operate in very different environments. All sites have been subject to an initial water risk screening using the World Resources Institute's Aqueduct water risk atlas tool. This tool

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includes aspects related to the availability of water, the 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. In 2020, it was reported that four sites were identified as being located in extremely high- or high-risk areas with respect to baseline water stress. However, during the Environmental roadmap assessment in 2021, it was confirmed that at one of these sites the location of the water withdrawal was approximately 20 km away from the production plant and in a low-medium baseline water stress risk area. The water

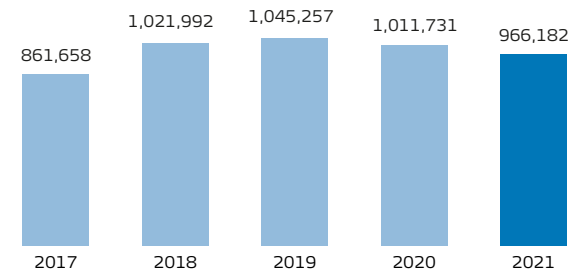
consumption from the remaining three sites located within the extremely high or high risk with respect to baseline water stress area accounted for only 2% of the total fresh water withdrawn. Two of these sites are already working with local authorities to reduce their fresh water intensity, as are several others which are not under very-high water stress. In parallel all Yara plants now report monthly on the water intensity, in line with Yara's increased focus on the topic. Water management and risks related to water availability, quality, and accessibility are also included in our climate risk analysis.

Performance

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 2021, our total water withdrawal amounted to 966,182 megaliters of which 90% was returned. This percentage could be higher (93%, in line with previous year) because our mine in Salitre, Brazil is increasing capacity as the mine is under commissioning (the mine has now been sold to EuroChem in an agreement completed in February 2022).

» [Water withdrawal, discharge, and consumption in Planet metrics, page 111](#)

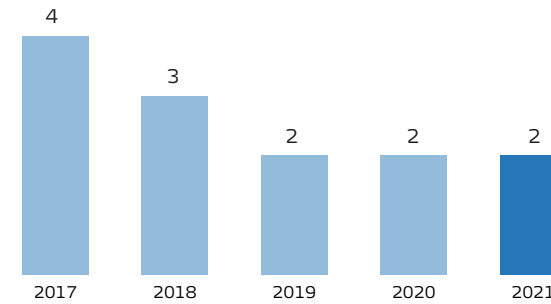
Water withdrawn in Yara's production sites
megaliter



In 2021, 90% of the water withdrawn was returned to the water course.

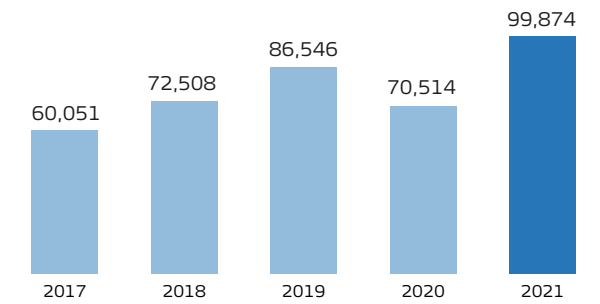
¹⁾ Numbers adjusted from 2017, as a cooling water stream withdrawn from, and discharged to, brackish surface water at Yara Sluiskil was included in the reporting.

Fresh water withdrawal in water stressed areas
%



The figure shows the percentage of freshwater withdrawals which occur in areas of high or extremely high baseline water stress.

Water consumption in Yara's production sites
megaliter



Water consumption is the sum of all water withdrawn and used in our operations, primarily in liquid products or for steam, and therefore not released back to water bodies.

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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.

Environmental roadmap program and compliance

Compliance issues associated with wastewater discharge quantity and/or quality make up one third of the environmental compliance issues reported in Yara in 2021. In our Environmental roadmap process it was identified that many of these require technological investments beyond mature, conventional technologies. The challenges of treating inorganic, nutrient containing wastewaters are common to the units and not dependent on the plant location. In addition, there are foreseen changes in EU regulatory requirements that will entail wastewater discharge issues becoming the focus area going forward.

The way forward

- **Physical Climate Risk Assessment:**

We will continue to evaluate water risks related to our sites as a part of the ongoing assessment of physical climate related risks relevant to our assets.

» [Climate Scenario Analysis, page 86](#)

- **Environmental roadmap program:**

The project will be completed for the remaining sites, identifying the issues and considering corrective actions and investments needed. With the support of Yara Technology and R&D, we will investigate, pilot, and assess feasibility of emerging and novel water treatment technologies to seek for solutions to water challenges including operational excellence.

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TIER 2 TOPIC

Air quality

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

Subtopics in this section:

- Emissions to air (NO_x, SO_x, NH₃, F, dust)
- Emissions of air pollutants (CRM or PBT/vPvB)



Commitments

Compliance: Monitor and maintain compliance with environmental permits and statutory requirements at all production units regarding air emissions

✔ On track

Environmental roadmap program: Build environmental roadmaps for the production sites to identify current and forthcoming challenges and initiate corrective actions

✔ On track

Environmental Solutions: Continue NO_x and SO_x emission abatement at customers by Yara environmental solutions

✔ On track

Priorities

Environmental roadmap program

In 2021, we established a new strategic initiative to reduce the environmental footprint of our production plants and developed environmental roadmaps for our production sites. We base the environmental roadmaps on assessments of each individual plant's performance against current and foreseen environmental regulatory requirements, such as water management, emissions to air, noise, and soil contamination. These assessments provide the basis for local improvement programs including projects and targets for 2022 and onwards.

Emission abatement solutions

Yara is a major supplier of emission abatement solutions for the transportation, industrial, and marine sectors. Our catalysts and solutions help to cleanse emissions from vehicles and industrial plants by converting harmful NO_x into nitrogen and water. For the marine sector, we offer technologies for reducing both SO_x and NO_x emissions.

» [Greener maritime industry, page 92](#)

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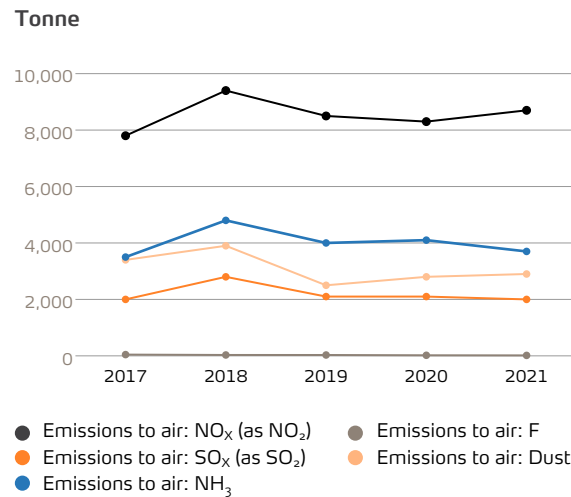
Performance

Emissions to air from Yara production plants

We regularly monitor and work to reduce emissions released into the atmosphere from our production units. The main emissions to air from fertilizer plants and phosphate mines are nitrogen oxides (NO_x), sulphur oxides (SO_x), ammonia (NH₃), fluorides (F), and dust.

As Yara's products and raw materials are inorganic chemicals that provide plant nutrients for agriculture, pollutants with carcinogenicity, mutagenicity, or toxicity for reproduction are not relevant key environmental aspects of our production. Therefore, such pollutants are not monitored nor are there emission limits set for those at the fertilizer plants.

Emissions to air



All of our production plants have environmental permits in place, which specify limits for emissions to air for relevant key emission parameters in accordance with applicable local legislation. The emissions for NO_x, SO_x, NH₃ and dust are in line with previous years and corresponding production volumes. The decrease in fluorides is due to the improved quality of our raw materials.

Environmental roadmap program and compliance

Challenges associated with air emissions make up a quarter of the environmental compliance issues reported at Yara in 2021. Via our Environmental roadmap program we are assessing reduction potential of emissions taking into account regulatory developments and feasible technologies. In addition, foreseen changes in EU regulatory requirements are expected to tighten the emission limits, especially in relation to NO_x emissions. Thus, air emissions will remain a key focus area requiring investigations, R&D, and investments going forward.

The way forward

- **New EU LVIC-BAT:**
The ongoing revision of the Best Available Technology (BAT) requirements for the production of Large Volume Inorganic Chemicals (LVIC BREF) is expected to tighten permit limits for NO_x and other emissions to air. In 2022, we will continue our project to advocate for feasible emission limits, to assess the impacts to Yara, and to prepare for timely compliance.

» [Regulatory change and compliance, page 144](#)

- **Environmental roadmap program:**
The first phase of the program will be completed for remaining sites in 2022, identifying the key challenges and issues and corrective actions and investments needed.

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Circularity

Circular economy is an important avenue to reducing pressure on natural resources and biodiversity, reducing GHG emissions, and creating sustainable growth. We are expanding our range of organic and organo-mineral fertilizers, which hold promise to support nutrient recycling, with the highest level of caution required before introducing waste-based materials into the food chain. We also apply a circular approach in our development of new packaging and in our procurement activities.

Subtopics in this section:

- Nutrient reuse and recovery
- Hazardous waste management
- Mine tailings management
- Reducing waste to landfill



Commitments

Organic fertilizers:

By 2021, introduce an organic-based fertilizer portfolio in Europe, serving as a platform for further product development and growth in this segment

✔ **Achieved**

By 2022, further establish and develop the organic fertilizer segment in Europe and explore opportunities in the Americas, Africa and Asia

✔ **On track**

Revenues from new business models: By 2025, generate revenues of USD 1,500 million from of services and new products, such as organic fertilizers

✔ **On track**

Nutrient recycling and upcycling:

Continuously expand our use of recycled or upcycled fertilizers, focusing first on opportunities arising from the EU Fertilizing Products Regulation, which takes effect in 2022

✔ **On track**

Priorities

Circular approach

We are moving towards a circular economy by using materials efficiently and by improving waste management and recycling. Through our strategic partnerships with waste management and food companies, and our direct commitment to enrich our portfolio of organic based fertilizers, we are working to find optimal ways to recycle nutrients that would otherwise end up as waste. We will apply our rigorous production methods and agronomic knowhow to promote a sustainable approach at marketable yield, responding to the market and environmental challenges with solutions addressing new farmer needs. We have initiated a series of projects to apply the principles of circular economy to agriculture, and see clear benefits for the environment along with opportunities for new revenue models and new markets for organic or recycled nutrients.

Circular fertilizer materials

The new EU Fertilizing Products Regulation is being designed to enable the use of certain industrial byproducts and circular materials as fertilizer components. We are actively contributing to the development of the regulation. Together with our suppliers, we have assessed our raw material portfolio against the forthcoming regulation to explore opportunities for using more circular materials. In 2021, we used about 553,000 tonnes of industrial byproducts and waste nutrients in our production, those being mainly salts of ammonium or sulphate, gypsum, and certain micronutrients.

Organic fertilizer portfolio

We continue to focus on resource efficiency. Through strategic partnerships and the successful acquisition of Ecolan in Finland, we have expanded our organic product range. The organic fertilizer market is a clear strategic priority for Yara in coming years. We have launched new organic fertilizer products in several

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Yara acquires Finnish Ecolan

This is Yara’s first acquisition in the organic fertilizer segment and reflects our commitment to play a bigger role in organic farming and in contributing to the circular economy. The Ecolan acquisition is an example of our commitment to contributing to a more circular economy, which will also require collaboration throughout the entire food value chain.

European countries, such as Yara Bio grades and Yara Nature, which are organo-mineral fertilizers suitable for organic farming, and are looking at potential opportunities in the Americas, Africa, and Asia. The organic fertilizers that we are integrating into our portfolio have significant synergies with the other products and solutions we provide. This opens up new possibilities for Yara to innovate in this space and to ensure that farmers can achieve optimal crop yields and improve quality at no expense to the environment. The organic fertilizer segment will be a high priority for Yara Europe in 2022, as part of our ambition to serve food chain partners and farmers with solutions for tracing and reducing environmental impacts, along with a complete portfolio of organic-based crop nutrition.

Circular packaging

Plastic is the preferred packaging material for fertilizers. It offers product protection and safe handling with minimum material use. Yet, plastic comes with a footprint and the risk of littering. We have taken several actions to tackle these challenges in recent years, such as joining recycling

schemes, using recyclable plastics, and optimizing material specifications to support circularity.

Waste from production plants

Due to extensive internal recycling and reprocessing of nutrient streams at the production sites, waste is less of an issue in the fertilizer industry than in many other industries. The only sector-specific waste streams are apatite mining-related wastes, phosphogypsum generated in phosphoric acid production, and iron oxide generated in the sulphuric acid production based on pyrite.

We carefully manage our waste streams to minimize impacts on the environment and to recycle valuable materials. We manage waste according to relevant regulations and prioritize recycling whenever possible. Our sites manage non-hazardous and hazardous waste on a risk-basis and implement a typical waste hierarchy of avoidance, reduction, recycling through to disposal operations. In a current R&D project, the potential utilization of phosphogypsum for the production of certain N+S product grades is investigated, for instance.

Reducing plastic use

In 2022, we will introduce big bags and sacks made of a least 30% recycled plastic in Europe, replacing 3,000 tonnes of virgin plastic annually. Initiatives to promote circular packaging are also ongoing in other regions. For example, Yara Thailand is developing a lighter, stronger, and more durable bag that could potentially reduce their use of plastic by 800 tonnes annually. We are looking into ways to reduce our use of virgin plastic for packaging in Brazil and other parts of Latin America.

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Performance

Waste generation

Typical non-hazardous wastes from our operations are construction and demolition materials and scrap generated through investment and demolition activities. Typical hazardous wastes from fertilizer manufacturing are waste oils, catalysts removed and replaced during shutdowns, chemical residues, and other wastes from maintenance activities. Consequently, depending primarily on the investment, divestment, and maintenance activities on site, the volume of both non-hazardous and hazardous waste will vary from year to year.

Waste treatment

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. In 2021, 25% of our non-hazardous waste was recycled and 67% was stored in offsite landfill.

» [Waste handling in Planet metrics, page 111](#)

Mine tailings

Tailings are a by-product of our mining activities.

Currently Yara operates two phosphate mines:

- At Siilinjärvi, Finland;
- At Serra do Salitre, Brazil.

Yara’s mining operations dealt with approximately 26.7 million tonnes of materials from extractive activities.

There are very few wastes relevant specifically to fertilizer manufacturing. Two exceptions are gypsum, generated in the phosphoric acid production, and iron oxide, generated in the production of sulphuric acid. Our Siilinjärvi plant in Finland currently uses pyrite to produce sulfuric acid. The ashes from the pyrite burning process is an iron-rich by-product called iron oxide, which can be used as a raw material at steel manufacturers. Thanks to strong collaboration between the plant, procurement logistics, and customers we have managed to sell our full amount of iron oxide to steel manufacturers.

We also sold 268,000 tonnes of gypsum as by-product, e.g. for the construction industry, and the remaining volumes were stored in on-site landfills. Waste rock in the quantity of 14 million tonnes and overburden of 0.08 million tonnes were removed to process the ores. Tailings and sludges totaled 14.8 million tonnes in 2021. These were stored in onsite tailings ponds and stockpiles.

The way forward

• Reducing by-products:

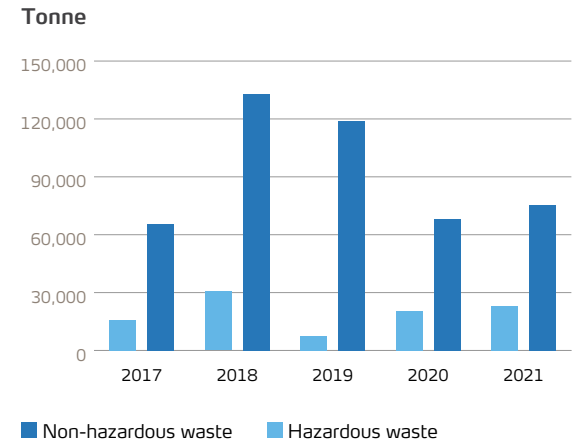
Yara is investing in Siilinjärvi, Finland, to use sulphur instead of pyrite as raw material in the sulphuric acid process. The investment is expected to be completed in the coming 2 years, thus fully halting the generation of iron oxide and reducing the amount of

potential waste with 300 – 350 thousand tonnes a year (based on 2020 and 2021 data).

• Strategic partnerships:

Through our strategic partnerships with waste management and food companies, we are working to find optimal ways to recycle nutrients that would otherwise end up as waste and then process these to produce circular fertilizers.

Waste from production plants



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

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TIER 1: CLIMATE CHANGE

Carbon emissions calculations

Our scope 3 emissions for the use of fertilizer are estimates based on emission factors in the IPCC 2006 Guidelines for National Greenhouse Gas Inventories and IPCC Fourth Assessment Report (2007). A template has been developed to calculate the carbon footprint of purchased raw materials. For the indirect emissions from upstream and downstream transport we use a calculation tool based on sales figures.

GHG scope 1, 2 and 3 emissions from Yara production plants, in million tonnes CO₂e

	2021	2020	2019	2018	2017
Scope 1 ¹⁾²⁾³⁾	16.5	16.6	17.1	17.1	14.9
Scope 2 (location-based) ⁴⁾	0.8	0.8	0.9	1.0	0.9
Scope 2 (market-based) ⁵⁾	1.0	1.1	1.4	1.4	1.3 ⁶⁾
Scope 1+2 (market-based)	17.5	17.7	18.5	18.5	16.2
Scope 3 Category 1 & 3 ⁷⁾⁸⁾	8.6	8.5	9.0	8.7 ¹¹⁾	9.3 ¹¹⁾
Scope 3 Category 4 & 9 ⁹⁾	2.6	2.6	2.9	2.9	2.7
Scope 3 Category 11 ¹⁰⁾	46.6	42.3	43.8	40.5	34.9
Scope 3 Total	57.8	53.4	55.7	52.1	46.9
Scope 1+2 (market-based) +3	75.4	71.1	74.2	70.6	63.0 ¹²⁾

¹⁾ In 2017, in alignment with the Greenhouse Gas Protocol and the European Emission Trading sector guidance, Yara included CO₂ 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 CO₂ emissions from the generation of own electricity.

³⁾ The greenhouse gases relevant to Yara's production plants are CO₂ from the use of fuels, N₂O from nitric acid and NPK production, and CO₂ generated in calcium carbonate processing. These are calculated as CO₂ equivalents using the following factors, corresponding to the emissions factors in IPCC Fourth Assessment Report (2007), that is CO₂ to air: 1 and N₂O to air: 298.

⁴⁾ Reference for the location-based factors used in calculations: Grid Mix 1kV-60kV, Reference Year: 2016 from GaBi v9.2.1.68, 2020.

⁵⁾ 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.

⁶⁾ Incorrectly reported in 2017 and adjusted accordingly.

⁷⁾ Scope 3, category 1 – GHG emissions from purchased goods and services.

⁸⁾ Scope 3, category 3 – GHG emissions from fuel and energy related activities.

⁹⁾ Scope 3, category 4 and 9 – GHG emissions from upstream and downstream transportation and distribution.

¹⁰⁾ Scope 3, category 11 – GHG emissions from the use of sold products.

¹¹⁾ Corrected values due to errors identified in 2019 during the development of the GHG intensity KPI.

¹²⁾ Rounding adjustment

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● Metrics: Planet

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TIER 2: WATER MANAGEMENT IN PRODUCTION

Water withdrawal, discharge, and consumption

Total for Yara's production sites, in megaliters

	2021	2020	2019	2018	2017
Total water withdrawal ²⁾	966,182	1,011,731	1,045,257	1,021,992	861,658
Fresh surface water	34%	33%	32%	32%	
Brackish surface water/ seawater	57%	65%	65%	65%	98% ¹⁾
Groundwater	1%	1%	1%	1%	1%
Produced water	0%	0%	0%	0%	0%
Third-party	1%	1%	1%	1%	1%
Total water discharge ²⁾	866,308	941,493	958,710	949,483	801,607
Fresh surface water	18%	17%	15%	15%	13%
Brackish surface water/ seawater	77%	82%	74%	72%	77%
Groundwater	1%	1%	1%	1%	0%
Third-party	0%	0%	0%	0%	0%
Total water consumption	99,874	70,514	86,546	72,508	60,051
Discharge as a percentage of withdrawal	90%	92%	92%	93%	93%
Consumption as a percentage of withdrawal	10%	8%	8%	7%	7%

¹⁾ Total fresh surface water and brackish surface water/seawater.

²⁾ Numbers adjusted from 2017, as a cooling water stream withdrawn from, and discharged to, brackish surface water at Yara Sluiskil was included in the reporting.



TIER 2: AIR QUALITY

Emissions to air, in tonne

	2021	2020	2019	2018	2017
Emissions to air: NO _x (as NO ₂)	8,700	8,300	8,500	9,400	7,800
Emissions to air: SO _x (as SO ₂)	2,000	2,100	2,100	2,800	2,000
Emissions to air: NH ₃	3,700	4,100	4,000	4,800	3,500
Emissions to air: F	16	20	30	31	44
Emissions to air: Dust	2,900	2,800	2,500	3,900	3,400



TIER 2: CIRCULARITY

Waste handling

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

	2021	2020	
Non-hazardous waste	Recovery operations	18,974	27,696
	Storage onsite	5,149	5,985
	Landfill	50,391	31,292
	Incinerated	649	3,040
Hazardous waste	Recovery operations	1,691	2,399
	Storage onsite	188	78
	Landfill	18,641	15,885
	Incinerated	2,645	2,001

Handling of by-products

By-products sold/stored in 2021, in tonne

	Iron oxide	Gypsum
Sold as by-product	478,000	268,000
Stored in on-site landfill		1,784,000

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Prosperity

Yara's leading position within food solutions, technology, and ammonia makes us well positioned to meet the challenges ahead. We aim to improve the profitability of our operations and tap into new business opportunities to create value for our customers and society at large, and to deliver superior returns to our shareholders.

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Agnes Kaphala farms a small plot and also operates a tailoring business on the veranda of her house, making her the household's primary breadwinner.

CASE: DISABLED RURAL FARMERS

Inclusivity for food security

Some truly remarkable stories have resulted from Yara's Action Africa initiative. One story about inclusivity and hard work is particularly moving.

Malawi was one of the countries targeted by Yara's Action Africa initiative. Partnering with the African Fertilizer and Agribusiness Partnership (AFAP), Action Africa ensured the distribution of fertilizer to 100,000 smallholder farmers.

Through AFAP, Action Africa established partnerships with the local World Food Programme office, the Ministry of Agriculture, UNHCR, and others to target the most vulnerable farmers in the country. Refugees, disabled persons, and prisoners were among the groups included in the program. 50,000 of these vulnerable farmers also received 2 kilograms of high-quality seed maize from Bayer, under their Better Farms, Better Lives program, also led by AFAP.

In the summer of 2021, the Deputy Minister of Agriculture in Malawi hosted an agricultural event. As part of this event, farmers that had greatly improved their yields were celebrated and awarded. The farmer with the greatest yield increase was Agnes Kaphala.

She is part of Kalumbu Tikondane People with Disabilities, a group of 150 physically disabled rural farmers based in Kalumbu village, east of Lilongwe, that received premium fertilizers and crop advice from Yara, in addition to seed from Bayer.

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Agnes during the 2021-2022 agricultural season



Agnes was born physically disabled in a family of 7 children. Although she was very interested in school from a young age, her parents had to take her out of primary school because of the distances she had to travel on crutches to and from school. However, her disability did not prevent her from taking part in her family’s small-scale farming. Agnes, now married with 3 school children, farms a small plot to ensure food for her family, and also operates a tailoring business on the veranda of her house, making her the household’s primary breadwinner.

“Thanks to Yara, the persistent hunger in my household is now a thing of the past. For the first time, I have harvested 16 bags of maize from the 0.5 acres of land that I have been harvesting not more than 3 bags from in the past years,” she said at the 2021 event. She further elaborated that for the first time, her household was able to remain food secure throughout the whole year and also managed to sell some of her maize to generate income for her household. She was awarded a crop protection sprayer for her achievement.

“For me, stories like these feel almost like adrenalin shots. What we do, matters. And when we work together with others, we can change lives,” Yara CEO Svein Tore Holsether said in an email to all employees in July.

“Agnes is truly inspiring. Stories like these would not be possible without collaboration, and Action Africa in Malawi really is a shining example of how collaboration should work. Both public and private – small and big organizations – all helped this become a reality. These partnerships aren’t built over night, and by

showing up and delivering on commitments, we build trust and confidence, and I am certain that this will help us achieve great things in the future,” says Øystein Botillen, project lead for Action Africa.

“Yara’s Action Africa program will go down as one of the most thoughtful initiatives that took place in Africa at the height of the pandemic, when we were uncertain of what the future would bring. Agnes’ five-fold harvest increase is a good testament to the achievement potential of strong collaborations and partnerships. Action Africa Malawi brought immense light and hope,” says Sheila Keino, AFAP Malawi’s Country Director.

In 2021 Agnes was also among the 600 vulnerable women in Malawi to receive a bag of 50Kg NPK fertilizer as part of Yara’s annual Christmas gift initiative. Agnes expects to harvest 20 bags of maize this season because of the continued support, further improving her household’s food security and economic stability.



Agnes receiving her award from the Deputy Minister of Agriculture Hon. Agnes Nkusa Nkhoma for being one of the best farmers in Kalumbu.

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TIER 1 TOPIC

Sustainable finance

Sustainable finance is growing in force and impact. Capital is increasingly channeled towards organizations and activities that manage their economic, social, and environmental (ESG) impacts well, driven by responsible investments, ESG and credit ratings, and regulations such as the EU taxonomy. We welcome sustainable finance as a means to translate our ambitions and achievements into value and reinforce Yara as an attractive investment.

Subtopics in this section:

- Green investments
- Green financing
- ESG ratings
- Credit ratings
- ESG company profile
- Value creation



Commitments

ESG ratings:

By 2025, achieve an MSCI ESG rating of 'A' or better

✓ On track

By 2025, achieve a Sustainalytics rating of 'Medium' or better

✓ On track

Priorities

Competitive access to capital

In 2019, Yara became the first Norwegian company to enter a credit facility linked to environmental, social, and governance (ESG) targets. The five-year facility highlights our commitment to reducing the carbon footprint of our activities as the margin is adjusted annually based on our progress to meet our 2025 carbon intensity target. Meeting the target can trigger a discount on the interest.

We are putting considerable effort into meeting the reporting requirements of the EU Taxonomy Regulation, which is intended to direct capital to sustainable projects and activities. We have disclosed the share of taxonomy-eligible activities per 2021 in a separate report and will assess our activities' alignment with the taxonomy criteria in 2022.

[» Yara EU Taxonomy Report 2021](#)

Investors' interest in our ESG profile and performance has risen markedly in recent years. Communicating Yara's strategy and ongoing transformation to investors and credit markets is therefore a priority. We are continuously monitoring developments in the credit markets to evaluate how we can leverage our integrated strategy to secure competitive access to capital through green financing.

ESG considerations are increasingly used in credit rating. Moody's and S&P Global both incorporate ESG credit factors into their analyses and have added separate ESG sections to their rating reports. Financially material ESG topics can influence the opinions of both rating agencies.

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Making investments more green

Our approach to green investments is currently defined by our Capital Value Process (CVP). HESQ and compliance requirements are integral parts of the decision-making process for new projects. Any investment above 25 MUSD requires the involvement of Sustainability Governance and considerations of ESG and carbon pricing impacts. When relevant, the project shall present an analysis of its impact on Yara’s climate intensity KPI.

» [Capital Value Process, page 156](#)

ESG ratings

We consider ESG ratings as valuable tools to compare our performance to that of peers and map best practices. Years of interaction with external benchmarking initiatives and ESG analysts have helped us to close several information gaps and driven transparency in our reporting. Not only has this ensured more consistent and accurate scores in ESG rating, but it has also helped us to evolve our sustainability governance and reporting. Several policies, processes and targets have been amended in recent years based on feedback from benchmarking initiatives.

Some ESG benchmarks also bring commercial value. In 2021, Yara advanced from Gold to Platinum status in the EcoVadis rating, which is widely used among our large industrial customers. This improvement translates directly into market competitiveness.

Performance

Increased dividends

We believe that our strategic transformation reinforces Yara as an attractive investment. In 2021, we continued the increase in dividends, distributing a total of NOK 58 per share to our shareholders.

» [The Yara share in Yara Integrated Report 2021](#)

Cicero Shades of Green

Yara has engaged Cicero Green to assess the ‘greenness’ of our revenues and of our CAPEX. The analysis is published separately as a Cicero Shades of Green company report.

Improved ESG ratings

Overall, we saw Yara’s sustainability ratings improve significantly in 2021. These improvements were attributed to expanded reporting as well as improved performance and governance. Based on our interaction with the ESG benchmarks and their analysts, we implemented several measures in 2020 that were recognized in the most recent ratings:

- Strengthened water risk assessments
- Established the Board Audit and Sustainability Committee formally responsible for non-financial topics of material importance
- Linked the incentives structure for the Group Executive Board to our People, Planet, and Prosperity performance
- Established a KPI for the reduction of absolute GHG emissions

MSCI and Sustainalytics ratings

	2021	2020	2019	2018	2017	2025 Target
MSCI	6.3 A	4.8 BBB	3.5 BB	4.3 BBB	4.3 BBB	A
Sustainalytics	24.2 Medium	24.8 Medium	28.4 Medium	30.8 High	n.a. n.a.	Medium

MSCI rating is scored on the scale: 0.0-1.4: CCC, 1.4-2.9: B, 2.9-4.3:BB, 4.3-5.7: BBB, 5.7-7.1: A, 7.1-8.6: AA, 8.6-10.0: AAA

Sustainalytics risk ratings are shown as higher figures presenting higher residual ESG risks. Risk brackets are 0-10: Negligible, 10-20: Low, 20-30: Medium, 30-40: High, 40+: Severe.

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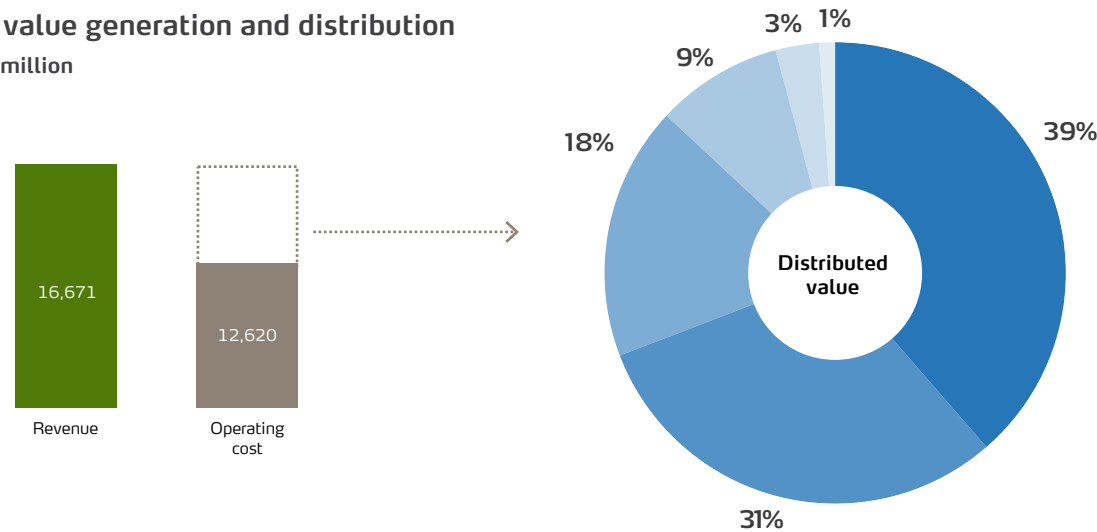
VALUE CREATION

Delivering and adding value

In 2021, our total revenue amounted to USD 16,671 million. Of this, about 76% went to purchasing costs and other operating expenses. The remaining USD 4,051 million was 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

USD million



The graph shows our direct economic value generated in 2021 of which USD 12,620 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 2021, excluding purchasing costs and operating expenses. The retained value, 'To Yara', amounted to USD 709 million.

- **To Shareholders:** USD 1,578 million was paid to shareholders. We increased cash returns in 2021, bringing total dividends and share buybacks paid and proposed to NOK 58 per share.
- **To Employees:** USD 1,270 million was paid in employee wages and benefits. Every employee has received extraordinary USD 1,000 bonuses for 2020 and 2021, acknowledging their exceptional efforts during the pandemic.
- **To Yara:** USD 709 million was retained in the company, reinforcing Yara's robust financial situation.
- **To Government:** USD 351 million in income taxes was paid to governments, as detailed in our 2021 country-by-country report available on yara.com
- **To Banks:** USD 138 million was paid in interest expenses to banks.
- **To Communities:** USD 5 million was paid in donations and sponsoring, largely related to pandemic relief, food security, and inclusive growth.

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a Morningstar company

Yara ranked top 2 of 60 in Agricultural Chemicals and top 10% in Chemicals

Score: Med **Updated:** Dec 2021



Yara upgraded to 'A' from 'BBB', and leads peers in governance structure

Score: A **Updated:** Jun 2021




Yara was ranked as 1 out of 42 companies in Chemicals sector.

Score: Advanced **Updated:** Sep 2021




Yara upgraded to 'Platinum' from 'Gold' status and rated top 1% in our industry

Score: Platinum **Updated:** Aug 2021



Maintained 'B' score on CDP Climate change, yet improved on several areas. The score is same as the Chemicals sector average of B.

Score: B **Updated:** 2021



Improved the Water security score to 'B' from 'B-', that is the same as the Chemicals sector average of B.

Score: B **Updated:** 2021

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Finance for the Future Award

At COP26 in Glasgow, Yara won the Finance for the Future Award in the category Communicating Integrated Thinking for consistent and comprehensive demonstration of embedded integrated thinking and communications. Yara won the award in strong competition with the other nominees British Land, Britvic, DBS, Intel Corporation, Salesforce, Unilever, and Vivobarefoot.

Yara was also nominated for the Embedding an Integrated Approach Award. In this category, the judges were particularly impressed with Yara's range of practical actions, ambitious goals, and rigorous approach to measurement and embedding prosperity, people, and planet metrics into performance evaluation and compensation plans.

The Finance for the Future awards program is a partnership between ICAEW, A4S, and Deloitte.

» financeforthefuture.org

The way forward

- **CDP Climate Change benchmark:**
The CDP benchmark is a specific priority for 2022. Through our target-setting, performance, and the ongoing work to establish Science Based Targets, we are positioned to improve our score.
- **Expand our target setting:**
We will continue our target-setting for tier 2 topics, prioritizing quantitative targets. We believe this will help to focus our work in several areas, strengthen our reporting, and help to meet expectations from rating agencies.

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TIER 1 TOPIC

Digitalization

Digitalization touches every part of our business and markets, and will play a significant role in our efforts to deliver on our ambition and strategy. Digital technologies will allow a step-change in food production and is already driving improvements in the way we produce and distribute fertilizer and run our overall business. We have stepped up our digital efforts significantly in recent year, focusing on digital farming as well as introducing digital tools in our production system and core business processes.

Subtopics in this section:

- Digitalization in production
- Digitalization in farming
- Digitalization in organization



Commitments

Digital farming:

By 2025, to have 150 million hectares or more under management through our digital platforms.

✔ On track

Priorities

Digital farming

Yara’s digital farming solutions combine our crop nutrition solutions and deep agronomic knowledge with new technologies to help farmers improve farm and field productivity while reducing environmental impacts. With over 60 years of research and development, and decades of soil analytical services, we are uniquely positioned to offer our customers digital solutions that support higher nutrient use efficiency (NUE), reduce GHG emissions, and deliver nature-positive outcomes.

Farm and field connectivity

We have been innovating digital farming products and services for farmers and other stakeholders in agriculture for several years. By engaging with growers across geographies and crop segments, we continue to identify new use cases and develop tools for farms and farmers of all kinds and sizes.

In 2021, we relaunched Atfarm+ as our main farmer connectivity interface in Europe and the Americas, focusing our value offer on improving nutrient use efficiency (NUE) and adding new soil analytic capability to support sustainable farm management. We also launched new innovation initiatives, among them a GHG emission calculator for oilseed rape and an

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initiative to digitalize Yara's soil analysis services to enable estimates of soil health.

Market channel transformation

Digital platforms enable the shift to online sales channels and new business solutions while increasing our connectivity with farmers. This is a particular focus in emerging markets, where we are becoming an increasingly visible partner for farmers. Alongside our retailers, we intend to play a more significant role in providing much-needed knowledge and quality inputs to millions of smallholder farmers globally.

In 2021, we re-engineered our Yara Connect retailer loyalty and knowledge platform, which now has close to 20,000 retailers connected. Building on the Action Africa initiative, we also launched online marketplaces in Africa and Asia, and collaborated with agri-input partners to offer input bundles for farmers.

Digital production

Digital solutions are key to optimizing our operations and improving safety, reliability, and product quality while reducing our environmental footprint. We are running a number of programs to leverage digital solutions in our production system and deliver on the Yara Improvement Program 2.0.

Digital Production Platform (DPP)

The core platform for deploying and expanding digital solutions at our production sites, enabling us to tap into technologies such as cloud computing, Internet of Things, machine learning, and robotics.

Digital Reliability and Maintenance

Focused on plant reliability and maintenance, including digital asset health monitoring and the System 1 program, which monitors rotating equipment and is the most important driver of reliability at our ammonia plants.

Production Optimization

Focused on production optimization, bringing benefits in the form of increased throughput and reductions in energy consumption and the environmental footprint.

Digital Operations

Aiming to support field operations by providing site personnel with information and technologies that help them to execute field activities safely and more efficiently.

New digital operating model

We are also looking to capture value from digitalization in other parts of our core business. To this end, we launched a new digital operating model in early 2022. This model seeks to combine speed and customer-centricity with the efficiency and stability of our business core. In addition to the already established domain Digital Production, the new model introduces the two digital domains Digital Sales and Marketing, and Digital Sustainability and Traceability.

In addition to this, we are stepping up on the required uplift of our ERP systems and core systems, while establishing clearer interfaces towards the regions. A new set of regional digital strategies will be established by the region to shape a scalable agenda for global digital units.

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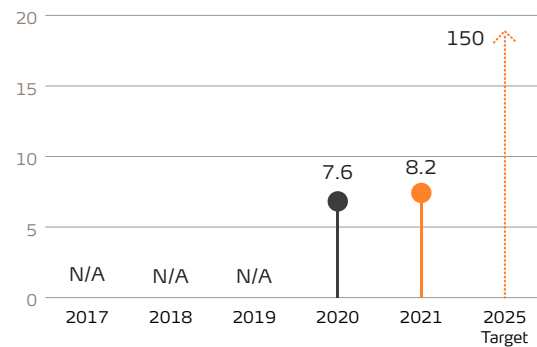
Performance

Active hectares

At year-end 2021, Yara had 8.2 million hectares under active management through our digital solutions. Our focus in 2021 was to establish the foundations of our product strategy with a lens on Yara’s 2025 ambition of 150 million hectares, building the capability to innovate and scale digital solutions around our agronomic value offering to deepen farm and field connectivity, and expanding our sustainability solution development to support nature-positive outcomes.

Active hectares

Million hectares



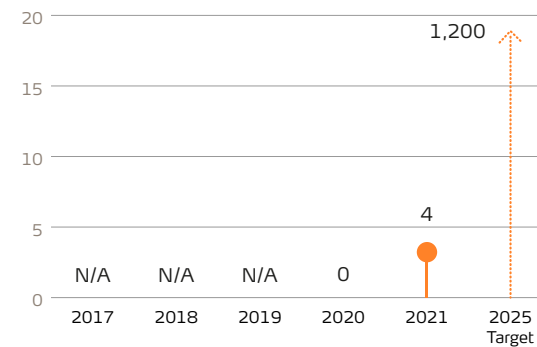
Yara has previously reported the KPI Hectares under management as hectares owned by farmers and registered in our digital tool(s). The KPI Active hectares is defined as cropland with digital farming user activity within defined frequency parameters.

Digital production

In 2021, we were well underway to reaching recurring gains from the digital solutions in our production system. Our portfolio counted approximately 35 digital solutions at different stages of the product lifecycle and more than 100 deployments across 16 production sites. The Digital Production Platform has been built, and we aim to connect all production sites to the platform in 2022.

Revenues from online sales

MUSD



This KPI tracks the revenues from direct sales to farmers via digital channels.

The way forward

- **Deepen farm and field connectivity:** In 2022, we will continue to focus our core digital offerings around Yara’s crop nutrition knowledge, assets, and capabilities. We aim to develop new data products and analytical models to better support field level decisions, and to strengthen farmer connectivity through the integration of our crop nutrition capabilities into third party platforms.
- **Sustainability solutions:** We will expand our soil services capabilities and develop a Soil Health Score industry standard along with a solution for post-harvest sustainability calculations. Furthermore, we plan to launch a new fertigation solution to promote water use efficiency as part of a holistic portfolio of services to tackle climate change adaptation. Accelerating the development of the GHG calculator will also be a priority.
- **Digital production solutions:** Going forward, we intend to scale existing solutions to relevant sites and develop new solutions on a ‘value first’ basis. We will also continue the integration of the Digital Production Platform into our established business processes, while enabling the platform to evolve into an ecosystem for collaboration and innovation.
- **e.enable:** The e.enable program is an extensive transformation program that will affect all regions and most parts of Yara in the coming years. Building on industry best practices it involves investments and improvements in processes, people’s work, and our core system to enable us to deliver our strategy.

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Solutions and tools for modern farming

AtFarm+ is an integrated farmer services platform that provides accurate and efficient nutrient management planning, with remote monitoring, on-field imaging, and Variable Rate Application (VRA) throughout the season, and introducing post-season sustainability calculations.

Ayra is an advisor tool using Yara's nutrition recommendation engine, agronomic knowledge and commercial portfolio to provide crop- and region-specific advice on how much and when to apply macro, secondary, and micronutrients to obtain a target level of productivity.

Adapt-N equips agronomists to advise farmers on optimal nitrogen application based on farm characteristics and weather to reduce excessive use and optimize yield while minimizing environmental impact due to nitrogen loss.

Agro Office is a farm management system that helps farmers to plan, perform, monitor, and analyze all their activities, including submission of government-required applications.

Soil 2.0 expands our soil analytical services digitally to support product growth and to develop soil health services such as an industry Soil Health Score to focus on sustainability outcomes.

FarmGo provides farmers with hyperlocal and reliable weather information to enable them to make better farming decisions and manage field activities.

FarmCare is a mobile-only solution targeting small-scale farmers growing field crops such as rice, wheat, sugarcane, and maize. It provides crop advisory and a fertilizer calculator to optimize crop nutrition input.

N-Sensor is a tractor-mounted tool that allows growers to measure a crop's nitrogen requirement as it passes across the field, and to optimize fertilizer application rates at each individual part of the field.

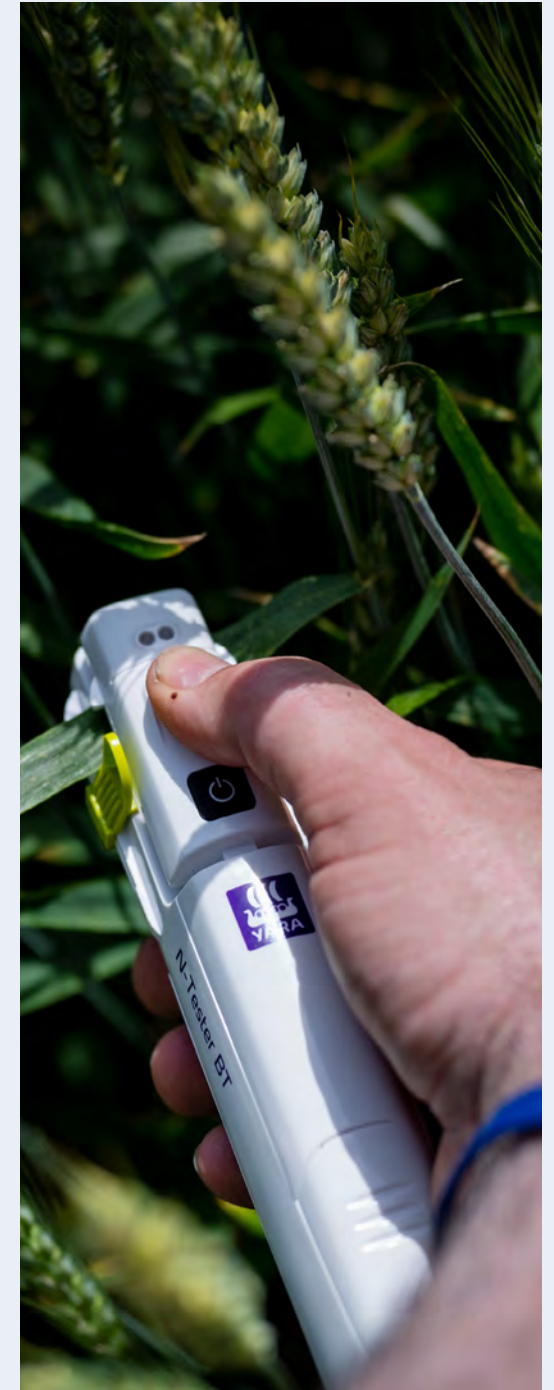
N-Tester BT is a hand-held device that measures the nitrogen status of a crop from the chlorophyll content of its leaves, helping farmers, agronomists, and advisors measure optimal nitrogen rates in real-time.

Yara Connect is our retailer connectivity solution. It serves as a loyalty platform and delivers value-added services to the retailer through knowledge, insight, and connectivity.

YaraBodega is an online retail tool that empowers Yara retailers to list and sell products online. It drives retailer-farmer connectivity by leveraging the retailer as a trusted advisor to the farmer.

Africa Connect is a farmer-to-retailer connectivity platform to offer farmers access to Yara and third-party products and services by online ordering and last mile fulfilment through the retailer.

» [Digital farming on yara.com](https://www.yara.com/digital-farming)



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TIER 2 TOPIC

Customer management

The Yara brand is recognized globally, and our products are known for their high quality and reliability. We live by our customers and continuously invest in product quality, knowledge, customer service, and new solutions to help them thrive and reach new standards for sustainability. We increasingly connect and engage directly with farmers and partners in the food chain to share our knowledge, demonstrate our solutions, and optimize our offerings for the local conditions.

Subtopics in this section:

- Product quality
- Customer service
- Customer loyalty
- Logistics and delivery
- Customer's return on investment
- Training and knowledge transfer



Commitments

Keep ensuring applicability of knowledge shared to enable farmers to succeed, while increasing visibility of available knowledge sources and events

✔ On track

Priorities

Connecting with our customers

Yara has a wide range of customers worldwide, including those who use our products, distributors, and agents. We engage them in several ways, and carry out research and surveys to assess customer satisfaction and brand equity and to gather customer feedback in our regions and markets. In addition, we spend significant resources on sharing knowledge and helping our customers apply it, through on-the-ground support as well as digitally. Our agronomists run activities such as crop clinics, field days, demonstration trials, and training sessions for farmers.

Digital solutions play an increasingly important role in connecting to and engaging with farmers. Particularly in smallholder markets, digital solutions enable us to disseminate knowledge and provide farmers with crop nutrition recommendations and support tools, such as hyperlocal weather forecasts, in an efficient and inclusive manner.

Over 18,000 farmers in France, Germany, the United Kingdom, Ireland, and Spain have joined the Yara Premium Program since its launch in 2018. This loyalty program lets farmers earn and exchange points from purchases for analytical services, precision farming tools, Yara branded gifts, and other items. The program will be expanded to Belgium and the Netherlands in 2022.

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Automated surveys

In Europe, we are in the process of introducing automated Net Promoter Score (NPS) surveys. Customers who order our fertilizer products will be asked to rate how likely they are to recommend our customer service to others, followed by more open-ended and qualitative questions about their experience with Yara. This will enable us to monitor customer satisfaction continuously and to identify improvement actions. Given their consent, we can also follow up individual customers to learn more about their responses.

Net Promoter Score (NPS) is a customer loyalty and satisfaction measurement based on asking customers how likely they are to recommend your product or service to others. The score itself reflects the share of customer who are promoters of the company's products and services.

Product quality

Yara's Product Quality Strategy is based on customer and legal needs, with the objective of differentiating our products in the market and offering added value to our customers. We are in the process of establishing a global system to monitor product quality and our customers' satisfaction with our products more actively.

As part of this process, we completed an intensive satisfaction research project among users of our fertilizer products, focusing on ten strategically selected markets in 2021. The project had three main objectives:

- Create a uniform product quality definition guided by customer feedback insights
- Deepen our knowledge and understanding of customer needs
- Establish a customer sentiment tracking system to support continuous improvements in product quality.

The project provided valuable insights into the users' perceptions of the product quality we offer, and pointed to areas for improvements. We intend to translate these findings into product specifications to reinforce and improve product quality customer satisfaction. The ten participating markets have also established specific objectives for 2022.

Knowledge building and sharing

Bringing our accumulated knowledge and experience to as many farmers as possible is a key enabler of our strategy. Knowledge of sustainability is a must-have competence for everyone involved in food production, and to this end, we updated our Agronomy Competence Model in 2021. It introduces two new learning paths for rollout in 2022:

- Agronomy for Non-Agronomists, targeting all Yara

Improved information flow

In Finland, earlier NPS surveys have revealed some discontent among farmers from inadequate information on fertilizer deliveries. Exact delivery times are important for the farmers to prepare storage space, clear the farmyard for safe unloading and, more generally, to manage their schedules. In 2021, we therefore assessed the information flow from factory to farmer and worked closely with distributors and truck drivers to offer the farmers significantly more accurate delivery times. The result is that delivery times is no longer a topic of significance in our NPS feedback.

Agronomic knowledge and expertise

Our more than 1,000 agronomists and sales agronomists work actively in fields across the world to help farmers use fertilizers in the most efficient way in order to grow a high yielding, top quality crop. Their agronomic knowledge and expertise in local markets and crops helps to set us apart and drive better farming practices.

61% of our agronomists hold a master's or doctorate degree.

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YaraConnect

YaraConnect is a mobile app offering a reward-based loyalty program and expert farming knowledge for Yara retailers. It enables retailers to serve farmers better, and to help drive sustainable growth in smallholder farming communities. At year-end 2021, more than 6,500 retailers across six countries in Africa and Asia were using YaraConnect. We aim to launch the app in another five countries and reach 10,000 retailers in 2022.

Yara China WeChat account

Since its launch in 2014, Yara's WeChat account in China has drawn more than 600,000 followers, which is quite an achievement in this highly competitive digital space. Yara China produces and frequently shares short videos that provide farmers with agronomic knowledge, best farming practices, and first-hand information on market trends. In 2021, the Yara WeChat account was also used in 120,000 scans to authenticate Yara products, protecting the interests of the farmers.

employees with the basics of agronomy and how it affects day-to-day operations and routines.

- Strategic Agronomy, targeting senior leaders to build competence in sustainable food production as a basis on which to engage with partners in the food chain.

We have also developed a full agronomic learning program, blending digital and in-field learning, to support the new competence model. A new digital learning platform went live in 2021, engaging users in a gamified learning scheme to earn a certificate at the end of the program.

In 2021, we also launched YaraHive, a digital solution to manage demonstration trials globally. Our agronomists conduct in excess of 5,000 demonstration trials each year, and YaraHive will facilitate knowledge sharing and adoption of best practices between regions with similar growing conditions.

YaraHive was tested in six markets and more than 200 trials in 2021. In addition, a task force is collecting legacy data on key crops, starting with coffee, and making them available across markets.

The way forward

- **Global tracking of product quality satisfaction:**
In 2022, we intend to develop a global customer sentiment tracking system. We will also run targeted user satisfaction surveys to follow up on the improvement initiatives we identified in the customer research project we conducted in 2021.
- **Roll out NPS surveys:**
Automated NPS surveys will be introduced in Germany, Italy, France, Poland, and Lithuania in February 2022, and will also be evaluated for other regions and markets.
- **Demonstrate our solutions:**
Fertilizer companies, such as Yara, are not typically recognized as solutions providers in many markets. We want to challenge this view and will continue to engage in projects and partnerships in the food chain to demonstrate the full potential of our solutions for sustainable agriculture.
- **Implement new competence model:**
In 2022, we will keep focused on implementing the new Agronomy Competence Model, and roll out and seek certification of the learning program from external institutions. We also intend to invite external parties, such as food companies, distributors, and farmers, to take part in the learning program.

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TIER 2 TOPIC

Socioeconomic impacts on communities

We aim to create shared value for the company and society. Helping the 20 million farmers that buy our products succeed is essential to achieving this, as is engaging in the communities where we operate. We initiate and participate in numerous community projects to drive local prosperity, reduce inequality and aid those in need. Trust and support from local communities is fundamental to Yara’s license to operate.

Subtopics in this section:

- Community projects
- Community rights and interests
- Headcount increase and job creation
- Sponsorship
- Donations
- Farmer livelihoods
- Food security
- Humanitarian aid
- Inclusive agriculture



Priorities

Engaging in our communities

As the world continued to grapple with the Covid-19 pandemic for a second year, Yara remained focused on supporting efforts to safeguard and accelerate recovery in the communities in which we operate. We initiated and engaged in a wide range of projects throughout 2021. A snapshot of these activities is presented below.

Disaster response and emergency relief

The pandemic disrupted livelihoods and the daily subsistence of many people, especially vulnerable members

of society. Yara moved swiftly to provide 954 tonnes of food to about 500,000 people in Brazil and Vietnam.

In July 2021, flash floods across Germany and Belgium destroyed livelihoods and property, affecting 40,000 people. Yara joined local efforts to provide basic necessities for victims in both countries.

In North America, we focused on improving access to emergency medical services, supporting the upskilling of rural healthcare practitioners, upgrading surgical facilities, and facilitating operations of a medical air rescue operator through a partnership with the Shock Trauma Air Rescue Service, enabling 901 air rescue missions.

Securing regional food production in Africa

In 2021, farmers in Zambia and South Africa faced severe liquidity crunches attributed to several years of drought followed by the pandemic and challenges in South Africa’s agricultural lending system. The farmers’ ability to purchase inputs was significantly reduced, with high-risk of knock-on effects such as lower staple production and a looming food crisis. Yara responded by offering farmers emergency extended credit terms in South Africa and seasonal financing in Zambia, facilitating production of roughly 550,000 metric tonnes of staples, thereby contributing to food security in the region during this volatile year.

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Through a partnership with the United Nations Children's Fund (UNICEF), we guarantee safe spaces for children and adolescents, implementing hand washing stations and promoting hygiene practices in schools in Vila Bela da Santíssima Trindade and Brasnorte, in Mato Grosso, Brazil.

© UNICEF/ BRZ / João Lucas



Healthcare support in Brazil and India

As medical systems struggled to cope with the pandemic, we stepped up to support public healthcare infrastructure and services in a variety of ways. We provided local medical units in 45 municipalities in Brazil with supplies, such as personal protective gear and essential equipment for the storage of vaccines. In India, we concentrated our efforts in Uttar Pradesh, India's most populous state, where we provided a 100-bed space and facilities for Covid-19 quarantine and testing at a local government hospital. We also enabled deliveries of health screening kits to frontline workers and facilitated vaccinations, reaching 50,000 people in 25 villages. Furthermore, we established an oxygen plant and provided health monitors and oxygen generators to three public hospitals serving two million residents in Sambhal District.

Safe school reopenings in Brazil

Lockdowns caused massive disruptions in global education systems, worsening disparities, which were exacerbated by economic and infrastructural barriers to the uptake of online learning options. Through partnerships with educational NGOs, Yara made efforts to address this challenge by supporting the training of about 6,000 teachers to enable safe school reopening, impacting nearly 74,000 students. In addition, more than 5,000 marginalized students received the basic nutrition and learning materials needed to comfortably resume their studies and participate in hybrid learning in Brazil.

Supporting youth in our communities

Young people have suffered unprecedented interruption to their development due to the pandemic. Yara teams in Canada, the UK, and South Africa collaborated with local educational institutions and community organizations to support sports programs and community facilities, enabling young people to continue with outdoor activities safely and reduce the risk of juvenile delinquency.

In Colombia, Yara provided education scholarships, and, in the UK, we created internship opportunities, supported career counselling, and coaching for youth. A special initiative aimed at bridging the inclusion gap for young people with disabilities involved helping them prepare to join the workforce.

Quick and impactful response

Yara Fertilizer India was recognized with the CSRUniverse COVID Response Impact Award 2021 for its assistance in mitigating the impact of Covid-19 on communities in the Sambhal district of Uttar Pradesh. Since the outbreak of the pandemic, Yara Fertilizer India has supported local health workers and villages with health kits, distributed food to migrant workers and poor families, and supported the installation of oxygen generators at local hospitals.

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Promoting prosperity for women and smallholder farmers

Women and smallholder farmers have been particularly impacted by the pandemic. Yara’s response was to reinforce our commitment to inclusive growth, investing to accelerate women and smallholders’ prosperity by:

- Capacity building for about 1,700 women farmers and agripreneurs across Colombia, Costa Rica, Ghana, and Mexico on good agricultural practices and commercialization strategies, and enabling access to free and subsidized agricultural inputs, seasonal credit, and market linkages.
- Launching a collaborative initiative focused on promoting sustainable soyabean production among smallholder farmers in northern Ghana. This partnership with the International Institute of Tropical Agriculture and the Norwegian Agency for Development Cooperation will benefit 100,000 smallholder farmers within four-years, with 20,000 farmers receiving agronomic knowledge and links to off-take channels in 2021.
- Facilitating market access for 16,624 smallholder vegetable farmers resulting in income of USD 300,000 through their cooperatives in Brazil.

Designing and enabling adoption of water smart practices and models

Farmers in the State of Uttar Pradesh in India struggle with depleted water tables from prolonged overuse and mismanagement. Water scarcity coupled with poor farm practices have resulted in low yields and high production costs. Yara designed and introduced a water smart solution which combines laser levelling, other water-efficiency technologies, and climate smart practices for marginal and smallholder farmers. 80 farmers cultivating 250 hectares have adopted this solution, reporting an estimated 104 million litres in water savings and a 15% increase in incomes in 2021. A secondary outcome from this model has been the creation of a pool of agripreneurs from the participating farmer group. 14 farmers have invested in laser levelers, setting up small businesses providing levelling as a service.

Avoiding plastic waste

Yara continued to drive collaborative efforts for responsible plastic waste management. Through our partnership with the Farm Waste Recovery, Agrecovery, and drumMuster National Programs, 3,463,621 kilograms of plastic waste and over 36 million plastic containers have been collected and recycled to date in Australia and New Zealand. In the Philippines, incomes were enabled for women who repurposed used Yara product packaging into handbags that were sold or gifted to people.

Sponsorships

We sponsor activities and organizations that share our aspirations and will help bring our vision and mission to reality. In 2021, our sponsorships included the following:

Yara is a Nobel Peace Prize Celebration Partner. In 2021, we supported numerous activities at the Nobel Peace Center, including the Nobel Peace Prize exhibition, digital seminars, and participation at the Fix the Food conference, a festival devoted to food, peace, and sustainable food systems. We also sponsored the broadcasting of the Nobel Peace Prize concert in December 2021.

Yara is a long-term strategic partner to the Norwegian environmental foundation Zero Emission Resource Organisation (ZERO), an independent, non-profit NGO dedicated to the promotion of zero emission solutions. ZERO is politically independent and uses an analytical and knowledge-based approach in their work. In partnership activities, Yara was a main partner at the 2021 Zero Emission Conference, one of the largest and longest running climate solutions conferences in Europe.

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Performance

Headcount increase and job creation

Yara’s workforce has grown steadily over the last five years, and the share of permanent positions has increased, even during the pandemic. Most new permanent positions are related to Digital Farming, Sales and IT, but demand has also driven job creation in production and HESQ.

Our operations in Brazil have seen the largest growth in permanent positions, most of them in sales, but with a significant share related to our production. The headcount increase in India is mainly related to our digital solutions. Expansion of our European Business center has created a significant number of new permanent positions in Lithuania. Growth in our headquarters and production explains the increases in Norway and the Netherlands, respectively.

Closures in Brazil

We carefully managed three closures in Brazil, minimizing impacts on the people and communities involved. The operations at the Jaú Mixing Unit (SP) in Brazil were closed 30 January 2021. This was a strategic decision to realize synergies, increase competitiveness, and improve services to our customers. A decommissioning plan was prepared and followed to avoid negative impacts, and the local government and community were involved in the process and invited to dialogue. We were able to relocate some of the employees to other Yara operations. The remaining

employees were offered a benefit package in addition to the rights provided by law. The decommissioning of the unit was carried out with strict safety standards and care for the environment.

In a strategic decision, Yara Brasil chose to suspend the acidulation and granulation activities at the Paulínia Complex (SP) in December 2021. The sulfuric acid operation was upheld. Some of the employees impacted by the decision were offered a relocation to other Yara units. The remaining impacted employees were offered a package of benefits in addition to the rights provided by law. The local government and community were involved in the process and invited to dialogue.

Yara Brasil started to demobilize the Canoas unit in 2018, and there are no longer employees in the unit. We engaged in dialogue with the different stakeholders in order to minimize the negative impacts of the closure. A contingent of the employees were transferred to other units between 2018 and 2020. For the remaining employees, we offered a package of additional benefits in addition to the rights provided by law. The property and equipment has been put up for sale.

» [Managing restructures and closures, page 68](#)

Net job creation

	2021	Change	Last 5 years	Change
Permanent	926	6.0%	3,080	23.0%
Non-permanent	56	4.4%	(16)	(1.2)%
Overall	982	5.8%	3,064	20.8%

Top 5 countries with new permanent jobs

	Net job creation	Job growth by country
Brazil	318	5.6%
India	81	8.8%
Lithuania	67	18.8%
Norway	67	4.9%
Netherlands	65	8.3%

Top 5 functions with new permanent jobs

	Net job creation	Job growth by country
Digital Farming	201	41.5%
Production and Operations	132	2.9%
Sales	90	5.2%
IT	60	18.1%
HESQ	59	5.8%

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Addressing a looming food crisis

Close to 2.4 billion people are “food insecure” according to FAO, and an estimated 768 million people faced hunger in 2020, with 118 million more in 2019. Conflict, climate change, Covid-19, structural poverty and inequality, economic instability, and affordability of food are all factors that contribute to food insecurity. Half the world’s population is dependent on mineral fertilizers to get food.¹⁾

In 2021, European gas prices skyrocketed and led to significantly higher production costs for fertilizer producers. The gas price spike came on top low fertilizer stocks in many markets, the stop of Chinese exports, and India lagging in its supply. For many European plants, it was unprofitable to produce ammonia during some periods in 2021.

We are concerned about how increased fertilizer and food prices can exacerbate food insecurity in many regions of the world, and tried our best to raise awareness about the issue in 2021. Through interviews both in newspapers and on TV, Yara’s President and CEO, Svein Tore Holsether, highlighted the urgency of the situation. Mr. Holsether also had meetings with the head of the World Food Program, David Beasley, and addressed his concerns in a meeting with the UN General Secretary in a special address during the Davos Agenda week in January 2022.

The energy price surge has been a wake-up call exposing the urgent need to build more robust food systems. We are working closely with farmers to help them become more resilient, achieve higher and better-quality yields, and use fields to sequester carbon. We are also urging governments, international organizations, and the entire food supply chain to work together to improve global food supply.

¹⁾ Our World in Data (2017): How many people does synthetic fertilizer feed? <https://ourworldindata.org/how-many-people-does-synthetic-fertilizer-feed> (Accessed 26.1.22)

The way forward

- **Yara Social Impact program:**

The World Health Organization estimates that nearly half a billion people have been pushed or further pushed into extreme poverty due to health care costs and the pandemic is expected to have caused a significant rise in this number.¹⁾ Recognizing the gravity of this situation, Yara has committed to a bold, multi-year effort to accelerate recovery of farmers, particularly smallholders, women and youth in agriculture, and micro, small and medium enterprises within our value chains. The Yara Social Impact program aspires to bolster resilience and advance prosperity for 50 million people by 2030 by focusing on four ambitions: Digital inclusion, Inclusive prosperity, Local economic development, and Partnerships for zero hunger. The program will be implemented in seven countries in Africa and Asia in 2022 - 2023, expanding company-wide thereafter.

- **Engaging in our communities:**

We will continue our ongoing initiatives and collaborative efforts support our communities globally, responding to emergencies and engaging in progressive grassroots initiatives.

¹⁾ More than half a billion people pushed or pushed further into extreme poverty due to health care costs ([WHO](#))

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Helping communities in Brazil

Since the outbreak of the pandemic, Yara Brazil has provided relief and support to help smallholders and Brazilian communities overcome challenges.

When the pandemic broke out, Yara Brazil was already running an extensive community engagement program with four priorities: food security, inclusive agriculture, local development, and education. Seeing the overwhelming impacts of the pandemic on the Brazilian society, Yara Brazil decided to step up its support, add humanitarian aid to its priorities, and join forces with other sectors to provide relief for the many in need.

Throughout the pandemic, Yara Brazil has collaborated with local organizations and authorities to provide hospitals and municipalities with medical supplies and

equipment to enable faster vaccination of the population. Significant food donations have also been made by purchasing produce from smallholders and artisanal farmers and redistributing that food together with face masks to communities in need. Providing relief has had priority, and both Yara customer and non-customers have benefitted from the purchases of food. Yara Brazil has also engaged with local networks and UNICEF to support the reopening of schools and prepare teachers for hybrid education.



Produce from school vegetable gardens supplement student meals for two thousand students in the São Paulo outskirts.



Yara has purchased fruit and vegetables from smallholders and redistributed them to families in need in Sierra do Salitre, Brazil.

952 tons

Food security

952 tons of food donated to poor communities, reaching 97,146 families in need

16,624 smallholders

Inclusive agriculture

16,624 smallholders supported through purchases of fresh produce, providing them and their cooperatives with income of R\$ 1.572 million

73,801 students

Education

46 schools, 6,574 teachers and 73,801 students supported through efforts to enable safe school reopening and hybrid education

45 municipalities

Humanitarian aid

45 municipalities supported through donations of medical supplies and equipment

R\$ 1.156 million committed in support to local authorities and institutions

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TIER 2 TOPIC

Sustainable supply chains

Yara sources a wide variety of goods and services from roughly 40,000 suppliers worldwide. Sourcing of natural gas and nutrients are important elements of our purchases and operating expenses. We have developed strong relationships with key suppliers to ensure continuity and profitability in our business. Managing compliance in the supply chain has long been a priority, and in 2021 we stepped up efforts to integrate sustainability into our procurement processes and impact positively on our suppliers' performance.

Subtopics in this section:

- Supplier assessment and monitoring
- Supplier audits
- External certifications
- Raw material consumption
- Green logistic program
- Green procurement practices



Commitments

Sustainable value delivery:

By 2022, implement the Sustainable Procurement Program and establish a baseline and targets for our suppliers' sustainability performance

✔ On track

Procurement strategy:

By 2025, fully embed all pillars of the Procurement strategy in our processes

✔ On track

Priorities

Launch of new Procurement strategy

In 2021 we launched our updated Procurement strategy in alignment with Yara's updated strategy. The Procurement strategy is built on six pillars:

1. Focus on sustainable value delivery
Embed Yara's sustainability ambitions into procurement and category strategies and actively explore, evaluate, and implement sustainable solutions.
2. Customer-centric operating model
Be a strategic partner for our internal customers and improve our collaboration throughout the whole procurement function.

3. Digitally-enabled procurement function
Leverage digital tools to enable advanced sourcing levers and automate procurement processes.

4. Efficient processes
Review and improve our procurement processes to increase efficiency and effectiveness, including measuring and follow up of supplier's performance and compliance

5. Beyond savings performance management
Establish a performance management methodology measuring our contribution to our internal customers' strategic business priorities

6. Competence development
Further strengthen Procurement teams by equipping them with training in new ways of working and advanced techniques

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Focus on sustainable value delivery

To deliver on the first pillar of our Procurement strategy, we commenced work on Yara’s first Sustainable Procurement Policy in 2021. When launched in 2022, this policy will outline how we intend to deliver sustainable value by promoting transparency and, when necessary, a higher standard in our suppliers’ sustainability performance. It will also serve as the basis of a new Sustainable Procurement Program, accompanied by a Supplier Compliance Management Process, which we intend to develop in 2022.

» [Managing compliance in the supply chain, page 161](#)

Sustainable Procurement Policy

In addition to being aware of our own contribution, we are also aware of our limitations. We believe that the full value chain must collaborate to support change. This will be the focus of our new Sustainable Procurement Policy. Our goal is to develop relationships with suppliers that share Yara’s values, and to enable both Yara and our suppliers to meet business goals in a transparent, socially and environmentally responsible manner. The Sustainable Procurement Policy will be implemented in 2022.

» [Managing compliance in the supply chain, page 161](#)

Supplier audits, assessments, and monitoring

We conduct supplier audits and assessments in sectors in which we have identified risks through, for example, our Integrity Due Diligence process, reports of severe accidents, or previous audit findings. In 2021, Yara did not record any significant environmental breach related to its supply chain. Social impacts in the supply chain are described in Human rights and labor practices.

In 2021, we prepared for the use of independent business sustainability ratings of our suppliers. The use of such ratings will be embedded in our Sustainable Procurement Policy and Sustainable Procurement Program.

External certifications

Improving our current supplier audit process is a key initiative in our new Procurement strategy. The current supplier audit process is covered by our ISO 9001:2015 umbrella certificate, managed locally, and focused on topics such as health and safety, codes of conduct, and management system certifications. The Supplier Compliance Management Process under development will ensure that suppliers are monitored for compliance

Consumption of the three main raw materials

	Unit of measure	2021	2020	2019	2018	2017
Raw materials: Natural gas ¹⁾	MMBtu	269,788,077	276,343,747	280,202,282	272,737,517	251,452,620
Raw materials: Phosphate	tonne P2O5	2,114,136 ²⁾	2,046,221 ²⁾	1,758,096	1,532,427	1,676,671
Raw materials: Potash	tonne K2O	2,256,135	2,356,358	2,057,282	2,143,023	2,302,813

¹⁾ Numbers adjusted from 2017 to reflect sites where we have operational control (Tringen now included) and removal of hydrogen consumption (Hull).

²⁾ The scope of the indicator has been expanded to include third party NPS and NPK products sourced by Yara. 2020 and 2021 figures are not directly comparable to previous years.

to our requirements and standards throughout the contract life cycle, applying a risk-based approach and covering a broader set of sustainability topics.

Performance

Mineral fertilizers are made from naturally occurring raw materials. In addition to air and natural gas, we use rock phosphate and potassium salts, as well as other crop nutrients that are sourced in smaller volumes. Natural gas is used as a feedstock to produce ammonia and, to a lesser extent, to provide process heat and energy.

Natural gas

We source natural gas, and in some cases other forms of hydrocarbons, for the production of nitrogen fertilizers and industrial products. Our largest suppliers are Gail (India), Engie (France), OMV (Austria), Santos (Australia), and the National Gas Company of Trinidad and Tobago (Trinidad).

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Phosphate

Phosphorus (P) occurs in natural geological deposits as phosphate rock, which is mined from the earth’s crust. We source phosphate rock and phosphoric acid to produce granular and feed phosphates and NPK fertilizers. The largest suppliers are Phosagro (Russia), OCP (Morocco), and Mosaic (Peru). We also mine phosphate rock in two fully owned sites: Salitre in Brazil (sold to EuroChem) and Siilinjärvi in Finland. In addition to phosphate rock, we also source granulated phosphates. The largest suppliers are, Maaden (Saudi Arabia), OCP (Morocco), and Mosaic (Brazil).

Potash

We source two types of Potash (K): Muriate of Potash (MOP) and Sulphate of Potash (SOP). MOP is mined from naturally occurring ore bodies that have been formed over thousands of years. SOP is primarily produced by reacting MOP with Sulfuric Acid, while a lesser share of world SOP is mined from naturally occurring ore bodies. In 2021, MOP and SOP was mainly sourced from seven suppliers: BPC (Belarus), Uralkali (Russia), K+S (Germany), ICL (Israel), Canpotex (Canada), Kemira and Tessenderlo (processors based in Sweden and Belgium respectively). We also produce SOP at our own site in Kokkola, Finland.

[» Belarus, page 31](#)

[» For observations concerning Russian situation, see Risk chapter in Yara Integrated Report](#)

Supply chain audits

One of our top priorities after the devastating blast of ammonium nitrate in Beirut Libanon in August 2020 was to start an in-depth verification and audit process. These audits cover the entire supply chain, from transport companies via third party facilities to our own facilities. In 2021, we conducted a total of 171 audits.

[» Ammonium nitrate safety, page 77](#)

In 2021, we ran a risk-based audit program related to road transport. Risk-based audits include performance evaluation of the carriers prior to audit. A total of 21 audits were conducted across Europe. These audits cover health and safety performance, environmental policies, human rights, and operational issues. Non-conformities and observations are recorded and followed up with the companies.

Green logistics

Transport accounts for an estimated 4% of Yara’s carbon footprint. This share, along with our position in the market for clean ammonia, has increasingly drawn our attention to creating a green shift in the way we ship and transport intermediaries and finished products.

We expect ammonia-powered vessels to reduce the carbon footprint of our shipping in the future but are also looking to reduce emissions from our current shipping and transport activities. In 2021, Yara Birkeland, the world’s first electric and self-propelled container

ship made its maiden voyage in the Oslo fjord. We also tested different solutions for tracking and monitoring GHG emissions from our shipments, and we introduced virtual arrival clauses in certain contracts for short sea shipments, which allow for a vessel to reduce its speed, save fuel, and reduce emissions when waiting time is expected at the port.

[» Yara Birkeland, page 61](#)

Green procurement practices

Our Sustainable Procurement Program will build upon various local initiatives that we are continuously working on, such as:

- Developing more environmentally friendly product coatings
- Purchasing electricity from renewable sources
- Re-use of iron oxide from sulfuric acid production
- Recycling and reuse of IT-equipment
- Cleaning and recovery of catalyst material in nitric acid plants
- Using electric powered rolling equipment in material handling
- Optimizing employee transport and electrifying company car fleets
- Installing solar panels on warehouses
- Increasing the use of intermodal transport, reducing road transport
- Reducing virgin plastic use in packaging materials

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The way forward

- **Execute Procurement strategy:**

We will continue to execute our strategy. We will deliver on our Sustainable Procurement Policy by developing and implementing a Sustainable Procurement Program with processes, tools, targets, and training for our Procurement function and suppliers.

- **Reduce upstream scope 3 GHG emissions:**

We will continue to align our procurement standards and supplier base with our ambition of Growing a Nature-Positive Food Future to support more sustainable purchase decisions and, ultimately, to reduce our scope 3 emissions from purchased fuels and raw materials, transport, and other services and goods, including packaging materials.

- **Sustainable Procurement Policy:**

We will continue to improve our Sustainable Procurement Policy in collaboration with our main stakeholders, internal key functions, and suppliers.

- **Supplier audits, assessments, and monitoring:**

We will establish a comprehensive Supplier Compliance Management Process to enable systematic and risk-based assessments and monitoring of our suppliers' compliance with requirements and standards. Independent sustainability ratings and supplier audits will be key elements of this process.

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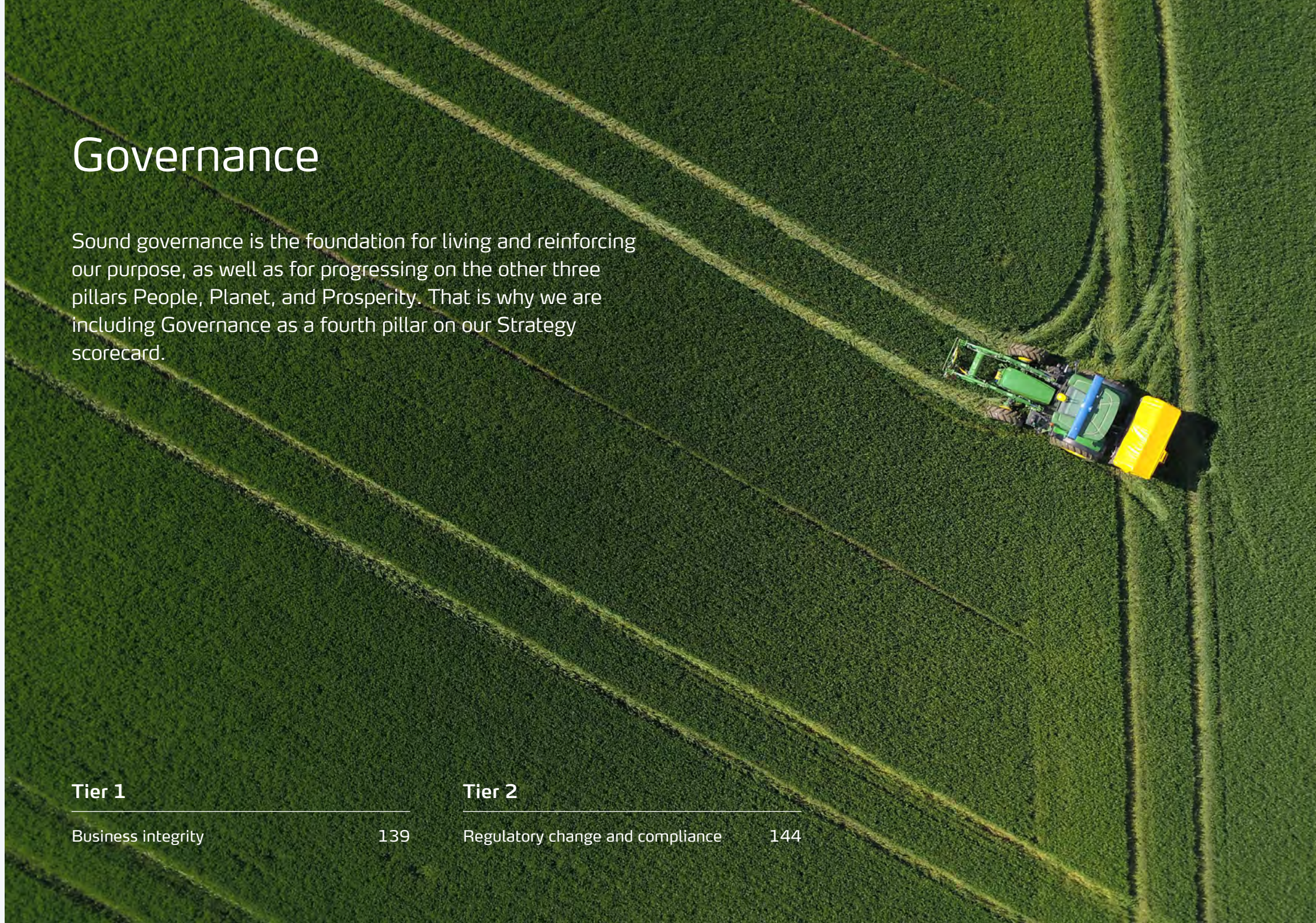
Sound governance is the foundation for living and reinforcing our purpose, as well as for progressing on the other three pillars People, Planet, and Prosperity. That is why we are including Governance as a fourth pillar on our Strategy scorecard.

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Business integrity 139

Tier 2

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Yara's first global Ethics Week was a big success.

CASE: ETHICS WEEK

Getting engaged about business integrity

When the 2021 Ethics Survey showed concerning results, action was taken. Getting 8,800 colleagues around the world engaged about business integrity, Yara's first global Ethics Week was a big success.

It is often said at Yara that success can only be celebrated when it is achieved in the right way. A key element to this success is business integrity.

With 17,800 employees and operations in over 60 countries, Yara is exposed to countries, markets, and counterparts with varying ethical standards and business conduct. Breaches to business integrity pose both compliance and reputational risks to Yara and our business partners. Yara Ethics & Compliance (E&C) was therefore concerned when they experienced a decrease in employees' comfort in speaking up.

“We know that less reporting leads to less prevention and detection, which ultimately leads to deteriorating business conduct and integrity,” says Yara's Chief Compliance Officer, Cira Holm. “Psychological safety is key to employees being comfortable speaking up and raising a concern.”

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“We are thrilled about the engagement during and after Ethics Week. We all have a role to play in ensuring business integrity at Yara, and it’s important that everyone is comfortable raising a concern if they experience misconduct.”

Cira Holm, Chief Compliance Officer

“Although only a slight drop in respondents’ comfort in speaking up about observed misconduct was noted, from 74 to 73 percent, we wanted to address it quickly to turn that development around.”

Coinciding with the UN Anti-Corruption and Human Rights Days, Ethics Week was organized around 5 key topics, with sessions hosted by Compliance Managers in cooperation with speakers from the business units:

1. Comfort speaking up
2. Reporting and guidance
3. Retaliation
4. Corruption and fraud
5. Human rights

The main goal of Ethics Week was to promote and uphold an ethical culture where all employees and leaders feel comfortable raising concerns in a safe and inclusive work environment. One-hour online sessions were held every day of the week on the five topics. Despite being virtual, the sessions saw high engagement with employees contributing to and participating in Q&As, polls, comments, and even making commitments to take concrete actions to make Yara a more inclusive workplace where everyone feels safe to speak up.

“We are thrilled about the engagement during and after Ethics Week. We all have a role to play in ensuring business integrity at Yara, and it’s important that everyone is comfortable raising a concern if they experience misconduct,” Holm says.

“By talking through everything from examples of situations with misconduct, to the legal frameworks protecting whistleblowers, I hope more employees now feel safe and comfortable to take the necessary steps.”

In Yara’s new materiality assessment, business integrity was confirmed to be of the utmost importance to Yara and our stakeholders. Honoring responsible business conduct, upholding a culture of respect, honesty, and fairness, and contributing to transparency is the foundation for making progress on Yara’s people, planet, and prosperity KPIs.

Yara as a company is evolving, becoming more integrated with the food value chain, and developing new businesses. This is key to delivering on our mission to responsibly feed the world and protect the planet. We must stay vigilant when faced with misconduct. Yara’s continued success is dependent on retaining and promoting our reputation and public trust, and employee engagement on these topics is integral to achieving that.

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TIER 1 TOPIC

Business integrity

As a global company, 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 promoting accountability by maintaining proper policies and practices, having zero tolerance for fraud and corruption, upholding a culture of respect, honesty, and fairness, and contributing to transparency. Responsible business conduct is crucial in earning the trust of our stakeholders and key to our success.

Subtopics in this section:

- Corruption
- Ethical culture and speaking up
- Fair competition
- Operations in areas of conflict
- Public relations and lobbying
- Tax transparency
- Business partner integrity



Commitments

Number of face-to-face risk-based Ethics trainings:

Expand our face-to-face training on key ethics and compliance topics, reaching at least 2,900 employees in 2021 and increasing to 3,000 employees in 2022.

✔ On track

Employees completion of Ethics e-learning:

Improve and maintain a high completion rate in our Code of Conduct e-learning, achieving a 90% completion rate in 2021, and improving to 95% in 2022.

✔ On track

Priorities

Managing ethics and compliance

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.

The Ethics and Compliance Department consists of 17 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.

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. Preventive measures, awareness raising, and sharing of knowledge are key priorities in maintaining our zero tolerance of fraud and corruption.

» [Embedding our commitments, page 158](#)

Compliance culture

Promoting and upholding an ethical culture across Yara, where everyone feels comfortable speaking up and raising concerns, is healthy for our employees and for the business. We focus our efforts on guiding the business in making the right decisions and speaking up

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when situations fail to meet our standards. A highlight in 2021 was the celebration of Yara's first Ethics Week.

» [Ethics Week, page 137](#)

The Ethics and Compliance Department regularly updates and shares guidance through newsletters, our training program, and other communication efforts. Our Ethical Leadership Training module has been updated with targeted material focusing on microaggressions developed for our Women in Agronomy program. This is a network of female agronomists working at Yara, with the ambition to attract, develop, and retain more women in agronomy. We also launched the e-learning course Understanding and preventing microaggressions. .

Every three years we run an internal Ethics Survey to measure Yara's culture of integrity and guide the work of the Ethics and Compliance Department. The survey was last conducted in March 2021. The results are presented to all countries and business units, and followed up by targeted activities. Read about the outcome in The way forward.

Business partner integrity

In order to drive change, we work to ensure that our partners stay in line with our mission and meet our standards. In 2021, we worked on further streamlining our Integrity Due Diligence (IDD) process, our process of investigating the integrity of potential, new, and existing business partners. This included system enhancements and conducting internal audits to assess compliance with the IDD Procedure. We also updated our Code of Conduct for Yara's Business Partners in 2021.

» [Managing compliance in the supply chain, page 161](#)

Operations in areas of conflict

Yara operates in countries with different degrees of geopolitical risk. In 2021, we initiated a project to assess archetypes of geopolitical risks in countries we operate in and source from. In addition, the aim was to further develop Yara's general approach to operating in areas of conflict or authoritarian regimes. This project supports existing and well-established Yara procedures and principles for preparedness, prevention, and handling an emergency.

» [Key concerns raised in 2021, page 31](#)

Transparency of tax reporting

Yara takes an operational and commercial approach to tax and is committed to transparency and an open dialogue with tax authorities. We do not seek artificial tax structures, and believe tax should be paid where profit is generated. We report in line with local and global regulations and our Code of Conduct, and produce a full country-by-country report in line with EU regulation 2013/34 and the Norwegian Accounting Act. Our Tax Policy and 2021 country-by-country report are available at yara.com, on our Investor Relations page.

» [Tax Policy, page 157](#)

Public affairs and stakeholder dialogue

Both Yara's ambitions and society's expectations related to climate-neutrality and sustainable food systems have increased in recent years. In order to be more present in the public debate, and to position the concrete initiatives that can turn ambitions into reality, we have strengthened the organization involved in public affairs activities.

» [Regulatory change and compliance, page 144](#)

Our lobbying practices and activities are governed by Yara's Code of Conduct, which states that the Corporate Affairs Department shall have full oversight of all lobbying efforts employed by Yara. Any lobbyists we retain must comply with all applicable laws, regulations and the Code of Conduct.

Our Code of Conduct prohibits political contributions, neither 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 of Conduct 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 in the different 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 (ID Number: 68208004617-79) and reflect salaries and social charges for employees.

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Performance

Compliance risk management

All of Yara’s operations are assessed for compliance risks through the Enterprise Risk Management process and specific Ethics and Compliance risk assessments. Several types of corruption are covered in these processes, including conflicts of interests, bribery, illegal gratuities, economic extortion, and facilitation payments. At a Yara Corporate level, risk of bribery and corruption continued to be a key risk in 2021.

As a result of the pandemic and the subsequent decline in interaction between employees, we saw a decrease in the number of notifications of misconduct in 2021, increasing our reliance on internal controls. We implemented actions to mitigate identified risks.

Ethics and compliance training

Training and communication are key elements of our Compliance Program, which includes:

- The Ethics intranet pages: clear, practical guidance for all Yara employees
- Code of Conduct e-learning: mandatory to all new hires with access to a PC within the first 3 months of employment. Current employees repeat the training biannually
- E-learning courses: available in 15 languages on several topics of the Code of Conduct, including a mandatory course on competition law
- Face-to-face training program: interactive sessions covering topics from the Code

of Conduct including Anti-corruption, Facilitation payments, Conflict of interest, Ethical leadership, Gifts & Hospitality, and Human Rights

- Ethics and Compliance introduction: mandatory as part of the human resources onboarding
- Guidance sheets, newsletters, and manuals: on all topics covered by the Code of Conduct and available in several languages

In 2021, the total number of employees who had completed the CoC e-learning was 14,202 (of the 15,117 employees who had access to the learning platform). The mandatory e-learning covers all topics in the CoC, including anti-corruption and human rights.

All members of Yara’s Board of Directors and Group Executive Board are consulted on and approve annual updates to the Code of Conduct. 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 Code of Conduct e-learning retraining requirement.

Through Yara’s Integrity Due Diligence process, the Code of Conduct for Business Partners was communicated to close to 2,000 business partners during 2021. Business partners are, on a risk-basis, selected for additional due diligence work, including training and communications.



3,592
employees received face-to-face risk based Ethics and Compliance trainings

2021 target: 2,900



94%
completed the Code of Conduct e-learning

2021 target: 95%



705
guidance requests

2020:
574 guidance requests



155
notifications

2020:
139 notifications

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Notifications of misconduct in 2021

Yara has an obligation to investigate all reports made, and all notifications will be treated confidentially. In 2021, we recorded 155 notifications to the Ethics and Compliance Department, an increase from 139 in 2020. Although slightly higher than in 2020, the number of notifications is still considerably lower than it was before the pandemic. The extensive use of home office and social distancing at plants among shift workers is believed to be the main reason for the decrease. We observe that awareness in the organization remains high, but ensuring that employees trust in reporting channels and investigation process is nevertheless crucial in maintaining a strong ethical and speak-up culture in Yara during and beyond the pandemic.

34 of the notifications were classified within the risk category of corruption, covering the sub-categories Conflicts of interest, Bribery, and Anti-trust. Of these notifications, 27 were resolved within the reporting period, and 12 were substantiated according to Yara’s Investigation Procedure. Disciplinary actions as a result of investigations in 2021 led to 14 dismissals and 15 warnings.

» [Internal Investigation Procedure, page 163](#)

Business partner monitoring

Yara had more than 30,000 active suppliers in 2021. Approximately 13% of the suppliers had completed the Integrity Due Diligence (IDD) self-assessment questionnaire. 588 IDD questionnaires were initiated in 2021,

Total number of notifications



Notifications resolved within the reporting period

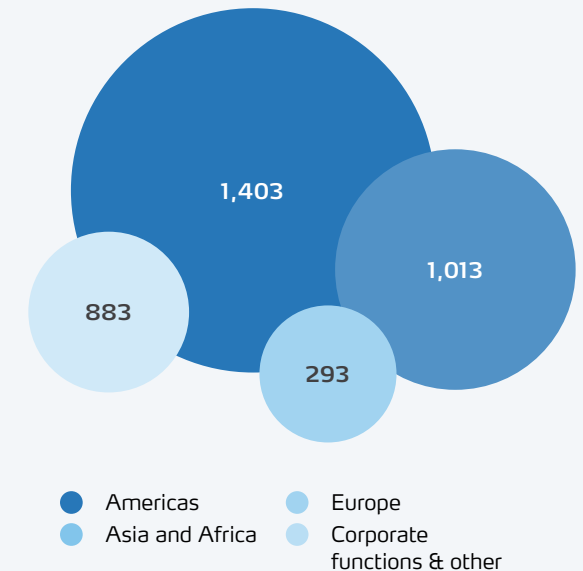


Number of notifications by issue



Face-to-face training in 2021

Participants



Our dedicated regional compliance managers delivered Ethics and Compliance training to 3,592 employees in 2021. This training includes anti-corruption as a distinct topic.

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of which 359 were completed and approved and 16 were completed and rejected. The remaining 144 IDD questionnaires were cancelled or not completed by the business partner.

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 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. Fewer than 1% of our business partners are rejected annually.

The way forward

- **Ethical culture:**
We are continuously working to promote a culture of high ethical standards at Yara. One way is through our Ethical Leadership Training for managers, which will continue in 2022, in addition to targeted risk-based training for all employees on ethics and compliance topics.

- **Speaking up:**
Ensuring that employees trust our reporting channels and investigation procedure and are comfortable voicing their concerns, is a key focus area for the Ethics and Compliance Department. The Ethics Survey conducted in March 2021 showed that fear of retaliation is one of the main reasons employees do not feel comfortable speaking up and raising concerns. In response, several mitigating actions are planned for 2022. This includes designing and implementing a Retaliation Monitoring Program to ensure reporters will be followed up in a systematic manner.

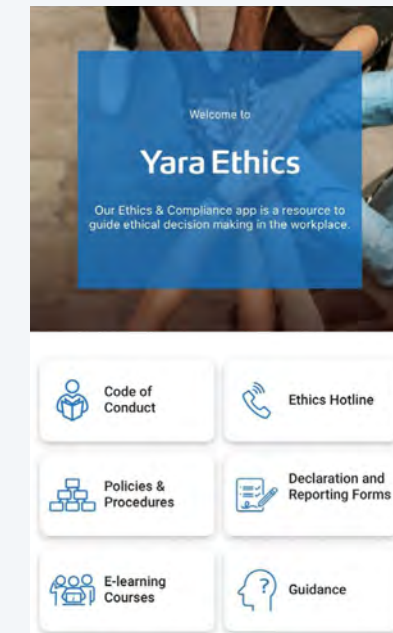
- **Business partner integrity:**
Our goal is to develop relationships with business partners that share similar corporate values as Yara and conduct their business in an ethical manner. We will continue to work on improving our systems and processes to achieve this objective. Specific actions are to implement policies and processes on sustainable procurement and to further embed Yara's Integrity Due Diligence (IDD) requirements into the procurement and sales processes.

Yara Ethics App

In 2021, we launched the YaraEthics App to give compliance guidance on demand.

It is available for all employees, in 14 languages, and provides easy access to:

- Yara's Code of Conduct (18 languages)
- Relevant Ethics and Compliance policies and guidelines
- The Ethics hotline
- Our compliance e-learning content
- Declaration forms for conflict of interest, gifts and hospitality, and facilitation payments
- Search function
- Micro learnings, guidance sheets, Q&As



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TIER 2 TOPIC

Regulatory change and compliance

The regulatory landscape is changing rapidly, driven first and foremost by the need to speed up the transition to a sustainable future. We monitor policy processes to stay abreast of regulations and engage whenever we can support and accelerate change in our industry and agriculture. As a major producer of fertilizer, we are committed to driving excellence throughout our business and complying with applicable laws and other requirements in all our activities. Compliance is a minimum.

Subtopics in this section:

- Compliance with regulatory changes, including EU ETS, CBAM and EU Taxonomy
- Socio-economic compliance
- Environmental compliance



Commitments

Environmental compliance:

We target zero high severity environmental incidents.

✔ **Achieved**

Socio-economic compliance:

We target zero major severity socio-economic cases.

✔ **Achieved**

Priorities

Regulatory changes

Ammonia production is an energy intensive industry sector, and agriculture as Yara's main customer segment is a major source of greenhouse gas emissions. To drive the global transformation towards climate-neutral food production, Yara has an overall climate-neutrality ambition and is continuing to focus on reducing emissions from its own operations and on developing low carbon and carbon-free technologies.

» [Opportunities in clean tech, page 91](#)

Yara believes that rising carbon prices are a critical motivator for the greater competitiveness of low-carbon technologies. Government support will make a difference and is essential in backing first movers and helping scale up and accelerate the transition.

The EU is a front runner

The European Green Deal aims for the EU to be climate-neutral by 2050. It is supported by the Fit for 55 package, which sets a target to reduce GHG emissions by 55% by 2030, and the Farm-to-Fork strategy, aiming to make food systems fair, healthy, and environmentally-friendly. These ambitious strategies put the EU as a front-runner in the transformation of the global food industry. Yara believes that this transformation

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is already underway, and that the EU Green Deal will accelerate it. The entire value chain from producer to end-customer needs to be reconfigured to bring the climate goals within reach.

In the environmental area alone, more than 40 key EU directives and regulations will be reviewed in the coming years. In Yara's opinion, the EU proposals contain the right elements, such as a mechanism to drive up carbon prices, a combination of regulations and financial incentives, and a focus on renewable energy and hydrogen as core technologies. We also see opportunities to improve the legislative proposals in some specific areas, notably by enhancing the competitiveness for European low-carbon solutions on the global market and making the legislative package more coherent.

EU taxonomy

Another highly relevant regulation is the EU taxonomy for sustainable activities, which is a classification system establishing criteria for environmentally sustainable economic activities. It is designed to support the objectives of the EU Green Deal by channeling investments towards sustainable projects and activities. The taxonomy regulation and the EU Climate Delegated Act entered into force 1 January 2022, setting mandatory reporting requirements for companies under the EU Non-Financial Reporting Directive (NFRD)

In the current version of the regulation, the main economic activity relevant to Yara is the manufacturing of ammonia and nitric acid. Yara has disclosed the share of its taxonomy-eligible activities in 2021 as per Revenue, CapEx and OpEx, in line with the

Yara's position on fit for 55

At Yara, we have voiced our opinion on the Fit for 55 proposals that have the most significant implications for the global food system:

Carbon Border Adjustment Mechanism (CBAM): CBAM, currently only designed for imports, must address export competitiveness as well. Reducing the carbon footprint of fertilizer production in Europe contributes to reducing emissions related to agricultural products wherever the product is applied. Together with other export-oriented businesses, Yara is sharing data, insights, and recommendations with European authorities and national ministries about the future competitiveness of European low-carbon exports.

EU Emissions Trading System (EU ETS): We welcome reforms driving up the carbon cost, as long as they are delivered responsibly over time. Sufficient carbon leakage mechanisms need to be in place during energy transition periods.

Renewable Energy Directive (REDIII): REDIII needs to focus on the core drivers of renewable energy use in industry: availability and cost.

Fuel EU Maritime Initiative: The new Fuel EU Maritime regulation plays a key role together with standard setting by the International Maritime Organization to provide stronger incentives for zero-carbon fuels compared to transition technologies.

Land Use, Land Use Change, and Forestry regulation (LULUCF): New rules for the land sector should promote low-emission farming and forestry.

[» Yara's position paper on Fit for 55](#)

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requirements of Article 8 of the taxonomy regulation. Further descriptions, disclosures, and accounting policy used can be found in Yara’s taxonomy report.

[» Yara EU Taxonomy Report 2021](#)

Revision of EU Best Available Techniques (BAT)

The EU has started a revision of the BAT reference document for the production of Large Volume Inorganic Chemicals (LVIC BREF), which defines the emission limits for our European plants’ environmental permits. Yara will actively contribute to the EU Commission’s work to define the new BAT for our industry. We have established a project and nominated resources to follow up, assess impacts, and prepare for compliance during the revision, which is expected to last for 3-4 years. When concluded, the binding BAT document will allow a transition period of four years to reach compliance at each plant.

EU Fertilizer Products Regulation

The new EU Fertilizer Products Regulation (FPR) will come to effect in 2022, bringing major changes to the production, marketing, and labelling of fertilizer products. We are preparing for the new regulation through a centrally organized project to ensure timely and full compliance. Local FPR compliance teams have been established and stakeholders are consulted and aligned. The FPR will impact the entire fertilizer value chain, from the purchase of raw materials to production, to packaging and labelling, and finally to sales and use of fertilizers. We are expecting to reach timely compliance with the regulation and does not foresee any major disturbances to the product range or deliveries.

Performance

Environmental compliance

Yara follows environmental compliance with a set of KPIs and performance indicators which highlight severity of the consequences as well as potential severity of breaches identified. Performance is reported and analyzed on a monthly basis.

High severity environmental incidents

Yara has a KPI with a target of Zero high severity environmental incidents, defined as causing wide or long-term damage to the environment. This target was

reached as none of the incidents had a magnitude of such damage. However, the following two incidents could have had a potential causing significant environmental damage:

Porsgrunn, Norway

In January 2021 an incident occurred at our production plant in Porsgrunn, Norway. Despite several layers of defenses, 14-18 tons of nitrogen was accidentally released into the sea via the sewer system. An independent team was appointed to investigate the incident. A thorough investigation has been conducted where direct and root causes have been identified including preventative and corrective actions. Based on the investigation



Environmental compliance

Zero high severity environmental incidents in 2021.

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.



Socio-economic compliance

Zero major severity socio-economic cases in 2021.

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 total, fines of USD 400,000 have been registered for 2021 for laws and regulations other than environmental ones.

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we can conclude that the incident did not result in long-term damage to the environment or eutrophic effect and was therefore not considered a high severity environmental incident.

Pilbara, Australia

Yara Pilbara Nitrates plant has faced unfortunate losses of containment of nitrate rich wastewater to the ground since the early stages of commissioning. In spite of the significant repair works completed in 2019-2020, elevated nitrate concentrations remain in the rocky ground and groundwater. Some of this nitrate rich groundwater day-lights in the upper supratidal flats south of the plant, resulting in surface sediments high in nitrate. During the heavy rainfall season in May-July 2021, the nitrates residing in the upper supratidal flats were collected in the elevated surface waters and subsequently emanated from the site into downstream areas and towards the marine environment of King Bay. This increased the risk profile of the situation, triggering the need for active remediation, and the likely reclassification of the site as “Contaminated – Remediation Required”. Yara is implementing a remediation and monitoring strategy, consisting of several phases of actions starting with instant, short-term risk reduction measures to lower the future potential for wet season discharges,

to long-term remediation solutions (bioremediation and containment) to remediate the already contaminated areas onsite. Ecological investigations have been carried out, and continuous monitoring is in place, so far showing no signs of short-term impact or long-term harm to the ambient environment.

Legal claims for environmental breaches

Yara is a party to several lawsuits related to laws and regulations in various jurisdictions arising out of the conduct of our business. Concerning matters arising from environmental disputes, four main cases were open in 2021, one of which was settled during the year. While acknowledging the uncertainties of litigation, Yara is of the opinion that based on the information currently available, these matters will be solved without material adverse effect.

[» Financial statements, note 5.6 provisions and contingencies, in Yara Integrated Report 2021](#)

France, Montoir

Yara Montoir plant in France continues to face challenges with the authorities’ requirements related to the site’s wastewater discharges and dust emissions. The current

permit requirements are tighter than the Best Available Technology defined for such processes. Regardless of improvements and investments made over many years and the limited impact of the site’s air emissions and water discharges on the environment, the authorities are still requiring further investments and are imposing sanctions on the site. While Yara Montoir is studying feasibility of emerging, novel technologies to abate these emissions, the site has also appealed on the decisions and requested an annulment of the authorities’ orders.

France, Ambes

Yara Ambers site in France is facing a challenge related to the nuisance caused by noise to a neighbor. While the site operates within a noise management plan under current noise limits, the physical location of the site by a riverbank seems to reinforce the nuisance. An external investigator is studying the situation.

Brazil

Yara was part of two ongoing environmental cases in Brazil in 2021. Due to the acquisition of Adubos Trevo from the Trevisa Group in the year 2000, Yara has, together with other companies related to the Trevisa Group, been sited in a lawsuit related to former mine and lead industry activities performed by the former company. Yara has, together with the other companies, been sued by an association representing approximately 1,300 potential victims in two separate lawsuits. The lawsuits are related to mine and lead industry activities performed by the company Plumbum in two cities in Bahia state, Brazil. Plumbum was formerly part of the Trevisa Group. The lawsuits were filed in 2011 and 2021 but are still in the initial phase. Yara denies liability for any potential damage caused by the activities

Environmental compliance indicators, by number

	2021	2020
High severity environmental incidents	0	0
Legal claims for environmental breaches (open cases by year end)	4	3
Fines and sanctions received related to environmental issues	4	2
Regulatory and permit breaches reported by Yara sites	19	20
Environmental grievances received from stakeholders	100	140

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of Plumbum. The second case in Sao Paulo, Brazil, was settled in 2021. There Yara was, together with 22 other companies, the defendant in a lawsuit with a claim for environmental damage related to former industrial operations in the Cubatao industrial district.

Fines and sanctions received related to environmental issues

No significant monetary fines or other sanctions related to environmental performance were issued to Yara units in 2021. In 2021, both the Yara Paulinia and Yara Cubatao sites in Brazil were issued minor fines by local authorities for exceedance of a dust limit and SO_x limit respectively. Additionally, Yara Ferrara was issued an administrative sanction with respect to an error in the waste register. The root causes of all fines and sanctions have been investigated and corrective measures are being implemented to ensure future compliance.

Regulatory and permit breaches reported by Yara sites

In 2021, 19 production sites reported compliance issues related to permit and/or regulatory breaches. Root

causes have been investigated, and corrective measures have been implemented or are being addressed as a part of the Environmental roadmap program.

Environmental grievances received from stakeholders

We care for our stakeholders and neighbors adjacent to our production sites. Therefore, we report and investigate all complaints received onsite. Complaints are managed by the local units and analyzed by our corporate environment HESQ function. For 2021 most stakeholder complaints were related to noise/vibration, odour and dust emission. In 2021, fourteen Yara sites received a total of 100 complaints and concerns from neighbors or other stakeholders regarding noise, odor, and dust from our activities. This was a 29% reduction in reported complaints and concerns from 2020. This is an improvement in comparison to 2020 which we have achieved through active stakeholder management and prompt action follow up.

Environmental roadmap program

In 2021, we launched an initiative to reduce the

environmental footprint of our major production plants with a specific focus on compliance with environmental regulations. This initiative is establishing environmental roadmaps for our major production sites.

As part of the Environmental roadmap program we are assessing the performance of the production plants against current and foreseen environmental regulations. In 2021, we assessed the performance of 11 of our major production plants. The roadmaps cover significant environmental aspects, including water management, emissions to air, discharges and effluents, waste management, odor, and noise. In the assessments we identified necessary short- and long-term investments.. The majority of these projects are related to air emissions and water effluents, but also to groundwater, soils, leakages, noise and water intensity. Workgroups have been established on specific environmental aspects to share learning and harvest synergies in technological developments. The projects are reported as part of our Capital Value Process and feasibility studies will be conducted accordingly.

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The way forward

- **Regulatory positioning:**

Regulatory actions are crucial to reach the SDGs and the Paris agreement. We expect increased awareness of sustainable agricultural practices and an increasing pressure on sustainability from governments and regulators globally. GHG emissions, soil degradation, water stress, biodiversity loss, and nutrient pollution are all regulatory issues which can impact Yara's operations and value chain. Political drive for climate-smart agriculture can strengthen demand for our crop nutrition solutions.

- **Voice our policy positions to industry associations:**

In 2022, we will map the policy positions of the different industry associations to ensure coherence

with the Paris agreement and Yara's position and strategy. Depending on the level of misalignment, if any, we are prepared to voice our concerns, influence associations' advocacy work from the inside, and exit memberships when there is significant misalignment.

- **Monitoring of regulations:**

In 2022, we plan to implement a global IT solution and standardized global processes to strengthen our monitoring of existing and upcoming regulations, assessing compliance with them and initiate timely actions when needed.

- **Environmental roadmap program:**

We will continue to develop environmental roadmaps

in 2022 for the remaining major production plants in Yara Global Plants & Operational Excellence, Yara Americas, Yara Africa & Asia, and Yara Industrial Solutions. In addition, we will follow up and coordinate activities between our production plants in Europe to ensure delivery of required (feasibility) studies. The environmental roadmaps generate a portfolio of projects that give an overview of investment needs for the years to come in order to be in compliance with regulations.

- **Environmental compliance:**

In 2022 we will focus on defining, setting and implementing company-wide environmental compliance targets for our units.

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How we work

Sustainability is fully embedded and integrated into Yara's strategy and decision-making processes. We firmly believe that our knowledge and purpose give us a competitive advantage in a market that values sustainability, and our Sustainability Governance structure ensures that we meet our commitments and deliver on our ambition of Growing a Nature-Positive Food Future.

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GOVERNING BODIES

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 in accordance with the Norwegian Accounting Act, section 3-3b, the Oslo Stock Exchange Rulebook II – Issuer Rules, Chapter 4.4, and the Norwegian Code of Practice for Corporate Governance. 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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and to enable delivery on the Vision, Mission, and Values.

Yara works to improve diversity. At year-end 2021, Yara's Group Executive Board consisted of nine members: five were women and three were non-Norwegians (Spanish, French, and Brazilian-British).

In accordance with PLC § 6-35 (2), Yara and its employees have agreed to not have a corporate assembly and the company is thus required to include four employee-elected members in the Board. 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 responsibility for the day-to-day management has been delegated to the CEO as set out in the Rules of Procedure for the CEO, approved by the Board. 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 2021, women represented 24% of Yara's employees in permanent

positions and held 29% of the senior management positions.

Sustainability integration

The Board and the CEO's procedures include responsibility for non-financial topics of material importance, covering the company's significant stakeholders and materiality, and the short-, mid- and long-term time horizons. The Board's Audit and Sustainability Committee oversees sustainability risks, governance, and disclosures.

[» Audit and Sustainability Committee Charter, page 156](#)

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 integrated and sustainability 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 materiality process was updated in 2021, linking materiality also to the strategy and risk functions, as well as anchoring the outcomes with the CFO and Board Audit and Sustainability Committee.

The VP Sustainability Governance is also responsible for systematically embedding ESG topics into the core business processes, such as the Capital Value Process (CVP) which integrates 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 non-financial 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 Procurement and representatives from the business line.

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. This model below illustrates the sustainability workflows.

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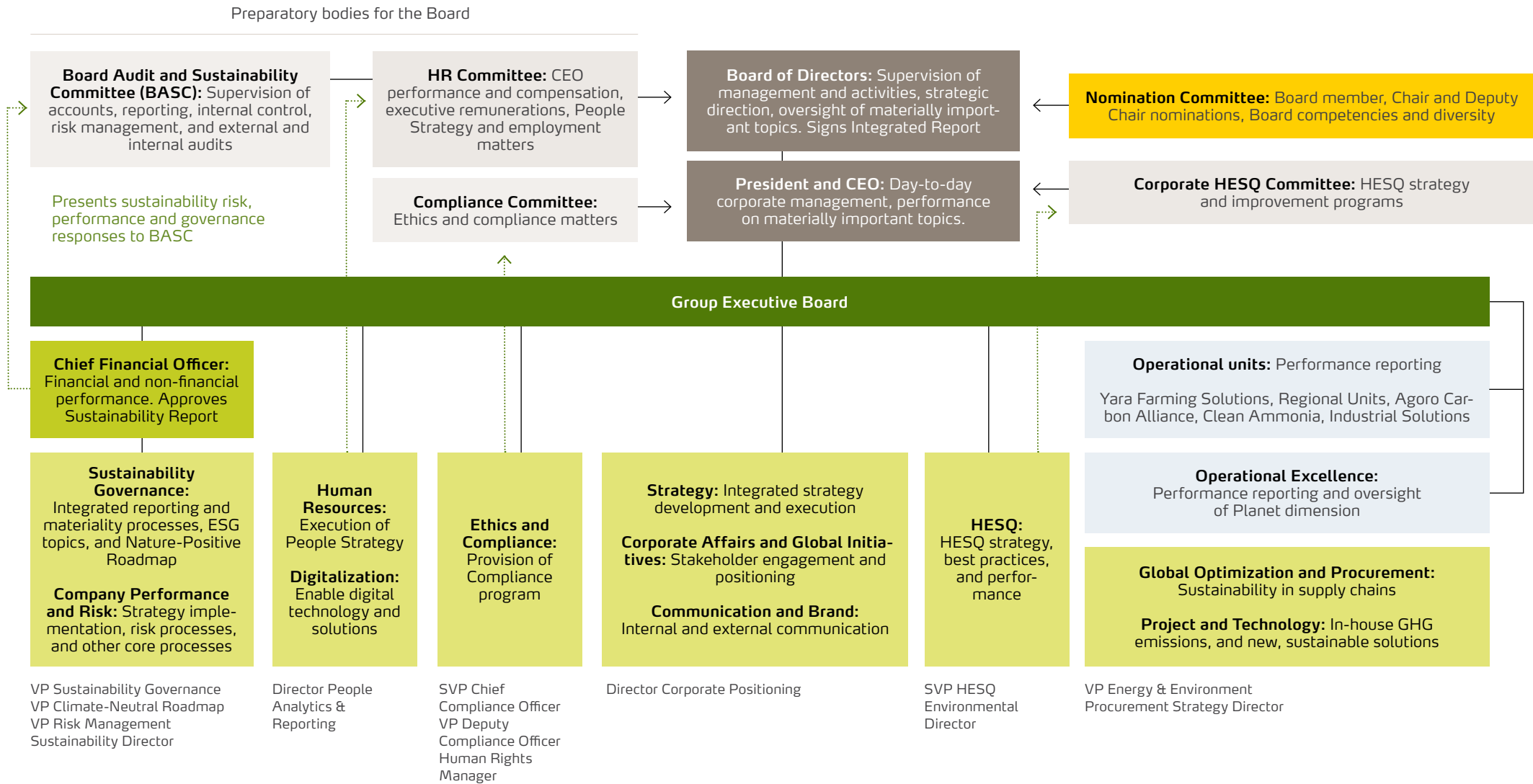
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Sustainability Network: Cross-functional network ensuring established accountability, processes, and systems for ESG policies and non-financial performance indicators. Representatives from: Sustainability Governance, Enterprise Risk Management, Ethics and Compliance, Human Resources, Communication and Brand, HESQ, Procurement, and Project and Technology.

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CODES, POLICIES AND KEY PROCESSES

Embedding sustainability in our policies and processes

We integrate sustainability into the core business principles and processes that govern how we strategize, make decisions, and conduct our everyday work.

All of our corporate codes, policies, procedures, processes, and guidelines are published on our intranet and in the Yara Steering System (YSS), our digital solution for managing global steering documents. It serves as a repository for all global mandatory requirements, supporting our organization in fulfilling the tasks required to achieve strategic goals and business objectives.

This section provides an overview of corporate policies and other steering documents related to our sustainability governance as well as the management of individual topics. The selection of documents also reflects information commonly requested by our stakeholders. We have published key, overarching policies on our website. Others are of an internal character and published internally only.

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Our guiding policies and principles

Our DNA

Our mission

Responsibly feed the world and protect the planet

Our vision

A collaborative society; a world without hunger; a planet respected

Our values

Ambition, Curiosity, Collaboration and Accountability

Development and strategy

Internal Audit

- Audit and Sustainability Committee Charter

Corporate Development and Strategy

- Strategy Development

CFO area

- Enterprise Risk Management process
- Capital Value Process
- Stakeholder Management Procedure
- Stakeholder Management Guideline

Operations

Sustainability Governance

- Sustainability Governance Policy
- Integrated Reporting Process

Ethics and Compliance

- Yara's Code of Conduct
- Yara's Ethics and Compliance Commitment

Tax

- Tax Policy

Corporate Affairs and Global Initiatives

- Corporate Affairs Policy

HESQ

- HESQ Policy
- Safe by Choice Process
- Environmental Management operating standards
- Physical Work Environment Procedure
- Psychosocial Work Environment Procedure
- Controlling Chemical Risk Related to Personnel and Environment Procedure
- Yara Vaccination Policy
- Management of Contractors operating standard
- Safety and Security within the Yara Supply Chain Procedure
- Chemical Compliance Procedure
- Recall Process

Product Management

- Product Quality Policy
- Product Quality Process

People Process and Digitalization

- Performance and Development Process
- Work-Life Balance and Well-Being Framework
- Employee Travel Process
- Recruitment Policy
- Compensation Policy
- Onboarding, Crossboarding and Offboarding Policy
- Mobility Policy
- Disciplinary Policy
- Guidelines for Organizational Restructuring of Yara

Information and Cyber Security

- Governance of Information and Cyber Security Policy
- Information Handling Procedure

Legal and Compliance

- Contract Management Policy
- Yara Data Privacy Policy for Customer Data
- Yara Data Privacy Policy for Employee Data
- Yara Data Retention and Deletion Procedure

Corporate Development and Strategy

- Sponsorship Process

Supply chain

Ethics and Compliance

- Code of Conduct for Yara's Business Partners
- Integrity Due Diligence Procedure

Procurement

- Procurement Policy
- Sustainable Procurement Policy
- Supplier Compliance Management Process

Controls

Internal Control

- Internal Control over Financial and Non-Financial Reporting Policy

Internal Audit

- Internal Audit Charter
- Internal Audit Process

Ethics and Compliance

- Internal Investigation Procedure

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Internal Audit

Our **Audit and Sustainability Committee Charter** outlines the responsibilities and authority of Yara's Board Audit and Sustainability Committee (BASC). The charter was established in 2020, as we co-organized our financial and extra-financial reporting and renamed the Board's Audit Committee as the Board Audit and Sustainability Committee (BASC).

Corporate Development and Strategy

Our **Strategy Development Process** drives Yara's corporate strategy process and the communication of its outcomes, with the overall purpose of maximizing our value creation within defined risk levels.

It mandates annual strategic updates based on analyses of our strategic environment, performance on strategic KPIs, and key strategic risks.

CFO area

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.

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. HESQ and compliance requirements, the latter particularly related to anti-corruption and human rights, are integral parts of the decision-making process. Investments above USD 25 million also requires involvement of Sustainability Governance.

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 CVP is approved by Yara's Chief Financial Officer.

The **Stakeholder Management Procedure** ensures a structured approach to the way we manage relations with our stakeholders. It is accompanied by our **Stakeholder Management Guideline**, which provides further guidance and examples on how to carry out the steps described in the procedure, serving as a practical tool for anyone involved in stakeholder engagement processes.

[» Stakeholder engagement, page 28](#)

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 memorandum. 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 N₂O emission. When relevant, the project shall present an analysis of its impact on Yara's climate intensity KPI.

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The purpose of our **Sustainability Governance Policy** is to integrate sustainability into core processes to manage risks and identify opportunities. It outlines the responsibilities of key governing bodies, including Yara's Board of Directors, Group Executive Board, the Strategy and Risk functions, our Regional Boards, as well as our Sustainability Network, and describes our commitment to integrated reporting and conducting regular materiality assessments.

The Sustainability Governance Policy is complemented by our **Integrated Reporting Process**, which sets out responsibilities for our reporting on material topics and outlines how we ensure proper quality assurance, conduct materiality assessments, and respond to ESG benchmarking.

Ethics and Compliance

[Yara's Code of Conduct](#) outlines our position and commitments on a wide range of topics and defines the key principles of our compliance program. The code includes our anti-corruption policies as well as a clear commitment to respecting internationally recognized human rights throughout our own operations, as well as in our supply chain.

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. It is available in 18 languages to make our message clear across our operations worldwide.

The Code of Conduct is reviewed and published on an annual basis. The current version was reviewed by an external party to ensure the content is relevant and up to date. It includes a new section acknowledging our environmental impact and responsibilities, and outlining our dedication to excellent environmental performance.

Tax

Yara's [Tax Policy](#) stipulates that we shall behave ethically and act in accordance with the values and principles detailed out in Yara's Code of Conduct when dealing with taxes. We are committed to managing tax transparently. Our 2021 [Country-by-country report](#) is available on our Investor Relations annual reporting web pages.

Corporate Affairs and Global Initiatives

The **Corporate Affairs Policy** regulates our advocacy positioning of Yara's interests vis-a-vis key stakeholders. Its purpose is to ensure that we stay on top of regulatory and policy change, provide proper and consistent advice to policy makers, build Yara's reputation, and serve the best interests of our company and society. All activities under this policy shall be compliant with Yara's Code of Conduct.

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 committed 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.

Environment: As a global company, we acknowledge our impact and take responsibility to protect the environment in our operations and throughout the life cycle of our products.

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, and in our supply chain.

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Embedding our commitments

Yara's Compliance Program is instrumental in embedding our commitments and policies across our activities. Its purpose is to prevent corruption and human rights abuses and to promote a culture in which these matters are difficult to perpetrate.

The program is anchored in Yara's [Ethics and Compliance Commitment](#) and consists of 15 key elements, each of them helping to advance responsible business conduct throughout our organization. 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.

The 15 elements of Yara's Compliance Program

1. Culture and tone at the top: Strong, explicit, and visible support and commitment to our policies from Yara's directors and senior management.

2. Risk management/periodic risk-based review: Clearly defined responsibilities and authorities for the implementation and oversight of the Compliance Program and codes, policies, and procedures, and for reporting to independent monitoring bodies.

3. Compliance organization / proper oversight, independence and resources: Clearly defined responsibilities and authorities for the implementation and oversight of the Compliance Program and codes, policies, and procedures, and for reporting to independent monitoring bodies.

4. Compliance policies and procedures: Clearly articulated and visible corporate policies against violations of anti-corruption legislation.

5. Internal controls over key compliance areas (finance and accounting): 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: Effective communication of and training in codes and relevant policies and procedures of employees at all levels and, where appropriate, business partners.

7. Compliance consultation and guidance: A system for providing guidance and advice to employees at all levels and, where necessary, business partners, on complying with our codes, policies, and procedures.

8. Whistleblowing / internal reporting: Mechanisms for reporting concerns and protecting reporters, including our Ethics Hotline, available 24/7 in 60 languages for both employees and external stakeholders.

9. Investigation: A clearly defined and reliable process for responding to, investigating, and documenting allegations of violations of our codes.

10. Incentives and discipline: Mechanisms designed to enforce the Compliance Program, incentivize ethical business conduct, and discipline violations.

11. Business partner due diligence: Clearly defined responsibilities and authorities for the implementation and oversight of the Compliance Program and codes, policies, and procedures, and for reporting to independent monitoring bodies.

12. M&A due diligence: Integration of compliance requirements, particularly related to anti-corruption and human rights, in Yara's Capital Value Process.

13. Post-acquisition implementation of Compliance Program: Proper communication, training and reviews to ensure that our codes, policies, and procedures apply as quickly as possible to newly acquired businesses or entities.

14. Contract management: 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: Periodic reviews and testing to evaluate and improve the effectiveness of the Compliance Program.

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HESQ

We want to be the best and safest company in our industry, and through the [HESQ Policy](#) we commit to excellent health, environmental, safety, security, and quality (HESQ) performance, thus safeguarding our license to operate. The policy outlines Yara's direction and intentions for HESQ performance and governance, and provides a framework for HESQ objectives and targets. Following a review in 2021, the updated version is better aligned with our stakeholders' expectations of running a profitable and sustainable business, while at the same time meeting our commitments to society and the environment.

All Yara employees, contractors, and those working for us are expected to understand and work in line with the policy. It is communicated to all employees via the Yara Steering System and available in full at our website.

The HESQ Policy is complemented by a suite of policies and procedures governing our work to protect people and the planet. Our **Safe By Choice Process** outlines our HESQ aspirations and provides an overview of all related principles, procedures, and guidelines. Our **Environmental Management operating standard** requires all units to approach environmental management systematically and specifies requirements for environmental management systems (EMS).

Our **Physical Work Environment Procedure** establishes requirements for the work environment, manual labor and working conditions such as ergonomics, temperature, humidity, noise, and access to water and hygienic facilities. Similarly, the **Psychosocial Work Environment Procedure** outlines our commitment to upholding a

working environment with positive psychosocial interactions, psychological safety, and a supportive work culture.

As a large producer of nitrogen chemicals, we have the **Controlling Chemical Risk Related to Personnel and Environment Procedure** in place. It describes requirements related to the protection against risks with regards to hazardous chemicals used or stored on company premises.

In 2021, we developed the **Yara Vaccination Policy**, which outlines our position on Covid-19 vaccines. While we believe a vaccination against Covid-19 is advisable, we recognize this is an individual decision and will not, in general, require nor demand that employees get vaccinated.

[» Pandemic response, page 62](#)

Yara is responsible for providing a safe work environment for the contractors at our premises and to develop and monitor the safety culture. This commitment is outlined in the **Management of Contractors** operating standard, which also describes the underlying guiding principle that the same level of performance is expected from contractors, subcontractors, and contracted services as is expected from own employees while performing work for Yara.

Yara is committed to ensuring that our products are processed and manufactured, handled, stored, distributed, and used in a safe way. To this end, our **Safety and Security within the Yara Supply Chain Procedure** outlines responsibilities and procedures for the

transport, loading, unloading, storage, and packaging of our products. It is supplemented by our **Chemical Compliance Procedure**, which establishes requirements for the registration of substances and provision of safety data sheets in all countries where our products are manufactured or sold. The **Recall Process** ensures a consistent approach to the withdrawal or removal of a Yara product from the supply chain in case of quality issues or any other identified issue that has an impact on safety, quality, security, or health.

Product Management

The objective of our **Product Quality Policy** is to optimize value creation for both Yara and our customers. It is complemented by our **Product Quality Process**, which establishes a framework for ensuring consistent and high-performing products by taking quality into consideration throughout the product life cycle, from selection of raw materials to application in the field or for industrial uses.

People, Process, and Digitalization

Our **Performance and Development Process** outlines the way we systematically manage the performance and development of employees 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 employees.

Yara's **Work-life Balance and Well-Being Framework** was launched in 2020 and clarifies our position on,

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among other things, flexible working hours, meeting times, frequent travelling, and family caregiver leave. It also includes a commitment to support mental health and well-being and establishes a company-wide standard for parental leave and for conversations to be had before, during, and after an employee goes on extended leave.

Ensuring work-life balance is also embedded in our **Employee Travel Process**. As a general principle, meetings and seminars shall be held virtually where this is possible and appropriate. Employee travels are used only when necessary for business reasons and each travel should be evaluated by the employees, in line with their work-life balance and the business requirements.

The purpose of our **Recruitment Policy** is to hire the right talent at the right time at the right place at the right cost, while ensuring a fair process and equal opportunities and promoting diversity. The policy sets out roles and responsibilities to ensure that we treat all candidates professionally and expose internal career opportunities by making open positions visible to all employees.

Yara has a comprehensive **Compensation Policy** to ensure attraction, reward, and quality across all positions in the company, and to handle terminations consistently. 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. To this end, we have installed a salary review process, in which HR staff support line managers in setting fair and unbiased salary increases and perform

a global analysis to ensure that salary movements are aligned with the fair pay approach.

» [Living wage project, page 42](#)

Our **Onboarding, Crossboarding, and Offboarding Policy** informs our employees, hiring manager, and HR about the mandatory elements of these processes. It also provides recommendations for all phases of onboarding, crossboarding, and offboarding processes to ensure that new hires are successfully integrated and that exiting employees leave with the feeling of having been treated in a professional way. It is supplemented by a **Mobility Policy**, which establishes responsibilities when employees are recruited and transferred to Yara companies in other countries. It also outlines our policies on compensation and reward packages in such cases.

The purpose of our **Disciplinary Policy** is to describe the disciplinary actions that shall be taken when a Yara employee or a contractor or consultant is in breach of our codes, policies, procedures or processes, or applicable national or local laws. This policy stipulates that a thorough investigation and assessment of evidence shall be conducted when there is suspicion of misconduct.

We have also adopted **Guidelines for Organizational Restructuring** at Yara developed by Yara's European Works Council (EWC). It outlines recommendations for the downsizing or closure of operations and defines termination of employees as the final option.

Information and Cyber Security

Our **Governance of Information and Cyber Security**

Policy regulates our information security work, which focuses on cyber security, communication security, protection of printed information, and prevention against corporate espionage. It is supplemented by our **Information Handling Procedure**, which describes general procedures for the handling of all types of information created, received, and transmitted as part of Yara's business activities.

Legal and Compliance

Our **Contract Management Policy** sets the minimum requirements for contract management at Yara. We are committed to protecting the privacy and personal data of our colleagues, customers, suppliers, and business partners. Our **Data Privacy Policy for Customer, Supplier and Business Partner Data**, the **Data Privacy Policy for Employee Data**, and related procedures and guidelines, set out the framework for how personal data shall be processed at Yara. They are supplemented by our **Data Retention and Deletion Procedure** outlining requirements for establishing data retention periods, for retaining information in active storage, and for deleting personal data at the conclusion of retention periods.

Corporate Development and Strategy

Yara's **Sponsorship Process** outlines requirements for sponsorship activities at the corporate, global/regional, and plant and local level. It also stipulates that all activities sponsored by Yara must be in line with our mission and vision. In addition, we also sponsor institutions or activities that support our history or the economic development of the regions we serve.

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Managing compliance in the supply chain

In 2021, we started developing and implementing policies and procedures that, along with our well-established Integrity Due Diligence procedure, will further strengthen our management of sustainability and compliance in the supply chain.

We are committed to conducting due diligence in accordance with the concepts and principles set forth in the UN Guiding Principles for Business and Human Rights and OECD Guidelines for Responsible Business Conduct. In 2021, we initiated work to further align our procurement and supplier management policies and processes with the recommendations from the UN and OECD. This work continues into 2022 as we prepare for the Norwegian Transparency Act, which comes into effect 1 July 2022. The figure below outlines our key policies, procedures, and intentions for the management of sustainability and compliance in the supply chain.

Code of Conduct for Yara's Business Partners

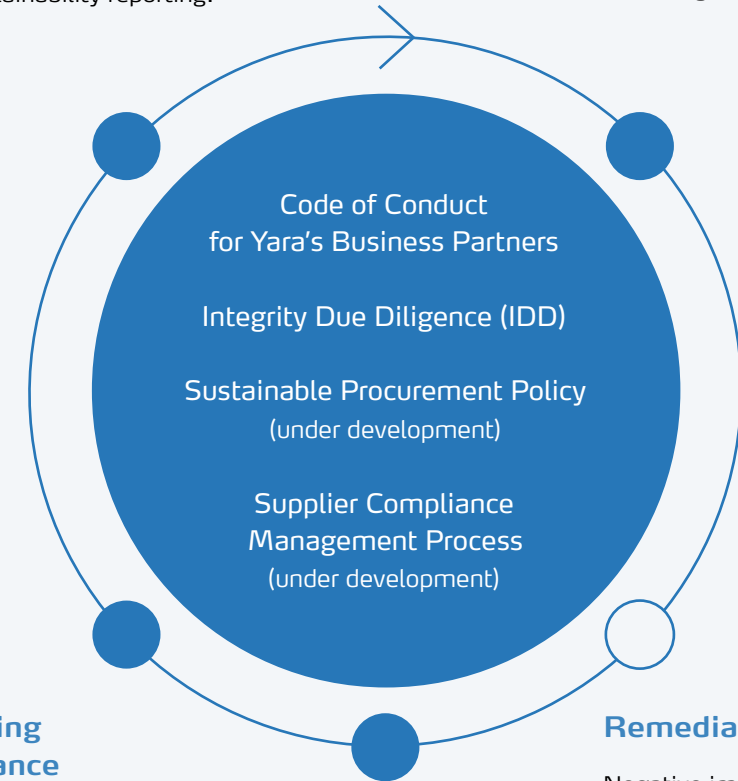
One of Yara's goals is to develop relationships with business partners that share similar corporate values as Yara and conduct their business in an ethical and compliant manner. The [Code of Conduct for Yara's Business Partners](#) (BPCoC) is the Yara policy that outlines the legal obligations and the integrity standards Yara expects its business partners to uphold. The BPCoC considers the same internationally recognized and endorsed standards for human rights, business ethics, and labor conditions as our Code of Conduct.

Communicating outcomes

We communicate activities and outcomes of the IDD process in our sustainability reporting.

Risk identification

We assess all potential new business partners against established risk categories



Managing compliance

Business partners are screened against sanctions and compliance databases and are subject to reviews and audits.

Mitigation of risk or impacts

We mitigate unacceptable risk or impacts through training of business partners or other efforts.

Remediation

Negative impacts are remediated as far as reasonably possible, given our level of impact and influence.

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We expect our 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 BPCoC is communicated to all business partners, which includes both suppliers and customers, and shall be included in all agreements and contracts.

The BPCoC is reviewed periodically and was subject to updates and review by an external partner in 2021. The current Code has been divided into two distinct parts; the **obligations** comprise non-negotiable standards and regulations and the **expectations** outline desired standards Yara expects its business partners to implement.

Integrity Due Diligence

Integrity Due Diligence (IDD) is the procedure for ensuring and monitoring the integrity of potential, new, and existing business partners. The procedure requires an initial assessment of all potential new business partners against established risk categories.

If we uncover risk factors, the business partner is required to complete a self-assessment and declaration covering key business information and topics such as anti-corruption, human rights, labor rights, health and

safety and the environment. If said risk factors remain unacceptable, we may require an in-depth IDD, training, or other efforts.

As part of the IDD Procedure, we continuously monitor compliance in our supply chain by screening business partners against sanctions, watchlists, and compliance databases. On a risk-basis, certain business partners are selected for additional follow-up, including in-depth due diligence work, training and other communication efforts. Depending on the matter, this is conducted by either the Ethics and Compliance Department, other expert functions, or the business line.

In 2021, we conducted an internal review to ensure that standard provisions related to Ethics and Compliance and the Code of Conduct for Business Partners are included in material contracts.

Sustainable Procurement Policy

We started developing the Sustainable Procurement Policy in 2021 which is currently (Q1 2022) being completed. The policy describes how we want to cooperate with our suppliers to create transparency in our suppliers' business sustainability performance and how

to improve their performance, and with that our own performance, where required. This policy guides our global Procurement organization and the implementation of a Sustainable Procurement Program at Yara. This program is planned to be developed during 2022, and fully rolled-out in our global Procurement organization in 2023. The end-to-end planning and execution of procurement at Yara is regulated by our overarching Procurement Policy.

Supplier Compliance Management Process

The objective of the Supplier Compliance Management Process is to describe what the minimum requirements for supplier pre-qualification, qualification, and supplier compliance monitoring are, including supplier auditing, where relevant, following a risk-based approach. This is a global process that allows cross-functional Procurement teams to cover increasing internal and external due diligence and reporting requirements, in addition to existing or upcoming legislation. The process document is currently being developed and aiming to be finalized during 1st half of 2022, enabling implementation as of 2nd half of 2022.

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Controls

Internal Control

Our **Internal Control over Financial and Non-Financial Reporting Policy** outlines the scope of internal control over financial and non-financial reporting. Its objective is to provide reasonable assurance about the timeliness and reliability of Yara's reporting in accordance with applicable laws and regulations. From 2020 and onwards, the scope has included internal control over material non-financial measures that are used externally as part of the integrated reporting journey.

Internal Audit

The **Internal Audit Charter** sets out the mandate for internal audit at Yara as an independent, objective assurance and consulting activity designed to add value and improve our operations. The internal audit activity supports Yara in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control,

and governance processes. The charter is supplemented by the **Internal Audit Process**, which translates the International Standards for the Professional Practice of Internal Auditing into Yara Internal Risk and Audit's (YIRA) purpose and way of working and describes the audit processes employed by YIRA.

Ethics and Compliance

The purpose of our **Internal Investigation Procedure** is to establish a standardized, structured, and effective process for investigations, whether they are based on notifications from internal or external reporters, or initiated independently by the Ethics and Compliance Department based on observations, a mandate, media articles, or findings from Yara Internal Risk and Audit. The procedure specifies that all investigations shall be concluded within a reasonable period of time, with feedback to the reporter when the report has been received and upon conclusion of the investigation.



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We encourage and appreciate open and direct communication between colleagues as well as with other stakeholders and the communities in which we operate.

Creating arenas for dialogue and channels for reporting grievances are important elements of our Stakeholder Management Procedure. It requires business units and project teams to conduct regular stakeholder analyses and tailor ways to engage effectively with groups that are affected by our activities.

[» Stakeholder Management Procedure, page 28](#)

Encouraging dialogue between colleagues

We believe that dialogue and discussion are essential to building and preserving good relations between management and employees. Employees who have work-related concerns, or feel that they have been treated unfairly, are encouraged and free to speak with their immediate supervisors, without fear of retribution. At Yara, we believe that the best way to communicate key messages and improve employee engagement is through managers, and enhancing trust between managers and employees will continue to be a priority in 2022 and onwards.

Employee relations

We have several company-wide channels and processes to identify areas for improvement or grievances.



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Whenever an employee and supervisor are unable to resolve an issue, the employee is encouraged to go the next higher level of management, the Ethics and Compliance Department or to HR. We will make every effort to settle issues on a fair and equitable basis. Yara has zero tolerance for retaliation, regardless of which reporting channel is used.

In addition, we have established several company-wide channels and processes to identify areas for improvement or grievances, and to remediate negative impacts on our people. Findings from these processes spark dialogue and discussion, and support improvements in the organization. We will continue to track and improve the effectiveness of each process, with a particular goal of ensuring cohesive practices across our regions and locations.

Yara Voice

Yara Voice is an annual, global engagement and enablement survey providing employees' feedback on our progress on topics like diversity, equity and inclusion, career and training, well-being, strategy, and culture. It is run world-wide and covers all employees with and without access to computers. Several departments are involved in developing the survey, reviewing the topics, and revising the questions. Feedback from the survey is used to prioritize actions globally, regionally and locally.

Peakon

Peakon are frequent employee surveys – pulse checks – currently covering about 2,500 employees. Serving as an organizational development tool, Peakon enables steady feedback on issues such as autonomy, freedom of opinion, employee well-being and management, and organizational support. Line managers and HR can interact with respondents anonymously, and feedback is followed-up locally with support from HR. Actions can be registered in the tool itself to allow the sharing of key results with team members.

Performance and development discussions

Regular job appraisals promoting face-to-face discussions between individual employees and their line manager on performance, development plans, and any other pertinent issue the employee wants to raise.

Global townhall meetings

Periodic digital meeting in which our CEO invites all employees to participate and submit any questions they may have, anonymously or not.

Yammer

The corporate internal social media channel, available to all employees with a computer or smartphone, and engaging people in communities, networks, and discussions across a wide range of topics.

Pulse

Our corporate intranet, an important mass communication channel and arena for online discussion reaching about 85% of our employees.

Green lines and complaint handling

The majority of Yara's production sites have established green lines or similar communication channels for neighbors and other stakeholders to raise questions, suggestions, or grievances. Social media is also increasingly used to engage with local communities.

Our local production units have systems in place to register and follow up complaints and other feedback from external stakeholders. Grievances related to our environmental performance are reported monthly to our central Corporate HESQ function.

Several product quality complaint handling systems are also in place, each 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.

Mitigating negative impacts

Yara provides for or cooperate in the remediation of negative impacts from our activities as far as reasonably possible, given our level of impact and influence. In addition to the grievance mechanisms described in this chapter, we give particular attention to findings from our Integrity Due Diligence process and human rights impacts assessments (HRIAs). Remediation efforts are presented throughout the Performance section and in the Key concerns raised chapter and of this report.

To prevent environmental damage, Yara proactively seeks to understand the risks and to reduce exposure to operational, environmental and financial damage as low as practically possible. We consider environmental impacts and risks in all relevant business processes,

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Raising awareness about reporting channels

Feedback from human rights impact assessments (HRIA) have shown a need to raise awareness about available channels to external stakeholders such as sub-contractors working on our sites and community members near our sites. Local initiatives have been put in place, including general communication efforts to promote our channels.

Grievance committee at Yara's production site in Babrala, India

One of the findings from the human rights impact assessment conducted at our production site in Babrala, India, was related to the absence of suitable grievance channels for contracted workers on our site. In response, channels were established, along with a grievance redressal process and a grievance committee comprising of members from both Yara and contractors. The committee meets on a monthly basis or as needed to investigate/review potential grievances that have been reported.

including strategy, business planning, business transactions and capital value processes. Through our stringent processes to investigate hazardous conditions, near misses and incidents, and to be aware of environmental conditions and liabilities in our operations, we can take adequate and timely measures and provide for foreseen costs to protect the soil, groundwater, and ecosystems.

Notable examples are our:

» [Engagement in Myanmar and Belarus, page 31](#)

» [Environmental improvements at Yara Montoir, page 147](#)

» [Initiative to prevent sexual exploitation in Brazil, page 66](#)

Ensuring accessible and effective grievance channels

A process was initiated in 2021 to map and measure the accessibility and effectiveness of our grievance channels. The first step is to map which sites have established local grievance channels, including information on their use and function. This work will continue in 2022, with the overall aim of securing, for stakeholders, effective channels on which to raise concerns about Yara's potential negative impacts on them, including access to remedy in line with the UN Guiding Principles.

Whistleblowing

We expect employees and business partners to report suspected violations of our Code of Conduct, other 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, which is available 24/7 in 60 languages, or contact the Ethics and Compliance Department directly.

Yara has an obligation to investigate all reports made, and all notifications will be treated confidentially. Our Internal Investigation Procedure describes 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. Retaliation against a reporter is not tolerated.

» [Ethics Week, page 137](#)

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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).

At year-end 2021, Yara had activities in three mining sites:

1. Siilinjärvi, Finland
2. Serra do Salitre, Brazil
3. Dallol, Ethiopia (not operational)

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.

In addition to these three sites we were also involved in mining activities through the joint ventures Qafco (Qatar) and Lifeco (Libya), first one, however, was divested in 2020 and the latter in early 2021.

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 in which we operate and follow the strictest standards when making decisions, whether they be local or international laws and regulations, or our own policies and standards.

Our mining sites are subject to the same policy implementation, internal audits, training, and awareness building and other procedures relating to the implementation and evaluation of performance, as all operational Yara sites. 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.

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 overall responsibility for the Mining unit, which acts as the center of excellence for mining in Yara. The objective is to drive sustainable mining, focus on safety, environment, and cost through operational and capital efficiency and by contributing to the long-term security of mineral supply to Yara's production facilities and markets. Operations 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.

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	Yara Siilinjärvi	Yara Brazil, Salitre	Yara Dallol, Ethiopia
201-2: Payment to local communities for land use	N/A	N/A	The dallol project's land is not occupied by communities and no land use payment except land lease payment to regional government.
202-2: 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	Mine is not in active operation. N/A in current phase
MM1: Land disturbed or rehabilitated in the mining activities	See Protection of the ecosystem, page 99	See Protection of the ecosystem, page 99	N/A in current phase
MM2: Sites requiring biodiversity management plan	See Protection of the ecosystem, page 99	See Protection of the ecosystem, page 99	N/A in current phase
MM3: Overburden, rock, tailings and sludges from the mining	See Circularity, page 107	See Circularity, page 107	N/A in current phase
MM4: 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
MM5: Number of operations in or adjacent to indigenous peoples' territories, percentage of operations with formal agreements with indigenous peoples' communities	N/A	N/A	N/A
MM6: Significant disputes relating to land use, customary rights of local communities and indigenous peoples	No significant disputes	No significant disputes	No significant disputes
MM7: Grievance mechanisms used to resolve issues under MM6	No significant disputes	No significant disputes	No significant disputes
MM10: 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	Mine is not operational but there is generic closure plan.
304 Biodiversity	See Protection of the ecosystem, page 99	See Protection of the ecosystem, page 99	N/A in current phase
305 Emissions	See Air Quality, page 105	See Air Quality page 105	N/A in current phase
306 Waste	See Circularity, page 107	See Circularity, page 107	N/A in current phase

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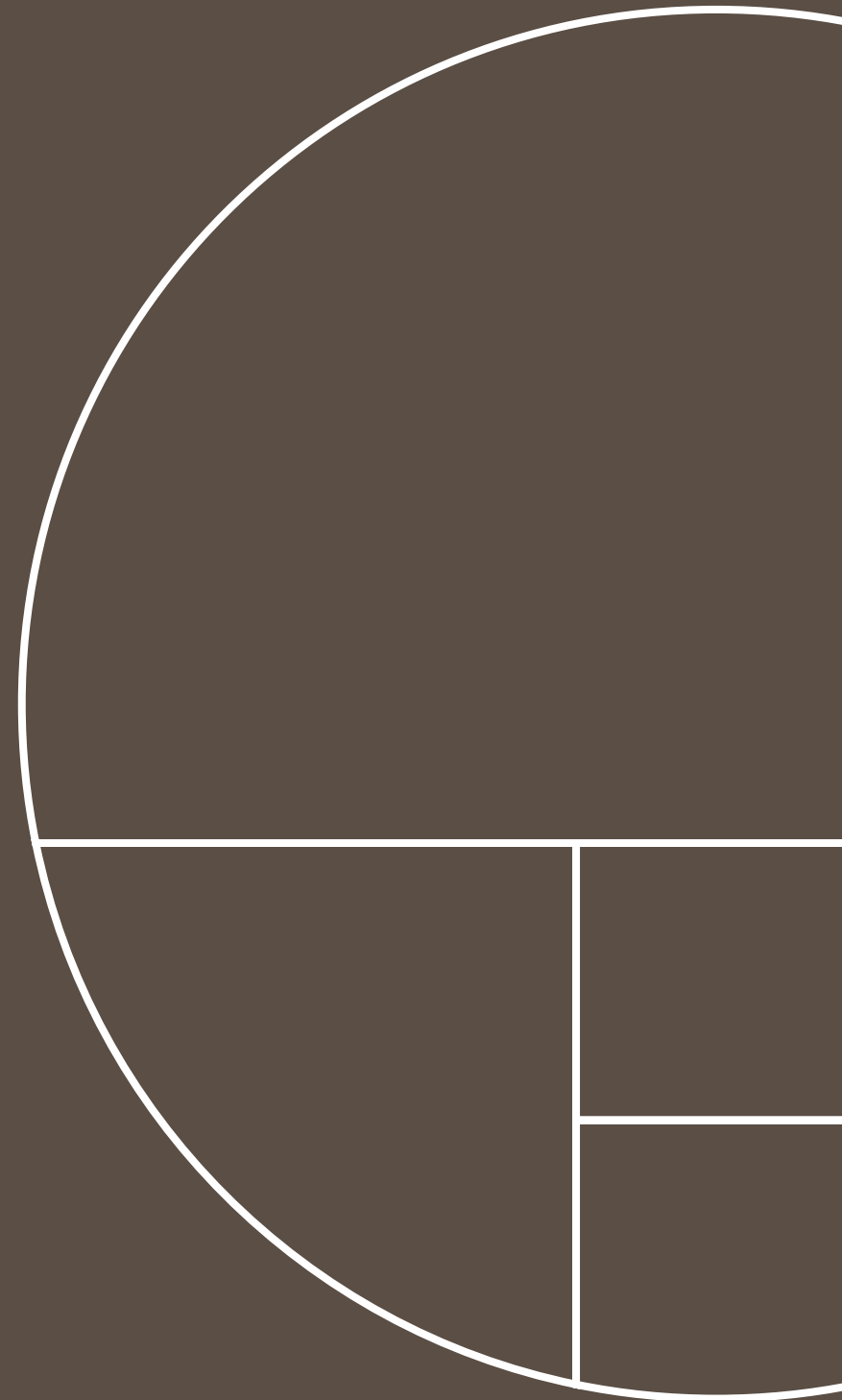
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How we report

Yara's mission is to responsibly feed the world and protect the planet, inspired by the UN Sustainable Development Goals and the Paris Agreement. We strive for diligent and transparent sustainability reporting, and to ensure that we report on what matters, we have embraced the concept of double materiality. Yara is an early adopter of the revised Global Reporting Initiative's Universal Standards.



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Report scope and details

GRI reporting

Our reporting practices are aligned with the **Global Reporting Initiative (GRI)**.

GRI Universal Standards: We are early adopters of the standards which will take effect from January 2023.

GRI Sector Standards: We aim to report according to the GRI Sector Standards that is currently being developed by GRI.

GRI Topic Standards: We apply indicators from the Topic Standards to report on material topics

Changes in reporting

We continue to improve our disclosure and transparency on several ESG topics, in line with the updated GRI Universal Standards guidelines, including on materiality and corporate governance.

- **Materiality:** In 2021, we renewed our approach to materiality, and strengthened the connection between material topics and the performance management system. The assessment reflects the double materiality requirements in the Corporate Sustainability Reporting Directive proposal (CSRD) adopted by the EU Commission in April 2021. Some previously clustered topics were ungrouped to give readers better

insight into our priorities and performance, not least on human rights and labor practices, protection of ecosystems, health and well-being at work, customer management, and sustainability in our supply chains.

- **Corporate governance:** We expanded our Corporate governance reporting, published in the Yara Integrated Report, on Board activities and sustainability oversight.

Yara is committed to reporting in line with the WEF Measuring Stakeholder Capitalism declaration on the universal purpose of companies, which also serves as an integrated reporting framework.

- **People, Planet, and Prosperity:** In 2020, we structured our KPIs and performance reporting along the three axes People, Planet, and Prosperity, and in 2021, we have particularly strengthened our reporting on Prosperity, improving our disclosure on social impacts and ESG in our supply chain.
- **Governance:** In the 2021 reporting, we introduced the fourth axis, Governance, from the WEF Measuring Stakeholder Capitalism framework. The regulatory landscape is changing rapidly, and we identified regulatory change and compliance as a material topic, described in a new chapter.

Restatements

We had two restatements of previously disclosed information:

- **Raw materials, natural gas:** Figures have been adjusted from 2017 to reflect sites where we have operational control (Tringen now included) and removal of hydrogen consumption (Hull).
- **Water withdrawal in Yara's production sites:** Figures adjusted from 2017, as a cooling water stream withdrawn from, and discharged to, brackish surface water at Yara Sluiskil was included in the reporting.

Data quality

Yara has initiated an initiative to further mature internal control over non-financial reporting. We base internal control over non-financial reporting on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework. Non-financial reporting contains a wide variety of information with different characteristics and reporting processes. When formalizing and maturing internal control in line with the COSO Framework, we take a top-down, risk-based approach where we prioritize those measures that most impact our external commitments and sustainable performance the most.

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The table below describes how our material topics relate to the topics defined in the GRI reporting framework. 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	GRI topics
People	Occupational and process safety	403 Occupational health and safety
	Diversity, equity, and inclusion	405 Diversity and equal opportunity, 406 Non-discrimination
	Leadership and employee enablement	404 Training and education
	Entrepreneurship and agility	
	Security and emergency	410 Security practices
	Human rights and labor practices	401 Employment, 407 Freedom of association and collective bargaining, 408 Child labor, 409 Forced or compulsory labor, 411 Rights of indigenous peoples
	Health and well-being at work	401 Employment, 403 Occupational health and safety
	Product safety	416 Customer health and safety, 417 Marketing and labeling
Planet	Climate change	305 Emissions
	Energy	302 Energy
	Opportunities in clean tech	305 Emissions
	Sustainable farm management	305 Emissions
	Protection of ecosystems	304 Biodiversity
	Water management in production	303 Water and effluents
	Air quality	305 Emissions
Prosperity	Circularity	301 Materials, 306 Waste
	Sustainable finance	
	Digitalization	
	Customer management	
	Socioeconomic impacts on communities	201 Economic performance, 203 Indirect economic impacts
Governance	Sustainable supply chains	301 Materials, 308 Supplier environmental assessment
	Business integrity	205 Anti-corruption, 207 Tax, 415 Public policy
	Regulatory change and compliance	413 Local communities
	Stakeholder engagement	
Other	Board composition and oversight	
	Mining operations	201 Economic performance, 202 Market presence, GRI Mining and Metals Sector Supplement

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Report boundaries

We follow the operational control approach in our non-financial reporting. We define operational control as a Yara employee being the CEO (or plant manager, or similar) of a company/plant.

Consolidated data within this report covers the reporting year 2021, 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 2021, 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 control,

according to IFRS 11 requirements. For the 2021 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.

List of companies which represent special cases as of year-end 2021:

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
Dallol	Yes	Yes	Yes	Yes	Yes	No	Subsidiary, 51.8% ownership ¹⁾

¹⁾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 operations section of the report.

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Contact point for questions regarding the report

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

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Sustainability Director

Sustainability Governance, Yara Finance

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External assurance

Yara 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 2021. 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 third consecutive year, Yara has chosen 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.

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To the management of Yara International ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON YARA'S SUSTAINABILITY REPORT FOR 2021

We have been engaged by the management of Yara International ASA to provide independent assurance in respect of Yara Sustainability Report 2021 ("the Report") presented on 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 tonnes CO₂ equivalents per tonne N in Yara's products, presented on [page 87](#) in the Report.
- 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, 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.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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.

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.

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 meetings 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 one production site 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 10 production sites covering about 80 percent of the Scope 1 and about 65 percent the Scope 2 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 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 meetings 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 2021 to be included in the Report, as described in the Report.
- Information presented for 2021 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 and appropriately provides information, or refers to information, on each of the reported disclosures of the GRI Standards.
- The TCFD and the WEF Stakeholder Capitalism indicators indexes presented in the Yara Integrated Report 2021, appropriately provides references to where information about each of the relevant disclosures and metrics are presented in the Yara Integrated Report 2021 and the Yara Sustainability Report 2021.

Oslo, 24 March 2022

Deloitte AS



Espen Johansen

State Authorised Public Accountant (Norway)



Frank Dahl

Sustainability expert

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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 2021

IR: [Yara Integrated Report 2021](#)

CC: [Yara Country-by-Country Report 2021](#)

RR: [Yara Executive Remuneration Report 2021](#)

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, page 75–77.



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GRI content index

GRI STANDARD AND DISCLOSURE	LOCATION
Gri standard and disclosure	
GRI 2: General Disclosures 2021	
2-1 Organizational details	SR 7 , IR 69, 217-219
2-2 Entities included in the organization's sustainability reporting	SR 172 , IR 217-219
2-3 Reporting period, frequency and contact point	SR 172-173
2-4 Restatements of information	SR 170
2-5 External assurance	SR 173-176
2-6 Activities, value chain and other business relationships	SR 6 , 14 , 133-134 , IR 28
2-7 Employees	SR 78-79
2-8 Workers who are not employees	SR 78
2-9 Governance structure and composition	SR 151-153 , IR 101-105
2-10 Nomination and selection of the highest governance body	IR 91
2-11 Chair of the highest governance body	IR 84
2-12 Role of the highest governance body in overseeing the management of impacts	SR 151-153 , IR 84-86, 89-91
2-13 Delegation of responsibility for managing impacts	SR 151-153
2-14 Role of the highest governance body in sustainability reporting	SR 151-153 , IR 84-85, 90
2-15 Conflicts of interest	IR 84
2-16 Communication of critical concerns	SR 31 , IR 90
2-17 Collective knowledge of the highest governance body	IR 91, 101-105
2-18 Evaluation of the performance of the highest governance body	IR 90-91
2-19 Remuneration policies	IR 92-96
2-20 Process to determine remuneration	IR 87, 92-93

GRI STANDARD AND DISCLOSURE	LOCATION
2-21 Annual total compensation ratio	Information incomplete. Median total compensation for all employees was unavailable for the 2021 reporting year.
2-22 Statement on sustainable development strategy	SR 8-10
2-23 Policy commitments	SR 20-23
2-24 Embedding policy commitments	SR 154-163
2-25 Processes to remediate negative impacts	SR 165-166
2-26 Mechanisms for seeking advice and raising concerns	SR 164-166
2-27 Compliance with laws and regulations	SR 144-148
2-28 Membership associations	SR 20 , 24
2-29 Approach to stakeholder engagement	SR 28-30
2-30 Collective bargaining agreements	SR 67-68
Material topics	
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	SR 33-38
3-2 List of material topics	SR 35-36
Economic	
GRI 201: Economic Performance 2016	
3-3 Management of material topics	SR 15-16 , IR 20-23
201-1 Direct economic value generated and distributed	SR 117
201-2 Financial implications and other risks and opportunities due to climate change	SR 11-12 , 86 , IR 121
201-3 Defined benefit plan obligations and other retirement plans	IR 186-191

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GRI STANDARD AND DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	
3-3 Management of material topics	SR 15-16 , IR 20-23
201-1 Direct economic value generated and distributed	SR 117
GRI 202: Market Presence 2016	
3-3 Management of material topics	SR 167 (partly)
202-2 Proportion of senior management hired from the local community	Information incomplete. Data for 202-2 is not collected systematically.
GRI 205: Anti-corruption 2016	
3-3 Management of material topics	SR 139-140 , 157-158
205-1 Operations assessed for risks related to corruption	SR 141
205-2 Communication and training about anti-corruption policies and procedures	SR 141
205-3 Confirmed incidents of corruption and actions taken	SR 142
GRI 206: Anti-competitive Behavior 2016	
3-3 Management of material topics	SR 157-158
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	IR 195
GRI 207: Tax 2019	
3-3 Management of material topics	SR 140 , 157
207-1 Approach to tax	SR 140
207-2 Tax governance, control, and risk management	SR 140
207-3 Stakeholder engagement and management of concerns related to tax	SR 140
207-4 Country-by-country reporting	SR 140
Environmental	
GRI 301: Materials 2016	
3-3 Management of material topics	SR 132-134
301-1 Materials used by weight or volume	SR 133
301-2 Recycled input materials used	SR 107-108

GRI STANDARD AND DISCLOSURE	LOCATION
GRI 302: Energy 2016	
3-3 Management of material topics	SR 89
302-1 Energy consumption within the organization	SR 90
302-3 Energy intensity	SR 90
GRI 303: Water and Effluents 2018	
3-3 Management of material topics	SR 102-103
303-1 Interactions with water as a shared resource	SR 82-83 , 102-103
303-2 Management of water discharge-related impacts	SR 102-103
303-3 Water withdrawal	SR 103 , 111
303-4 Water discharge	SR 103 , 111
303-5 Water consumption	SR 103 , 111
GRI 304: Biodiversity 2016	
3-3 Management of material topics	SR 99-100
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR 101
304-2 Significant impacts of activities, products and services on biodiversity	SR 99-100
304-3 Habitats protected or restored	SR 101
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR 101
MM1 Land disturbed or rehabilitated in the mining activities	SR 101
MM2 Sites requiring biodiversity management plan	SR 101
GRI 305: Emissions 2016	
3-3 Management of material topics	SR 84-86 , 105-106
305-1 Direct (Scope 1) GHG emissions	SR 87 , 110
305-2 Energy indirect (Scope 2) GHG emissions	SR 87 , 110
305-3 Other indirect (Scope 3) GHG emissions	SR 87 , 110
305-4 GHG emissions intensity	SR 87
305-5 Reduction of GHG emissions	SR 84-86 , 105-106

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GRI STANDARD AND DISCLOSURE	LOCATION
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	SR 106 , 111
GRI 306: Waste 2020	
3-3 Management of material topics	SR 109
306-1 Waste generation and significant waste-related impacts	SR 109
306-2 Management of significant waste-related impacts	SR 109
306-3 Waste generated	SR 109
306-4 Waste diverted from disposal	SR 109 , 111
306-5 Waste directed to disposal	SR 109 , 111
MM3 Overburden, rock, tailings, and sludges from the mining	SR 109
GRI 308: Supplier Environmental Assessment 2016	
3-3 Management of material topics	SR 133
308-1 New suppliers that were screened using environmental criteria	SR 133
308-2 Negative environmental impacts in the supply chain and actions taken	SR 133
Social	
GRI 401: Employment 2016	
3-3 Management of material topics	SR 70 , 159-160
401-1 New employee hires and employee turnover	SR 79
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 73-74
401-3 Parental leave	SR 73
GRI 402: Labor/management relations 2016	
3-3 Management of material topics	SR 67-68
MM4 Number of strikes and lock-outs exceeding one week's duration, by country	SR 168
GRI 403: Occupational Health and Safety 2018	
3-3 Management of material topics	SR 44-45 , 70-71 , 159
403-1 Occupational health and safety management system	SR 44

GRI STANDARD AND DISCLOSURE	LOCATION
403-2 Hazard identification, risk assessment, and incident investigation	SR 44-45 , 159
403-3 Occupational health services	SR 73
403-4 Worker participation, consultation, and communication on occupational health and safety	SR 44-45
403-5 Worker training on occupational health and safety	SR 45 , 70
403-6 Promotion of worker health	SR 45 , 70-71
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 44-45 , 70-71
403-8 Workers covered by an occupational health and safety management system	SR 44
403-9 Work-related injuries	SR 46
GRI 404: Training and Education 2016	
3-3 Management of material topics	SR 54
404-1 Average hours of training per year per employee	SR 56
404-2 Programs for upgrading employee skills and transition assistance programs	SR 55-57
404-3 Percentage of employees receiving regular performance and career development reviews	SR 56
GRI 405: Diversity and Equal Opportunity 2016	
3-3 Management of material topics	SR 48-49
405-1 Diversity of governance bodies and employees	SR 49-50
405-2 Ratio of basic salary and remuneration of women to men	SR 51-52 , 80
GRI 406: Non-discrimination 2016	
3-3 Management of material topics	SR 48-49 , 51
406-1 Incidents of discrimination and corrective actions taken	SR 51
GRI 407: Freedom of Association and Collective Bargaining 2016	
3-3 Management of material topics	SR 67-68
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR 68

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GRI STANDARD AND DISCLOSURE	LOCATION
GRI 408: Child Labor 2016	
3-3 Management of material topics	SR 65-67
408-1 Operations and suppliers at significant risk for incidents of child labor	SR 67
GRI 409: Forced or Compulsory Labor 2016	
3-3 Management of material topics	SR 65-67
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR 67
GRI 410: Security Practices 2016	
3-3 Management of material topics	SR 64
410-1 Security personnel trained in human rights policies or procedures	SR 64
GRI 411: Rights of Indigenous Peoples 2016	
3-3 Management of material topics	SR 65-67, 167
411-1 Incidents of violations involving rights of indigenous peoples	SR 67
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 168
GRI 413: Local Communities 2016	
3-3 Management of material topics	SR 167
413-2 Operations with significant actual and potential negative impacts on local communities	SR 129
MM6 Significant disputes relating to land use, customary rights of local communities and Indigenous peoples	SR 168

GRI STANDARD AND DISCLOSURE	LOCATION
MM7 Use of grievance mechanisms to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples, and the outcomes	SR 168
MM10 Number and percentage of operations with closure plans	SR 168
GRI 414: Supplier Social Assessment 2016	
3-3 Management of material topics	SR 65-66, 161-162
414-1 New suppliers that were screened using social criteria	SR 66, 142-143
414-2 Negative social impacts in the supply chain and actions taken	SR 66-67
GRI 415: Public Policy 2016	
3-3 Management of material topics	SR 140, 157
415-1 Political contributions	SR 140
GRI 416: Customer Health and Safety 2016	
3-3 Management of material topics	SR 75-76
416-1 Assessment of the health and safety impacts of product and service categories	SR 75-76
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	SR 77
GRI 417: Marketing and Labeling 2016	
3-3 Management of material topics	SR 75-76
417-1 Requirements for product and service information and labeling	SR 76
417-2 Incidents of non-compliance concerning product and service information and labeling	SR 76

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Sustainalytics references

Yara targets a Medium Risk category rating by 2025 from Sustainalytics, see [page 116](#). The table below shows where we cover Sustainalytics indicators. The corporate governance specific indicators are covered in the Integrated Report from page 80.

INDICATOR NAME	LOCATION
Animal Testing Policy	-
Animal Testing Programme	-
Bribery & Corruption Policy	IR 72, SR 136-143 , 157-158
Carbon Intensity	SR 84-88
Carbon Intensity Trend	SR 84-88
Collective Bargaining Agreements	SR 67-68
Community Involvement Programmes	SR 126-131 , 164-167
Contractor Fatalities	SR 44-47
Contractor Safety Programme	SR 44-47 , 159
Discrimination Policy	SR 48-53 , 157
Diversity Programmes	SR 42-43 , 48-53
Effluent Management	SR 101-104 , 146-148
Emergency Response Programme	SR 62-64
Employee Fatality Rate	SR 44-47 , 159
Employee Turnover Rate	SR 79
EMS Certification	SR 44 , 74 , 89 , 133
Environmental Management System	SR 44 , 144-149
E&S Impacts of Products and Services	SR 6 , 13 , 21-23 , 75-77
Environmental Policy	SR 159
ESG Governance	SR 150-163
ESG Performance Targets	SR 15 , 33-39

INDICATOR NAME	LOCATION
ESG Reporting Standards	SR 4 , 170-182
Freedom of Association Policy	SR 65-69 , 157
Gender Pay Disclosure	IR 44, 46-49, SR 51-52
Gender Pay Equality Programme	IR 44, 46-49, SR 51-52 ,
GHG Reduction Programme	IR 15-17, 51-52, 57-58, SR 84-88 , 110
GHG Risk Management	IR 121, SR 84-88 , 110 , 159
Global Compact Signatory	SR 20-23
Green Logistics Programmes	SR 132-135
Green Procurement Policy	SR 132-135
Hazardous Products	SR 75-77
Hazardous Waste Management	SR 107-109 , 111
Health and Safety Management System	SR 7,44-47 , 70-74
Human Capital Development	IR 119, SR 54-57
Human Rights Policy	SR 20 , 65-69 , 157 , 161-162
Lobbying and Political Expenses	SR 139-143
LTIR Trend	SR 44-47
Non-GHG Air Emissions Programmes	SR 105-106
Physical Climate Risk Management	IR 121, SR 84-88 , 159
Policy on Emerging Technologies	-
Political Involvement Policy	SR 139-143 , 157

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INDICATOR NAME	LOCATION
Product and Service Safety Programme	SR 75-77
QMS Certifications	SR 44 , 133 , 159
Renewable Energy Programmes	SR 89-92
Renewable Energy Use	SR 89-90
Responsible Marketing Policy	SR 75-77
Scope of GHG Reporting	SR 84-88 , 110
Scope of Social Supplier Standards	SR 132-135 , 161-162

INDICATOR NAME	LOCATION
Sustainable Products & Services	SR 6 , 13 , 15 , 21-23 , 121
Tax Disclosure	SR 139-143 , 157 , CC
Verification of ESG Reporting	SR 170-176
Water Intensity	SR 102-104
Water Management Programmes	SR 82-83 , 97-98 , 102-104
Water Risk Management	SR 82-83 , 97-98 , 102-104
Whistleblower Programmes	SR 166

MSCI references

Yara targets an A rating by 2025 from MSCI, see [page 116](#). The table below shows where we cover MSCI indicators.

ESG issue	LOCATION
ENVIRONMENT	
Carbon Emissions	IR 15-17, 51-52, 57-58, SR 6 , 13 , 17-19 , 23 , 25 , 60-61 , 81-98 , 110 , 118-122 , 132-135 , 156 , 159 , 161-162
Toxic Emissions & Waste	SR 44 , 105-106 , 108-109 , 111 , 132-135 , 146-148 , 159 , 161-162
Water Stress	SR 82-83 , 97-98 , 102-104 , 122 , 128 , 159
Opportunities in Clean Tech	IR 15-17, 57-58, SR 17-18 , 91-94 , 119-122
SOCIAL	
Chemical Safety	SR 75-77 , 159
GOVERNANCE	
Corporate Governance	SR 151-166 , IR 80-115, RR, CC
Corporate Behavior	IR 72-74, SR 20 , 136-143 , 151-154 , 157-158 , 161-162 , 164-166
CONTROVERSIES	SR 31-32



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