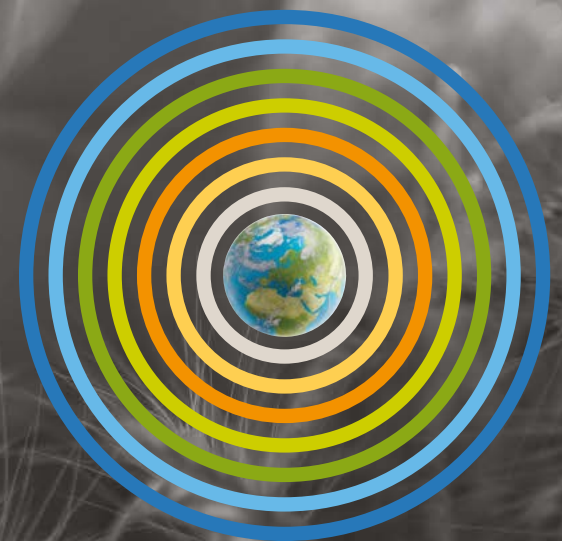




**Knowledge grows**

# Taking the European Green Deal to the next level

Ensuring success by moving  
from ambition to action



*“The European elections are critical. The new EU Commissioners and Members of Parliament will set the agenda for the European Union for the next five years. The European Union must now move from targets to action to speed up the green transition, safeguard jobs and secure strategic autonomy amidst the significantly changed geopolitical situation.”*



Svein Tore Holsether  
President and Chief Executive Officer





The European Green Deal was launched in December 2019 as a roadmap with actions to boost the efficient use of resources by moving to a clean, circular economy and stopping climate change, reversing biodiversity loss and cutting pollution.



Yara fully supports the goals laid out in the Green Deal. We are more committed than ever to our mission of responsibly feeding the world while protecting the planet. As the leading provider of crop nutrition solutions and ammonia trader and a frontrunner in decarbonizing the agri-food and energy value chains, we believe in a future powered by low-carbon food, decarbonized shipping and clean energy. These elements are key milestones towards realizing our ambition of growing a nature-positive food future. But we need to do this together. It is our collective responsibility. If we get it right, we can ensure that European industry and agriculture will remain competitive on the international stage and play a central role in a low-carbon future.

The European Commission emphasized in September 2023 the importance of a strong, competitive and sustainable EU industry with fair and open trade. We believe that supporting open trade, especially between the EU and the United States, will also drive innovation and create opportunities for businesses.

However, transforming European industry and agriculture has become increasingly challenging due to energy price volatility and supply chain disruptions following the COVID-19 pandemic and the war in Ukraine.

Yara therefore now calls on European and national policymakers to take the Green Deal to the next level during the coming five years by speeding up, scaling up and shifting the focus from targets to incentives. It is doable. Many of the solutions, tools and technologies already exist.



1

### Implement sustainable crop nutrition management practices to make every nutrient count and reduce environmental impact

Every step towards achieving the Farm-to-Fork ambitions must contribute to optimizing yields, producing healthier crops, enhancing soil health, and ensuring the economic viability of European farmers.

#### *Our recommendations*

There are many ways to achieve this, including helping promote the use of the Farm Sustainability Tool for Nutrients and encouraging the use of fertilizers produced in the European Economic Area whose carbon footprints are on average around 50-60% lower than other similar imported products. If the intention to evaluate and revise the Nitrates Directive is confirmed:

- Harmonize across the EU on how diffuse nutrient pollution is prevented
- Promote the use of the Nitrogen Use Efficiency indicator to track progress at farm level
- Boost the use of digital tools to facilitate farmers' nutrient planning



2

### Support farmers' prosperity and sustainability via Common Agricultural Policy (CAP)

The National Strategic Plans under the CAP have become key drivers for sustainable change. This is why a mix of collaborative approaches, targeted incentive mechanisms, and knowledge exchanges will be needed to support farmers and the food value chain in scaling up current efforts to further reduce the environmental impact of agriculture. However, incentives for farmers to shift to more sustainable practices should not increase their administrative burden.

#### *Our recommendations*

- Guarantee that eco-schemes are accessible to a significant number of farmers and red tape for farmers is minimized
- Offer an eco-scheme that will stimulate the large-scale adoption of precision farming tools
- Support investments for farmers to apply fertilizers that lead to less ammonia emissions



3

### Secure a balanced mix of national and EU funds, along with private capital to boost decarbonization

It is time to shift EU investments from R&D to the deployment of large-scale hydrogen projects. Large-scale decarbonization projects are needed to transform production in hard-to-abate sectors. Meeting the Renewable Energy Directive (RED III) ambitions for green hydrogen will require a full-scale industrial transformation, which can only succeed in close partnership between the private and public sectors. At the moment, there are different technologies which could support the decarbonization of industrial plants. However, there is currently a cost gap between today's production and green production. Therefore, if we want also to meet the RED III ambitions for green hydrogen, it will require huge investments from both the private and the public sectors.

#### *Our recommendations*

- Focus more funds on the deployment of large-scale projects that have the potential to reduce emissions and improve the predictability and transparency of EU funding initiatives
- Enable a combination of financial support from both EU and national programs
- Allow for a mix of measures boosting both the production and the use of fertilizers produced with renewable electricity and via carbon capture and storage (CCS)

4

### Leverage blue hydrogen as a bridge to green to rapidly reduce greenhouse emissions and scale up the use of hydrogen

The decarbonization challenge is too large to disregard any technically feasible and economically viable options. The focus should be on both blue (with carbon capture and sequestration) and green (renewable) technologies. Blue hydrogen and blue ammonia can especially reduce industrial and shipping emissions. Developing blue hydrogen in Europe and overseas thus goes hand in hand with scaling up renewable electricity generation and green hydrogen.

#### *Our recommendations*

- Foster all technologies that allow for large and fast emission reductions
- Increase the recent policy focus on CCS and develop a comprehensive and supportive framework for blue hydrogen



5

### Foster a market for low-carbon fertilizers and shipping fuels

Clean hydrogen and clean ammonia can be game changers in shipping and the Fuel EU Maritime initiative provides the right kind of incentives to deploy sustainable alternative marine fuels. The rules on greenhouse gas intensity of marine fuels in FuelEU Maritime, together with the sub-target for green hydrogen-based fuels, results in more certainty for producers, distributors, and infrastructure providers, as well as for consumers. In agriculture the potential of clean hydrogen remains largely untapped. Using clean hydrogen in ammonia production, along with state-of-the-art emission abatement technologies in nitrate production, can reduce the carbon footprint of fertilizers by 80-90%. Such low-carbon fertilizers help reduce the carbon footprint of the entire agri-food value chain, from crops to food, without changing farming practices.

#### *Our recommendations*

- Create financial incentives for the uptake of low-carbon fertilizers by farmers and translate production targets into distribution and value chain targets
- Embrace certification schemes that make it easier for renewable and low-carbon hydrogen to scale up
- Continue to decarbonize shipping fuels in line with Fuel EU Maritime
- Invest already now in port bunkering infrastructure so ship owners can confidently invest in making ship engines ready for new zero-carbon fuels



6

### Promote regenerative agriculture as a vehicle for growing a nature-positive food future

Healthy soils are the foundation of our food system, playing a crucial role in the long-term sustainability of European agriculture. We support the implementation of regenerative agriculture to contribute to growing a nature-positive food future. Yara defines regenerative agriculture as a “systematic, outcome-based approach to adopt the best sustainable farming practices that positively affect nature and climate, across five recurrent themes: climate, soil health, resource use efficiency, biodiversity, and prosperity”.

#### *Our recommendations*

- **Promote an outcome-driven approach that combines digital technologies and low-carbon fertilizers to minimize environmental impact and optimize nutrient management in sustainable farming**
- **Improve the collection and recycling of food waste to increase the production of organic fertilizers and restore more carbon to the soil**



7

### Ensure that the EU's low-carbon exports remain competitive in the global market

Competitive access to global markets is crucial for European producers to secure investments and revenues to finance decarbonization. However, today's Carbon Border Adjustment Mechanism (CBAM) does not include a solution for exports from Europe to third countries with laxer climate legislation. The lack of a solution for EU exports in global markets also jeopardizes the underlying climate objective of reducing greenhouse gas emissions as the result would be carbon leakage and higher global emissions.

#### *Our recommendation*


- **Present a legislative proposal in 2025 to modify CBAM by adding a solution for exports to prevent carbon leakage**



## Conclusion

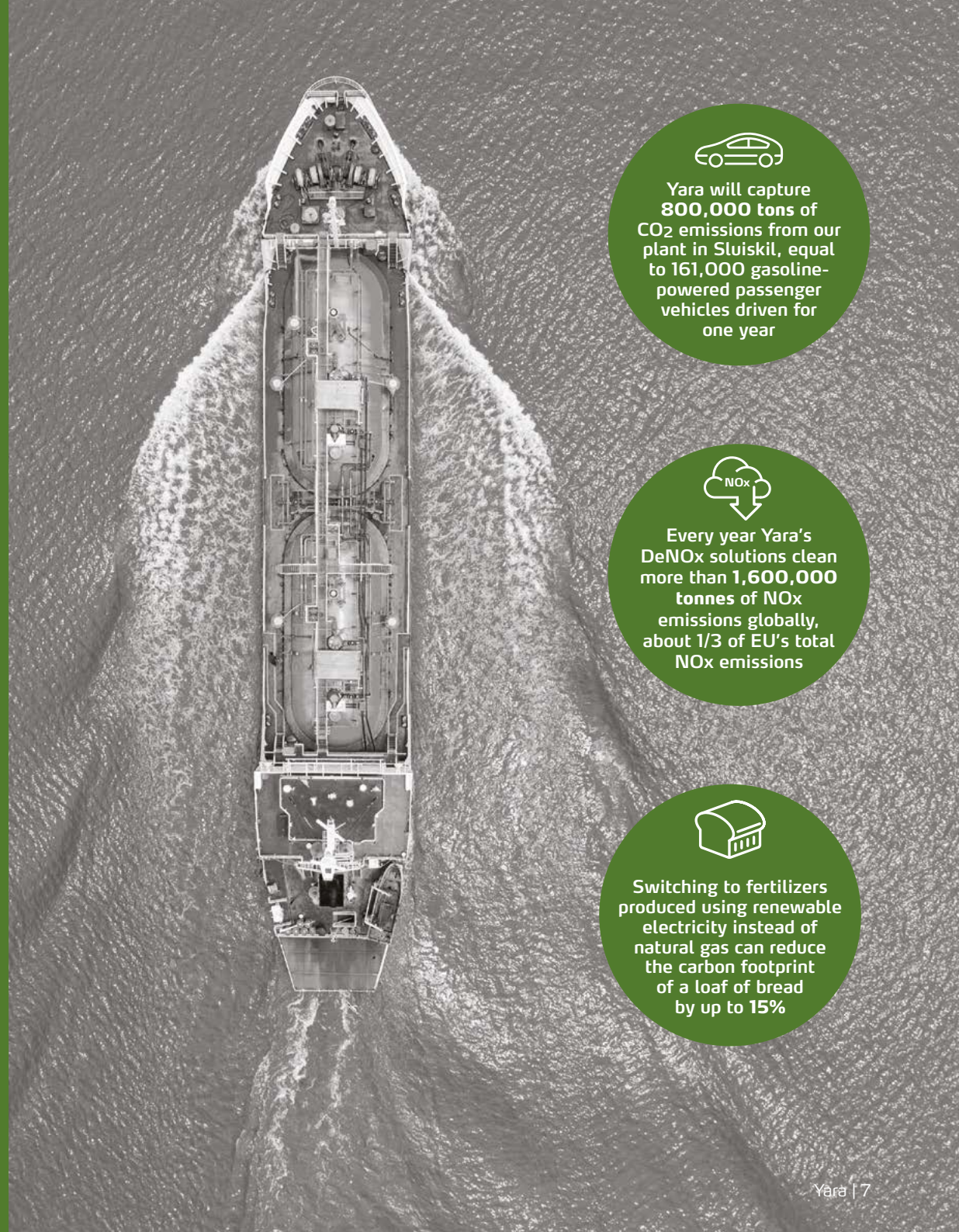
The cost of inaction is much greater than the cost of action. The planet can't wait, and Europe can't wait. We can no longer take small steps and work in silos. We must work together across entire value chains, and via public and private partnerships. The only way forward is to step up the Green Deal's game to ensure its success. We need to accelerate change by moving from targets to concerted action. This will ensure that both European industry and agriculture remain competitive and sustainable.



 Learn more.

Please scan the QR code to find this document and other position papers on Yara.com

Yara's Transparency Register ID-number:  
**68208004617-79**



Yara will capture **800,000 tons** of CO<sub>2</sub> emissions from our plant in Sluiskil, equal to **161,000** gasoline-powered passenger vehicles driven for one year



Every year Yara's DeNO<sub>x</sub> solutions clean more than **1,600,000 tonnes** of NO<sub>x</sub> emissions globally, about **1/3** of EU's total NO<sub>x</sub> emissions




Switching to fertilizers produced using renewable electricity instead of natural gas can reduce the carbon footprint of a loaf of bread by up to **15%**

## Yara in Europe

Yara is the largest crop nutrition and industrial nitrogen company in Europe and also the world's leading ammonia provider. With around 6,800 employees supporting customers in over 30 European countries we provide a complete offering of solutions – including application advice, digital tools, crop nutrition and essential industrial products.

 **21** production plants

 **~140** owned and leased terminals and warehouses

 Customers in **~30** countries

