

Yara UK Limited – Section 172(1) Statement

In accordance with the Companies Act 2006 (the 'Act'), as amended by the Companies (Miscellaneous Reporting) Regulations 2018, the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the company, under section 172.

The Board always aims to act in the best interests of the company with a fair, balanced approach. The needs of different stakeholders are always considered as well as the consequences of any long term decision in addition to adherence to corporate governance frameworks. More specific information is given in sub-paragraphs (a) to (f), which correspond to the individual factors disclosed under Section 172(1).

a. Long-term decision making

The Board delegates day-to-day management and decision making to management teams specific to business area whilst maintaining oversight of the company's performance. For long term investment decisions the company has an approval process driven by value and business segment lines, culminating in a central investment committee to ensure overall adherence to group strategy.

b. Stakeholders: Employees

The company recognises that employees are the driving force behind the company and aims to empower them by way of its values – ambition, curiosity, collaboration and accountability. Investment in employees is seen as invaluable and this is shown through the recruitment and onboarding process, training and knowledge sharing programmes and annual development plans. Yara actively encourages a process of continuous improvement and challenges employees to find original solutions to issues faced within the business. A European Works Council, containing employee representatives from all sectors of the business, holds regular meetings in order to give employees a forum for feedback and suggestions to corporate management. In addition, town hall meetings are held at the group level, as appropriate, providing employees with more detailed insight into strategic thinking and allowing them further opportunity to interact with, and raise questions to, senior management regarding the company's direction of travel. The intranet regularly displays articles to help keep employees abreast of local and international company news along with corporate strategy developments, whilst also being open and available for any employee to share their own news, successes and knowledge. Diversity and inclusion is important to Yara and is seen to have a positive impact on employee engagement and lead to more innovation.

c. Stakeholders: Suppliers, customers and others

The company is guided by a Code of Conduct which is integral to contracts with our stakeholders. The company aims to be fair, responsible and ethical with all external suppliers, customers and other business partners. Supplier payment performance metrics for the company are published twice per annum on the UK government website and we endeavour to pay suppliers to agreed terms whilst being a collaborative partner. Our accreditations may require us to carry out supplier audits to ensure compliance to legislation and ensure high standards of operation. The customer base is varied in structure and market placement. Yara aims to support and develop customer relationships with a value added offering and digital technology whilst working with them to help find solutions that in turn enhance their own product, yield or service. Where required, we open ourselves to customer audits to ensure our own internal processes and policies continue to meet their standards and accreditations.

d. Stakeholders: Community and the environment

Yara exists in a market where product stewardship, compliance to standards and regulatory affairs are part of its licence to operate. Alongside this, the company has input into a number of trade bodies and safety committees through which it can support the wider industry, address concerns and provide input into policies that aim to address safety and environmental issues. Each year internal audits are carried out on the company procedures, as well as external audits, in order that the company maintains its quality, safety and environmental accreditations. The company works with the Competent Authority (HSE/EA) to ensure the risks from major accident hazards are being managed appropriately. The company performs exercises, which can include input from the emergency services and environmental agencies, to stress test response plans to any environmental or chemical situation. Recycling of waste materials generated from all areas of operation has a KPI for continual improvement.

Where possible, we endeavour to support local “grass root” sporting teams, raise funds and make donations for worthy causes.

e. Reputation for high standards of business conduct

The Board is responsible for developing the corporate culture throughout the company. Central to this culture is the company Code of Conduct which covers many aspects of corporate governance and promotes integrity and transparency in the actions of the company, the expectations of its employees and partners, and is embedded within company processes. The company has an Ethics and Compliance team tasked with managing the code, supporting employees and enforcing the zero tolerance policy in relation to corruption, fraud, business partner integrity and human rights. Included within this support is the provision of a whistle blowing process for both internal and external parties. Corporate governance documentation, policies and procedures are available on the company intranet and accessible by all employees, whilst the modern slavery statement, tax policy and gender pay gap are published on the external website. Employees have training in these policies as part of the onboarding process and regular refresher training on the Code of Conduct. The company believes that all these elements helps to contribute towards its mission of responsibly feeding the world and protecting the planet.

f. Acting fairly as between members of the company

As the company has a single shareholder the Directors do not face any potential conflicts in their need to act fairly between members of the company.