

Yara UK Limited

Section 172(1) Statement

The Companies Act 2006 (the 'Act') requires directors of companies to, inter alia, act in the way they consider in good faith will most likely promote the success of the company. In accordance with the Act, as amended by the Companies (Miscellaneous Reporting) Regulations 2018, this statement details how the directors 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.

As a general principle, the Board always aims to act in the best interests of the company with a fair, balanced approach. In reaching decisions, the needs of the company's various stakeholders are always considered, as well as the likely consequences of any long-term decision. Decision-making is also guided by corporate governance frameworks. More specific information on the directors' approach to their compliance with the obligations under Section 172(1) 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 for the various business segments, 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

Our employees and their knowledge are Yara's greatest asset. 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, and investing in our employees is a key strand of that business strategy. From the point of recruitment and continuing throughout their employment, employees are provided with regular training and knowledge sharing programmes (including the use of e-learning) and evolving personal development plans. Employees are encouraged to apply for other roles within the organisation and employment opportunities at both local and group level are advertised through the group intranet and other mediums.

The safety of our employees is of paramount importance to us. Through our 'Safe by Choice' approach to health and safety, employees, both individually and collectively, take responsibility to take care of themselves and each other to help achieve our stated aim of zero harm to any person. The company is also committed to upholding a working environment with positive psychosocial interactions, psychological safety, and a supportive work culture to sustain mental health and wellbeing for all.

It is important to ensure there are effective avenues of communication between management and employees. The Yara European Works Council is a forum for employee representatives to help keep Yara employees updated and act as a stronger voice on their behalf with management when it comes to significant business issues. Town hall meetings are also held regularly at various levels of the business, providing employees with more detailed insight into strategic thinking and allowing them further opportunity to interact with, and raise questions to, senior management on a variety of issues. Surveys are issued on a regular basis, allowing employees to provide their views on a range of subjects. The results of surveys are communicated to employees and action plans are implemented to address areas identified for improvement, while ensuring areas of strength are maintained.

Our group intranet supports and promotes the flow of information to employees to keep them up to date with local and international company news, along with corporate strategy developments. It also facilitates knowledge sharing and provides the opportunity for employees to share their own updates.

At Yara, we believe that a diverse and inclusive work environment benefits our business. The company is committed to having a diverse workforce that offers equal career opportunities, irrespective of gender, race, age, origin, religion, disability, sexual orientation or any other status protected by law.

c. Stakeholders: Suppliers, customers and others

As a company, we are committed to ethical and compliant business practices and acting in a fair, responsible and ethical manner in our dealings with all external suppliers, customers and other business partners. This commitment is enshrined in the Yara Code of Business Conduct, which provides guidance on a number of matters, including the relationships we have with our stakeholders. The Code of Conduct applies to all employees and business activities.

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 participate in customer audits to ensure our own internal processes and policies continue to meet their standards and accreditations. 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.

d. Stakeholders: Community and the environment

Our mission at Yara is to responsibly feed the world and protect the planet. This guiding purpose is inspired, in part, by our corporate commitments to the UN Sustainable Development Goals (SDG) and the Paris Agreement. We are committed to elevating our performance standards across environmental, social and governance areas. We prioritise transparency in our practices, fostering trust and accountability with our key stakeholders. Product stewardship, compliance with standards and regulatory affairs are part of our licence to operate. The company has input to several trade bodies and safety committees through which we support the wider industry, address concerns and provide input into policies that aim to address safety and environmental issues. Internal and external audits are carried out on various company procedures annually, for the company to maintain its quality, safety and environmental accreditations.

The company collaborates with the competent authority (HSE/EA) to ensure the risks from major accident hazards are being managed appropriately. The company also 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 is a key focus 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

Yara is constantly developing its culture of integrity based on our core values of Ambition, Curiosity, Collaboration and Accountability, which recognise and promote high performance and high ethical standards among its leaders and its employees, globally and at all levels of the organisation. Central to this culture, is the group Code of Conduct which outlines our commitment to ethical and compliant business practices and provides the framework for upholding Yara's core values in our daily activities. Yara 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. The Code is complemented by the group's Compliance Programme, which covers 15 elements relating to ethics and compliance, including compliance policies and procedures, investigations, third party due diligence, contract management, training and communication, internal controls and whistleblowing/ internal reporting.

A third party-managed whistle blowing process is available to both internal and external parties to facilitate the reporting of any concerns about suspected misconduct, human rights violations or policy

breaches. Our ethics hotline is available in over 50 languages, 24 hours a day, seven days a week. Reports can be submitted via several mediums - phone, an online form or via an app. Reports made to the ethics hotline are treated confidentially and the review of reports is impartial.

Employees are trained on business conduct requirements as part of the onboarding process and, thereafter regular refresher training is provided on both the Code of Conduct and various aspects of business conduct. 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 our external website.

Yara has instituted risk-based due diligence and compliance requirements on business partners. Focus is placed on retention and oversight of all agents and intermediaries. We expect all our business partners to comply with all relevant laws and regulations, as well as the Code of Conduct for Yara's Business Partners. This means they must conduct their business in line with internationally recognised and endorsed standards in key areas such as human rights, labour conditions, sustainability, business ethics, and compliance. Yara is committed to only working with partners that fulfil these requirements, and failure to do so may result in discontinuation of the business relationship.

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.