



Knowledge grows

Yara's Ethics and Compliance Commitment





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1 Message from our CEO



Dear Colleague

Success can only be celebrated when it is achieved in the right way. Our manner of conducting business defines who we are as a company. We use this internally as a directional compass making compliance the foundation of how we behave and make decisions. Our ethical business conduct helps drive the core values we live and work by:

Ambition, Curiosity, Collaboration, Accountability

We collaborate between colleagues, business partners, and society at large to set a solid foundation for our ambitions. We create trust through consistent integrity. We focus our efforts on always making the right decisions, and speak up when situations fail to meet our high standards.

This is the backdrop for the creation of this document. Its purpose is to communicate Yara's program to prevent corruption and human rights abuse and to promote a culture in which these matters are difficult to perpetrate. The document describes what we mean by the term 'corruption', and how we manage our exposure to these risks at Yara. It also describes the key elements of our Compliance Program.

It is one of the many ways by which we aspire to create trust and to demonstrate our commitment to acting with consistent integrity.

President and CEO
Svein Tore Holsether

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About this document

2.1 Who is it for?

This document should be read in conjunction with Yara's Code of Conduct and the Code of Conduct for Yara's Business Partners. It has been created for the benefit of all of Yara's stakeholders which we categorize into five main groups: Employees, Business Partners, Farmers, Investors, and Society.

1. Employees: Yara has over 16000 employees worldwide and operations in more than 60 countries, representing great diversity and knowledge. Yara strives for a corporate culture of openness and accessibility to senior management, and employees are engaged in corporate matters through a number of channels and surveys.

2. Business Partners: Yara has a wide range of Business Partners: Customers, suppliers, intermediaries and joint venture partners. We are firmly committed to being part of a responsible and sustainable supply chain, and working with partners that fulfil the requirement of the Code of Conduct for Yara's Business Partners.

3. Farmers: Farmers are the end users of our products. We engage with them through farmer meetings, agronomic consultations, satisfaction surveys and countless other business related interfaces. Yara spends significant resources on providing concise and useful information and solutions tailored to the needs of the farming community.

4. Investors: Yara engages continuously with its owners through investor relations, based on the principles of openness and equal treatment of all shareholders. Yara is a constituent of the FTSE4Good index series.

5. Society: Yara has adopted a global approach to shared value and sustainable business development, with the aim of adding value to the society by providing sustainable solutions to the global food system. At the same time, we aim to contribute to the local communities in which we operate. We work with a variety of agencies, organizations, national authorities, international and regional bodies, to present our products, solutions and knowledge.



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Our risk picture

3.1 Material risk areas

Yara's Ethics and Compliance work focus on reducing the risk of business and reputational losses in a range of areas, as outlined below.

Fraud

Fraud is defined as any intentional act or omission to deprive another of property or to circumvent procedure by deception or other unfair means.

Fraud may include, but is not limited to:

- internal and external threats;
- any diversion of funds or assets;
- theft
- any form of corruption, including facilitation payments;
- financial statement manipulation and;
- failures to report on breaches of the law, regulations or Yara's procedures

Yara has zero tolerance for fraud and we proactively combat it in all of its forms. We act to identify and mitigate fraud risks in our activities through extensive internal controls, investigations, awareness raising and culture building, audits and detection work including data analytics.

Corruption

Corruption occurs when a person requests, receives or accepts an offer of an improper advantage or reward by virtue of his or her position, office or assignment.

Yara has zero tolerance for any form of corruption. We consider facilitation payments as a form of corruption and have a zero tolerance policy towards such payments.

The Integrity of Business Partners

Conducting our own operations in an ethical and compliant manner is not sufficient. As a global company Yara is also judged by the conduct of our Business Partners and is accountable for what we can reasonably influence within our value chain. Our Business Partners are exposed to a wide range of risks. This includes, but is not limited to, human rights abuse, corruption, fraud, conflicts of interest, gifts, hospitality and interactions with public officials. It is of the utmost importance that we make sure our policies are known to them and abided by. Yara is firmly committed to being part of a responsible and sustainable supply chain, and will continue to work on improving our systems and processes to achieve this objective.

Business Partners are subject to Yara's Integrity Due Diligence (IDD) process and shall contractually agree to comply with a standard equal or higher than the Code of Conduct for Yara's Business Partners.

Human Rights

Yara has made a commitment to respecting internationally recognized human rights throughout our own operations, as well as in our supply chain.

Human rights is an integral part of Yara's Compliance Program, and as such embedded in our license to operate.

Examples of Human Rights risks relevant for Yara are child labour, forced labour, indigenous peoples rights, freedom of association and right to collective bargaining. It also includes labor rights such as decent wages, working time and engagement and grievance mechanisms for local communities affected by our operations.



People-related risks

Yara's knowledgeable workforce is considered our main asset in delivering on the Yara mission.

Diversity in our workforce helps us to attract and retain our valued employees which is crucial to Yara's success.

We are committed to creating an equal opportunity workplace, where hiring and development are based on achievements, qualifications, and skills of each individual. We do not allow discrimination or harassment in any form.

Competition Law

Competition laws aim to achieve fair competition in the day-to-day business dealings between companies and individuals. Yara has a strict policy of conducting business in full compliance with all applicable competition laws and regulations. Yara has created Competition Compliance Manuals available for the employees to ensure regulations and policies are being followed.

Data Privacy

Handling and safeguarding personal data in a lawful way has never been of greater importance, due to the high value of digitalization and information in general, together with legislation such as the EU data protection legislation (GDPR).

Yara is committed to protecting the privacy of its employees, customers, suppliers and Business Partners. In order to do so, we have implemented Yara Data Privacy Policies both for handling employee data and for customer, supplier and Business Partner data, which set out the frame for how personal data shall be processed in Yara.

Trade Compliance

Financial, trade and other sanctions are imposed as a foreign policy response to situations of international concern. Yara has to comply with all applicable sanctions regulations in force from time to time in Norway and its various countries of operation.

Yara's organizational units shall follow the Sanctions Compliance Procedure and ensure that the activities being performed by them are in compliance with applicable sanctions regulations.

3.2 Relevant laws and regulations

With production facilities in six continents, operations in more than 60 countries and product sales to approximately 160 countries, Yara and our employees are subject to various anti-corruption legislation. Since Yara is headquartered in Norway, we must abide by Norwegian laws. We must also abide by the local laws in effect in the countries where Yara operates.

In the following four sections we describe some of the most relevant pieces of anti-corruption legislation by which Yara must abide:

1. The Norwegian Criminal Code

The Norwegian Criminal Code applies to all companies and individuals who act on behalf of Yara, regardless of their nationality and the country in which they are doing business.

The Norwegian Criminal Code stipulates that any person who

- a. for himself or other persons requests or receives an improper advantage or accepts an offer thereof in connection with a position, office or assignment, or
- b. gives or offers any person an improper advantage in connection with a position, office or assignment shall be liable to a penalty for corruption.

‘Position, office or assignment’ in the first paragraph also mean a position, office or assignment in a foreign country.

The Norwegian Criminal Code also prohibits trading in influence, trading in influence and dictates that dictates that any person who

- a. for himself or other persons requests or receives an improper advantage or accepts an offer thereof in return for influencing the conduct of any position, office or assignment, or
- b. gives or offers any person an improper advantage in return for influencing the conduct of any position, office or assignment shall be liable to a penalty for corruption.

‘Position, office or assignment’ in the first paragraph also means a position, office or assignment in a foreign country.

As a company, Yara can be prosecuted for violations of the law, even if no individual is punished for the offense. Other consequences for Yara may include civil liability, loss of business and a damaged reputation. Individuals involved in acts of corruption may also be exposed to civil and criminal liability.

2. UK Bribery Act

Yara has several sites in the United Kingdom (UK) from which we operate.

The UK Bribery Act (2010) (the Act) contains two general offenses covering the offering, promising or giving of a bribe (active bribery) and the requesting, agreeing to receive or accepting of a bribe (passive bribery).

It also sets out two further offenses, which specifically address commercial bribery. Section 6 of the Act creates an offense relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business, and section 7 creates a corporate liability for failing to prevent bribery on behalf of a commercial organization.¹

The Act is applicable both to offenses committed in the UK, as well as to those committed outside the UK where the person committing them has a close connection with the UK by virtue of being a British national or ordinarily resident in the UK, a body incorporated in the UK or a Scottish partnership.

Yara could therefore be prosecuted if UK persons acting directly for, or on behalf of, Yara bribe a foreign public official in order to obtain or retain business or an advantage in the conduct of business.

Furthermore, the corporate offense set out in Section 7 ‘Failure of commercial organizations to prevent bribery’ applies to “Any other body corporate (wherever incorporated) which carries on a business or part of a business in the United Kingdom.”² As Yara operates part of our business in the UK, we could be prosecuted in the UK for failure to prevent bribery, irrespective of whether the bribery takes place in the UK or elsewhere.

¹ <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

² <http://www.legislation.gov.uk/ukpga/2010/23/section/7>



3. Foreign Corrupt Practices Act

In the United States (US) Yara operates through Yara North America, Inc. which is a fully owned subsidiary of Yara International ASA.

The Foreign Corrupt Practices Act (FCPA) makes it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business.

The anti-bribery provisions of the FCPA have applied to all US persons and certain foreign issuers of securities since 1977. Following amendments made to the FCPA in 1998, the anti-bribery provisions now also apply to foreign firms and persons who cause, directly or through agents, an act in furtherance of such a corrupt payment to take place within the territory of the US.³

Yara could therefore be prosecuted in the US for causing, either directly or through agents, an act in furtherance of a corrupt payment to take place within the US, or if US persons acting directly for, or on behalf of, Yara make payments to foreign government officials to assist in obtaining or retaining business.

4. Brazilian Clean Company Act

Yara has a significant presence in Brazil with production sites, sales and support offices throughout the country.

Brazil's anti-corruption law no. 12.846, also referred to as the 'Clean Company Act' (the Act) became effective on 29 January 2014.

The provisions of the Act apply to individuals, as well as business entities, including foreign companies with a registered office, branch or representation in Brazil, and it subjects them to civil and administrative sanctions for 'harmful acts against the Brazilian and foreign public administration'.

The term 'foreign public administration' refers to "governmental agencies and entities or diplomatic representations of a foreign country, at any level or sphere of government, as well as legal entities controlled, directly or indirectly, by a foreign country's government."⁴

In March 2015, the "Clean Companies Act" was followed by a decree (No. 8,420) which establishes the processes for imposing administrative liabilities for corrupt acts.

Yara could be held liable in Brazil for harmful acts against the Brazilian and foreign public administration.

3.3 Applicable standards and recommendations

In addition to abiding by applicable anti-corruption legislation, Yara supports a number of international standards addressing among others things, anti-bribery and -corruption.

We have supported the UN Global Compact since February 2006⁵ and are a signatory of their Anti-Corruption Call to Action. The UN Global Compact works to help businesses act responsibly by aligning their strategies and operations with ten principles on human rights, labor, environment and anti-corruption.

We support the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.⁶ The OECD guidelines are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. The guidelines provide voluntary principles and standards for responsible business conduct in a number of areas, including combating bribery.

Other standards supported by Yara the International Bill of Human Rights, the core conventions of the International Labor Organization (ILO) and the Voluntary Principles on Security and Human Rights.

³ <http://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act>

⁴ <http://www.loboeiibas.com.br/wp-content/uploads/2013/11/Anti-Corruption-Act.pdf>

⁵ <https://www.unglobalcompact.org/what-is-gc/participants/10223-Yara-International-ASA>

⁶ <http://mneguidelines.oecd.org/about/>

4 Ethics and Compliance at Yara

4.1 Our values and culture

Yara is constantly developing a culture of integrity based on our core values of:

Ambition, Curiosity, Collaboration, Accountability—which recognize and promote high performance and high ethical standards among its leaders and its employees, globally and at all levels of the organization.

Knowledge Grows lies at the heart of our operation – and our culture. We nurture a culture that springs from a common knowledge developed over more than a century, by our employees, in close interaction with our customers.

We are dedicated to conducting our business according to our Code of Conduct and the Compliance Program, as well as the universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

As a global company operating in more than 60 countries, Yara has a highly diverse workforce. We see this diversity as a strength. Our aim is to secure the best talent we can in all our markets and create a global talent pool of people of diverse nationalities, backgrounds and cultures.



4.2 Governance

Transparent and sound corporate governance is key to aligning the interests of shareholders, management, employees and other stakeholders. Yara believes good corporate governance drives value creation and promotes sustainable business conduct.

Yara's **Board of Directors** has responsibility for the overall management of Yara. The Board of Directors appoints at least three of its own members to the Board Audit and Sustainability Committee, who supervise corporate accounts, Yara's financial and non-financial reporting and internal audit, financial risk management and the work of the external auditor.

The **President and CEO** appoints a Global Executive Board to assist in his or her stewardship duties delegated by the board and in day-to-day management.

Yara's **Chief Compliance Officer** leads our **Ethics and Compliance Department**. On matters relating to ethics and compliance, including human rights and corruption, the Chief Compliance Officer reports to the Board of Directors twice annually, the Board Audit and Sustainability Committee quarterly, the CEO monthly (or on an ad hoc basis, as necessary), and to the Global Executive Board quarterly.

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

The central Ethics and Compliance team in Oslo is supported by a network of **Regional Compliance Managers**. The Regional Compliance Managers are full time employees, stationed in each Yara Region and Function, responsible for implementing Yara's Compliance Program including providing training and give guidance in their respective regions.

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The 15 Elements of Yara's Compliance Program

Our focus on Ethics and Compliance matters has led Yara to develop the Compliance Program. Its 15 elements are illustrated below.



5.1 Culture and Tone at the Top

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

5.2 Risk Management / Periodic Risk-Based Review

Yara's Enterprise Risk Management process identifies, evaluates and manages risk factors across all areas of the company. This includes risks relating to ethics and compliance, foremost human rights abuse, fraud, corruption and business partner integrity.

Risk identification, evaluation, management, follow-up and reporting from the various areas of the organization to the Global Executive Board and the Board of Directors is a continuous process.

The Ethics and Compliance Department maintains a dedicated compliance and human rights risk assessment, which is continuously updated. It is based upon a number of internal and external sources, including:

- Enterprise Risk Management outcomes
- Trends in regulatory enforcement and legislation
- Findings from internal investigations
- Ethics Survey results
- Input from the business line

The Ethics and Compliance Department's risk assessment contributes to the prioritization of its annual plan of work. Quarterly review is conducted to take into account new developments and standards.

5.3 Compliance Organization / Proper Oversight, Independence and Resources

Yara has assigned responsibility to its Chief Compliance Officer for the implementation and oversight of the Compliance Program and codes, policies and procedures. The Chief Compliance Officer has the authority to report directly to independent monitoring bodies, including Internal Audit, Yara International's Board of Directors or any appropriate committee (such as the Board Audit and Sustainability Committee) and is organized to have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

5.4 Compliance Policies and Procedures

We have developed and promoted clearly articulated and visible corporate policies against violations of anti-corruption legislation. Several policies designed to reduce the prospect of violations include conflicts of interest, gifts, hospitality & entertainment, travel, political contributions, charitable donations, sponsorships, facilitation payments and recordkeeping.



The following policies and procedures are integral to our Compliance Program:

Document	Description
Ethics and Compliance Process	This document describes the compliance requirements on Yara's employees, the responsibilities of employees and management, and the scope of authorizations regarding the elements of the Compliance Program.
Code of Conduct	The Code of Conduct is a practical, day to day tool that helps employees interpret and implement the key principles of the Compliance Program. It documents Yara's position on a range of topics, including gifts and entertainment, corruption, conflicts of interest and human rights.
The Code of Conduct for Yara's Business Partners	The Code of Conduct for Yara's Business Partners recognizes the importance of our business partners, and reinforces our goal to continue to develop relationships with partners that share our corporate values and conduct business in an ethical manner.
Ethics and Compliance Audit and Sustainability Committee Reporting	This document describes the requirements of the Chief Compliance Officer for quarterly reporting to the Board Audit and Sustainability Committee.
Compliance Committee Mandate	This document describes the composition of the Compliance Committee, timings of its meetings, scope of authority and administration.
The Capital Value Process	This document includes the description of how ethics and compliance are integral to the decision-making process for the assignment of capital for all of Yara's major investment activities.
Integrity Due Diligence Procedure	This document describes the process of investigating the integrity of potential, new and existing business partners outside the Capital Value Process.
Internal Investigation Procedure	This document sets out the guidelines and responsibilities for reporting and investigating potential misconduct submitted to the Ethics and Compliance Department.





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

Yara has a system of financial and accounting procedures, including a system of internal controls, designed to ensure the maintenance of fair and accurate books, records and accounts in key compliance areas. Such controls are designed and implemented by the business with assistance from corporate functions. They are monitored by Internal Audit.

5.6 Training & Communication

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

The Ethics and Compliance Pulse pages are an internal resource which contains information for employees and managers to use when dealing with possible ethical dilemmas.

The Code of Conduct e-learning consists of training modules that are mandatory for all employees and which covers a range of topics including child labor, corruption, personal conduct, facilitation payments and gifts and entertainment. In addition there are several other e-learning courses available to employees on topics such as human rights, harassment and conflicts of interest.

Each year a portion of all Yara's employees participate in our various interactive training initiatives. The purpose is to encourage employees to speak up and share any questions or concerns they may have regarding ethics and compliance issues.

5.7 Compliance Consultation and Guidance

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

Anyone can contact the Ethics and Compliance Department directly by sending an email to ethics@yara.com, either to request further information or report concerns.

5.8 Whistleblowing / Internal Reporting

Operating an effective system for reporting concerns is a priority for the Ethics and Compliance Department. The system allows for internal and external reporting and includes provisions governing the protection of reporters. Reports may be filed by directors, managers, employees, Business Partners or members of the public who have concerns about suspected misconduct, human rights violations or policy breaches.

Anyone can report an issue anonymously through Yara's Ethics Hotline. It is available 24 hours a day, seven days a week, in over 50 languages and the reporter can choose to report by phone or filling in a form online. Both options allow the Ethics and Compliance Department to communicate with the reporter anonymously via the external service provider.

Reports made to the Ethics Hotline are treated confidentially, the review of reports is impartial and protects the identity of the reporter.

Yara does not tolerate retaliation against employees who have sought advice or reported a suspected ethical or legal violation in good faith. Norwegian law, as well as the laws of many other countries, also gives protection to those who report in good faith.



5.9 Investigation

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

5.10 Incentives & Discipline

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

5.11 Business Partner Due Diligence

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

We expect all of 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 have to conduct their business in line with internationally recognized and endorsed standards in key areas such as human rights, labor 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.

5.12 M&A Due Diligence

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

Yara's Capital Value Process is the decision-making process for the assignment of capital for all of Yara's major investment activities, such as technical projects, mergers and acquisitions and the establishment of joint ventures.

5.13 Post-acquisition implementation of Compliance Program

Ensuring that our Code of Conduct, policies and procedures apply as quickly as possible to newly acquired business or entities is a focus for Yara. We train the directors, officers, employees, intermediaries and Business Partners. We conduct compliance reviews of all newly acquired or merged businesses as soon as feasible.

5.14 Contract Management

Yara includes standard provisions in agreements with Business Partners in order to prevent violations of the Compliance Program and Code of Conduct. There is a particular focus on all agents and intermediaries. For example:

- a) anti-corruption representations and compliance with anti-corruption laws
- b) audit rights
- c) termination rights
- d) maintenance of accurate books and records
- e) disclosure and undertakings on use of subcontractors
- f) adherence to recognized human rights and environmental regulations.

5.15 Monitoring and testing effectiveness of Compliance Program implementation

We conduct periodic reviews and testing of the Compliance Program, designed to evaluate and improve its effectiveness in preventing and detecting violations of anti-corruption laws, human rights standards and the Code of Conduct. Account is taken of relevant developments in the field and evolving international and industry standards.

6 Contact

You can contact Yara directly by sending an email to ethics@yara.com, either to request further information or report concerns regarding any ethics and compliance related matter.

Concerns can also be submitted to our Ethics hotline via phone or web. Instructions for reporting are available on www.yara.com.



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