

SIHTI Project

Additional information from Yara International ASA September 2020

A.1.2 Commitment to respect the human rights of workers

In Yara's update of the Code of Conduct for 2021, the section on Freedom of association and right to collective bargaining will be revised, removing the reference to local laws and regulations. See paragraph below. The revision has been approved by the CEO and Board in September 2020. Similar changes will be made to Yara's Business Partner Code of Conduct in 2021.

"Yara recognizes and respects the right to freedom of association and the right to collective bargaining. When operating in countries where this right is limited through local legislation, we will seek to take mitigating action in accordance with local conditions. 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."

A.1.3 Commitment to respect human rights particularly relevant to the industry

Yara joined the Voluntary Principles on Security and Human Rights in June 2020. The Code of Conduct 2021 will include a reference to the membership in the Voluntary Principles.

A.1.5 Commitment to remedy

C.7 Remedying adverse impacts and incorporating lessons learned

Yara will assess actual and potential human rights impacts from our operations. We commit to engaging with those potentially affected, including providing effective grievance mechanisms.

Yara's Code of Conduct 2021 will include the following in the chapter "Human and Labor Rights":

Identified human rights risks

Risks of negative human rights impact from Yara's operations have been identified in connection to contracted labor performing services for Yara, especially where manual labor is combined with heat exposure.

Yara is committed to remediate any negative impact, and is continuously monitoring development and international and national regulations.

In 2019, Human Rights Impact Assessments were performed by independent external subject matter experts in India, Colombia and Philippines. Action plans to remediate identified impacts were developed immediately, guided by recommendations detailed in the reports. Local management is responsible for following up on mitigating actions within agreed deadlines. The Ethics and Compliance department monitors implementation and reports on progress to executive management.

B.1.8 Approach to stakeholder engagement with potentially affected stakeholders

C.3 Users are involved in the design and performance of the channel(s)/mechanism(s)

Trust and support from local communities is fundamental to Yara's license to operate. We aim for an open dialogue and high performance levels. Every complaint is taken seriously and handled promptly.

Yara is obliged to following local laws on stakeholder management and is committed to standards such as the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines on Responsible Business Conduct. To streamline Yara's approach to stakeholder management, a global policy was developed in 2020 and available to all employees on Yara's Steering System. The policy is integrated in relevant internal procedures and will be implemented across the company during 2020/2021.

Yara uses several channels to collect feedback from internal and external stakeholders related to impacts, compliance and expectations. Yara's GRI report details processes for reporting and following up on concerns related to human rights, as well as specifically on environmental issues, labor grievances, and health, safety and security incidents. See 'Key concerns raised in 2019' in Yara's 2019 GRI report for specific examples of issues and how they were handled.

Employees and external stakeholders may use the Ethics Hotline which is available in 60 languages 24 hours a day, 7 days a week on www.yara.com, majority of Yara's country specific websites and the intranet. Our website and intranet also feature an option to contact the Ethics and Compliance Department directly at ethics@yara.com. Yara has an obligation to investigate all reports made, and all notifications will be treated confidentially.

In 2019, Human Rights Impact Assessments (HRIA) were performed by independent external subject matter experts in India, Colombia and Philippines. Locations for the human rights impact assessments were guided based on results from Yara's global human rights risk assessment as well as internal assessments, reviews, reports and investigations. Engaging with potentially affected stakeholders was an essential part of the HRIA's. Continued dialogue with stakeholders and following up on mitigating actions remain a local management responsibility. The Ethics and Compliance department monitors implementation and reports on progress to executive management.

A specific example of stakeholder engagement at Yara's production plant and mine in Salitre, Brazil is provided below:

- A thorough program for community engagement and grievance is in place at Yara's Salitre site. The Communication Program consists of actions that are based on information transparency and mutual respect in our relationship with stakeholders.
- Socio-economic data is collected for nearby communities and used as the basis for forming Yara's community engagement strategy.
- Communication with stakeholders takes form through numerous channels; public hearings, participation in city councils, newspapers, radio program, magazines, door-to-door visits, community groups with representatives from rural and city center, hot-line on website, and an open-doors-program inviting members from the community on site.
- A Critical Issues Committee is formed to handle grievances.
- Lectures for the community are conducted in cooperation with local partners (e.g on preventing sexual exploitation of children, health and wellbeing).
- A toll-free "Greenline" is operated 24/7 for employee and community grievances and questions.
- Surveys have been conducted in the community on overall opinions on Yara's project.

Engagement with the local communities surrounding Salitre is an ongoing process. In 2018/2019 new research was conducted, involving over 280 different stakeholders in 5 municipalities. Involved stakeholders were identified through a thorough stakeholder mapping process. The results of the study enables a better understanding of people's view on the company, the enterprise, their fears, wishes and expectations, as well as to guide our relations, positioning and social investment strategies.

One of the topics covered was related to their opinion about the effectiveness of Yara's grievance channels. Constant dialogue also allows for monitoring of the channels. The research identified that it would be important to create new forms of dialogue with the local government and community. A committee with the local government has been in place since 2018. A committee formed by community leaders was planned to be implemented in 2020, but has been postponed due to Covid-19. Information about the Green Line has been reinforced, along with adjustments to the website concerning grievance channels.

Stakeholders can contact Yara Brazil through the country website <https://www.yarabrasil.com.br/contate-nos/> and through the Salitre unit website <https://www.projetoserradosalitre.com.br/>. This website has important information about the main activities of Serra do Salitre site, environmental and safety actions, especially related to dams, and social projects actions. The website also discloses contact information and information about the Green Line.

YARA
Knowledge grows

**Dúvidas sobre a Yara?
Utilize o canal Linha Verde**

A Yara está aberta a ouvir e dialogar com todos. Prove disso é o **Linha Verde**, um canal de relacionamento com a comunidade, que a empresa disponibiliza para você manter contato.

Se você tem dúvidas ou sugestões sobre as atividades da empresa em Serra do Salitre ligue para:
0800 880 1885

O atendimento é de **segunda a sexta-feira**, das 8h às 17h, a ligação é **gratuita** e pode ser feita de **celular**.

Ongoing community development actions:

- Healthy Food Program
- Environmental Education Program
- Health and Safety Campaigns
- Social Projects: Construction of a School and Renovation of the Square in Serra do Salitre
- Sponsorship for Reading Project "Gol de Letras"
- Serra do Salitre Master Plan
- Assessment of the Municipal Public Finances - Serra do Salitre
- Project Learning Community
- Training Course - Chemical Plant Operators

- Supplier Qualification Program
- Food Donations
- Donations to Fight COVID-19
- Committee with Communities
- Inspections in contractors housing areas

B.2.2 Assessment of risks and impacts identified

A global human rights risk assessment is updated annually and ranks the countries where Yara operates in terms of human rights risk exposure. The assessment evaluates country risk in all countries where Yara has operations using external risk ratings covering a range of human rights issues. It also takes into account the number of employees and our activities in each country. This allows for a risk based approach to guide our focus on targeted human rights impact assessments and other human rights related activities in selected locations.

C.4 Procedures related to the mechanism(s)/channel(s) are publicly available and explained

Employees and external stakeholders may use the Ethics Hotline which is available in 60 languages 24 hours a day, 7 days a week. Our website and intranet also feature an option to contact the Ethics and Compliance Department directly at ethics@yara.com. Yara has an obligation to investigate all reports made.

Yara's Code of Conduct 2021 will include the following in the section on "How to report an issue":

If you wish to report an issue, you can use one of the available channels:

- ethics@yara.com
- your Regional Compliance Manager
- the call-function of the Ethics Hotline
- the webform available on the Ethics Hotline

Your report will be treated confidentially, and you will always receive a confirmation from the Ethics and Compliance Department when your report has been received. If you choose to report on the Ethics Hotline, you will be able to communicate and provide additional information to the Ethics and Compliance Department via the Hotline.

For more information about the investigative process that happens after a report has been made, please see the Internal Investigation Procedure on Yara's Steering System.

Yara's internal investigation procedure details the approach to be followed for all reported cases, to ensure a standardized, structured and effective process. The procedure is available on Yara's steering system and is applicable to all employees. All notifications are handled with confidentiality, and retaliation against a reporter is not tolerated. This is also specified in Yara's Code of Conduct, available on yara.com. 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. Further feedback to Reporters may be done on a case-by-case

basis depending on the nature of the issue. The time it takes to carry out an investigation will vary depending on the context and nature of the case.

D.3.7 Security

Yara operates in many countries where security guards are needed to protect employees and corporate assets. While safeguarding Yara, security personnel are expected to adhere to human rights and avoid excess use of power.

In June 2020 Yara joined the Voluntary Principles on Security and Human Rights (VP). The many different stakeholders in the Voluntary Principles Initiative will bring unique perspectives into Yara's security management approach and will lift our governance in this area. A specific training program incorporating Yara's program for human rights and VP training material is currently under development and will be rolled out in 2021. The training material will be mandatory for relevant internal staff and contracted security providers.

Policies, Procedures and related activities

Yara has several internal policies outlining the company's approach to security management. The purpose of these documents is to define minimum standards for security management with the aim of protecting people, the environment, our assets and our reputation.

In locations where we are required to use security guards to enhance protection, Yara has strict compliance requirements for the use and deployment of such. These cover, amongst other elements, requirements related to training, competence, integrity due diligence, and compliance with local/national legislation. A separate policy exists for the use of armed protection, specifying that the use of armed guards must be in line with the United Nations Guiding Principles on Business and Human Rights and Yara's other Security policies. The final contracts with all security providers includes information relating to security, detailing specific tasks and reaction policies.

Risk Assessments

Through the life cycle of our operations, we identify and manage key safety, environmental, political, and social risks. This is done through various corporate risk assessment processes on the topics Enterprise risk; Safety; Compliance; Environment; Security; Integrity Due Diligence and Capital Value Process. Company practice requires business units to identify and track these risks in a risk register with links to related action plans, including local site security plans and supportive engagement strategies.

Yara risk assessment capabilities enable us to:

- Identify security and human rights risks arising from political, economic, and social factors;
- Identify and understand the origins of risks that could lead to the erosion of security conditions and/or human rights protections;
- Assess human rights records, standing policies and applicable reform efforts in areas of potential company operations;
- Evaluate the strength and willingness of foreign legal, judicial and non-judicial institutions to address human rights concerns, adherence to contracts, and other legal expectations.

Additionally, each business unit or project team will develop a stakeholder engagement plan that identifies individuals and groups who may impact or be impacted by our activities and their key concerns and interests, as well as how we can most effectively engage with them.

Before starting a venture in a new country, Yara takes several steps to assess sustainability and business risks. Once an opportunity is identified and a request for approval is drafted, a new country entry risk report is prepared. Our process includes a comprehensive due diligence assessment that identifies significant political, economic, financial, security, health and safety, legal and social risks and defines how they will be managed. This assessment is informed by the company's security and political risk analyses, both of which evaluate the human rights conditions in the country of interest and feature prominently in our effort to develop risk mitigation for the new country entry. Both of these analyses also evaluate the security and political conditions following entry to provide early warning and advice regarding emerging threats to company operations and business objectives.

If we are entering into a joint venture, we use these assessments during negotiations with potential co-ventures to outline the risks identified, clearly state our expectations on environmental and social issue performance, and discuss how the venture will seek to manage these concerns. Following completion of this due diligence phase, all new country entry requests will be reviewed by the business and function leadership and the CEO. In some cases, such as areas at high risk of political instability, consultation with the board of directors would take place. Yara will continue to include comprehensive security and human rights analysis as part of new country entry assessments for countries considered to be "high risk" in these areas based on externally developed risk indices received from our security information service providers.

Health, Environment, Safety & Social Assessments for Projects and Operations

We systematically assess how our activities might impact communities and ecosystems, evaluating potential impact and how issues can be avoided or mitigated. We begin our investigation with the host country's legal requirements and supplement these as needed with our own HESQ standards and risk management process, which address security and human rights issues.

Our risk management process is a mandatory, auditable process that guides sustainability-related risk management and integrates the risk register into corporate planning and operating plans. Business units and major projects are required to conduct regular assessments to identify high and significant risks and document and track mitigations for inclusion in company-wide action plans. Our risk register and action plans are used to track performance and guide goal setting. Key risks are categorized and prioritized based on potential consequence and likelihood.

Once a project is ready for operation, the HESQ Management System and risk management process help define company expectations and provide direction for managing environmental and social issues. It is the asset manager's responsibility to direct asset-sustainable development performance. Audits carried out by corporate and business unit staff are a key process to assure that these expectations are being met.

At the asset level, we will continue to advance integration of human rights issues in relevant processes and protocols as we further strengthen consistency in implementation. Sustainability elements, including human rights issues, are incorporated into the HESQ Management System and Yara's Integrity Due Diligence Process in accordance with the risk management process. The HESQ Management System is assessed annually using a common tool to guide targeted improvement, with a goal of ultimately achieving the highest standards of excellence.

Examples of social and environmental impact assessments:

- ERM rapport Yara Dallol: <https://pdfslide.net/documents/final-environmental-and-social-impact-assessment-environmental-and-social-impact.html>
- ERM rapport Yara Pilbara: https://www.epa.wa.gov.au/sites/default/files/PER_documentation/A1764_R1379_Burrup%20Nitrates%20PER.pdf

Security Audit & Compliance Program

The Yara Corporate security audit and compliance program will continue to systematically evaluate company operations at key facilities to assure conformity with government-prescribed security mandates and company-required security policies, procedures and guidelines. This ongoing program identifies, internally reports on, and makes recommendations on security operations non-conformities including issues associated with security and human rights, if any occur. Yara will continue to conduct due diligence investigations of security providers in countries that have been identified as high-risk for human rights.