Knowledge grows

Yara Integrated Report 2023

Building resilience and a nature-positive food future

From ambition to action

Strategy execution in times of turmoil puts a company's resolve to the test. In 2023, we experienced another year of war, geopolitical instability, volatile markets, and challenges to global supply chains. Once again, due to our flexible business model, we were able to sustain deliveries of crop nutrition and industrial solutions.

The year brought both operational challenges and pressure on margins. However, even under operational turmoil, our strategy remains sound. Further improving operational flexibility and resilience has been a strategic response to the volatility of recent years. Going forward, we know that the focus will be on halting both climate change and environmental degradation, while ensuring a sufficient supply of nutritious food.

This is why our ambition is Growing a Nature-Positive Food Future. We are certain that companies able to support sustainable food production will be positioned for growth and value creation.

For this reason, we were proud to announce the production of the first tonnes of renewable ammonia at the pilot plant in Norway in 2023. We continue to invest in decarbonization of our own production and in solutions to reduce emissions from food production and in the shipping and energy sectors.

Going forward, we will continue to learn and adapt, rising to the challenges ahead. We seek to reach our ambition by leveraging our resilient and flexible business model, our actions guided by these three pillars:

- Climate neutrality
- Regenerative farming
- Prosperity

Content

Sections 2-4 constitute the 2023 Report of the Boards of Directors

About the report

This is Yara International ASA's 2023 Integrated Report. It builds on the guiding principles set out in the International <IR> Framework from the IFRS Foundation.

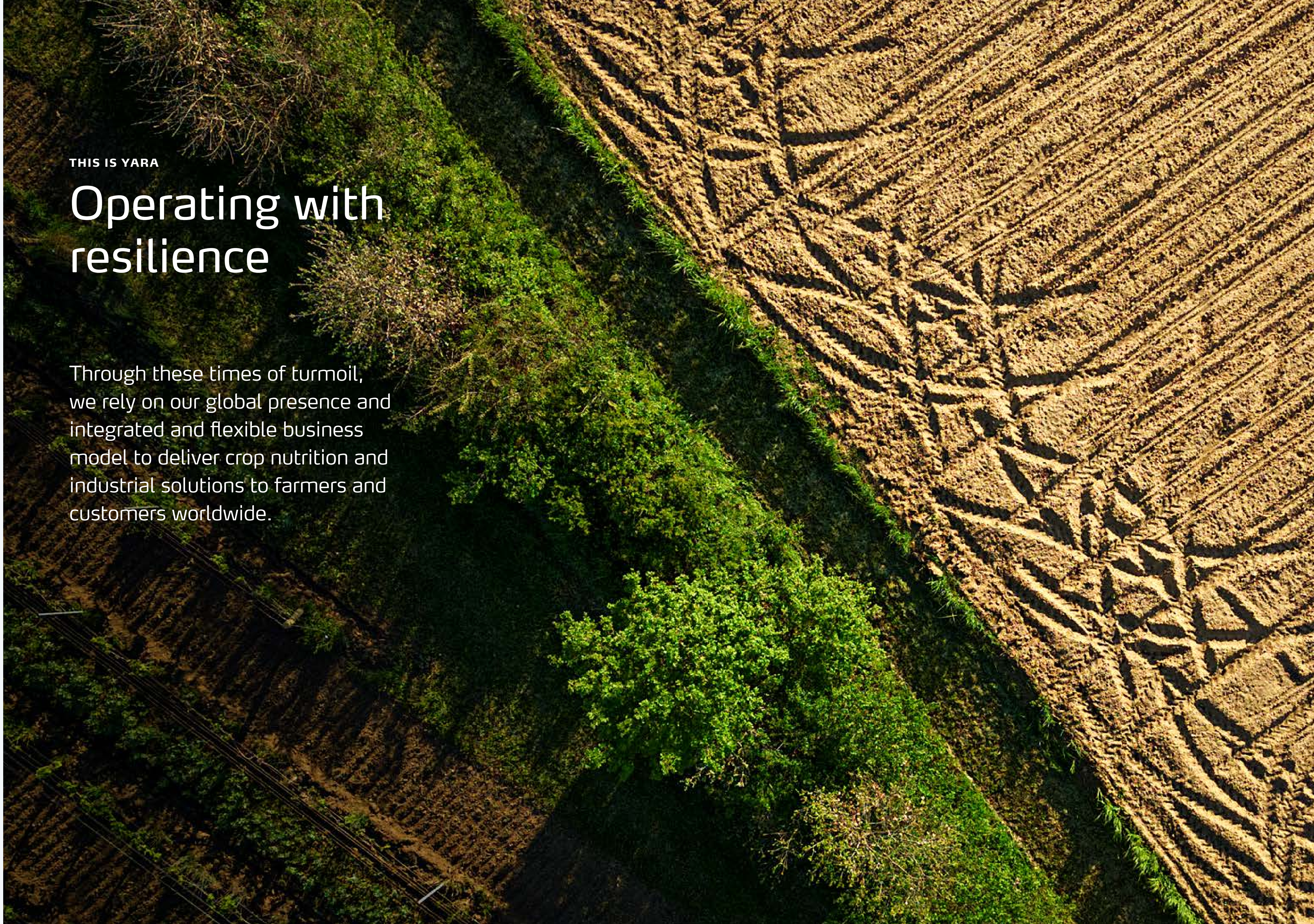
The 2023 Integrated Report marks a change in the way we report. It includes, for the first time, our full sustainability reporting and EU taxonomy disclosures. We are preparing for the EU Corporate Sustainability Reporting Directive to come into force and have based our sustainability statements on the core principles and structure described in the European Sustainability Reporting Standards (ESRS). Pending the full transition to ESRS, the Global Reporting Initiative Universal Standards have served as assurance criteria for our 2023 sustainability reporting. For further details about our application of the ESRS, see page 94.

Additional information is available in the following reports for the financial year 2023, both available at the Latest annual report page at yara.com:

Yara Executive Remuneration Report 2023

Yara Country-by-Country Report 2023

CONTENT



THIS IS YARA

Operating with resilience

Through these times of turmoil, we rely on our global presence and integrated and flexible business model to deliver crop nutrition and industrial solutions to farmers and customers worldwide.

CONTENT

CEO MESSAGE

Positioned for a low-carbon future

The race towards a net-zero future ongoing. Here are six building blocks that must be in place, and how Yara is positioned for the change that is underway.

Last year was characterized by high volatility and operational challenges, but also by efforts to drive the energy transition and curb emissions. At Yara, we are balancing the handling of significant disruptions in the short-term with positioning ourselves for the longer term.

The results in 2023 were significantly down from the record results in 2022, as lower selling prices more than offset lower production costs leading to lower margins. Despite the challenging operating environment, we delivered a strong free cash flow of 1 BUSD showcasing the robustness of our business model and our commitment to strict capital allocation. For 2023, the Board of Directors has proposed a dividend of NOK 5 per share, bringing total cash returns for the past four years to 4.5 BUSD.

The resilience of our organization has been impressive – first during the pandemic, and then amid the repercussions of Russia's invasion of Ukraine. Value chain disruptions have become the new normal, and in this situation we have demonstrated to the fullest how we can utilize our global presence and reach, within both production and deliveries, to create value also in times of turmoil.

"Value chain disruptions have become the new normal, and we have demonstrated to the fullest how we can optimize our global presence and reach, both when it comes to production and deliveries."

However, we cannot only adapt to short-term fluctuations. Despite the geopolitical turmoil – and because of it – both the push and pull for low-carbon solutions must continue. Contrary to what some are claiming, there is no subsidy race going on, but rather an investment race. Policymakers across the world are actively seeking solutions to counter temporarily non-functioning markets and build a low-carbon economy with long-term growth and job creation.

To get there, at least six fundamentals must be in place. Here is how we view them and act upon the opportunities:

1. Growth in demand for low-carbon solutions

No market will show healthy growth without significant demand. At the same time, demand will not pick up if there is uncertainty about the quality and availability of a new product. Although first movers can gain a competitive advantage, a "wait and see"-attitude is often seen as less risky. However, when it comes to the climate emergency, waiting can create a clean-up bill far exceeding any investments being made today.

First Movers Coalition (FMC) is a coalition of companies using their purchasing power to create new markets for innovative clean technologies across eight so-called hard-to-abate sectors. Around 100 global companies have joined the coalition and, so far, committed USD 16 billion in demand for low-carbon technology and solutions.

Yara was a founding member of FMC, which was pioneered by the US State Department and the World Economic Forum (WEF). Our efforts are initially related to decarbonizing shipping by building demand for low-emission ammonia as fuel. We have also joined forces with North Sea Container Lines (NCL) to realize the world's first container ship using low-emission ammonia as fuel – named Yara Eyde after one of Yara's founding fathers, Sam Eyde.

2. Growth in supply of low-carbon solutions

Over time, the demand for low-carbon solutions will solidify. A report from Boston Consulting Group and WEF even predicts that there will be a shortage of low-carbon solutions over the next decade[1]. In addition to working systematically on initiatives to increase market demand we are therefore working on developing solutions and building capacity.

Yara is the world's second-largest ammonia producer and has the world's largest ammonia export and trading network and infrastructure. We are leveraging this to take a leading position within low-emission ammonia, which is produced either with renewable energy or with the use of carbon capture and storage. This enables us to deliver fertilizer with a smaller carbon footprint to the food sector and low-emission fuel to the shipping industry. In addition, it can contribute to decarbonizing power production.

We have several ongoing projects, both with the use of renewable energy and carbon capture and storage (CCS). At our Porsgrunn plant in Norway, we have built Europe's largest electrolysis plants to date, and at our Sluiskil plant in the Netherlands, we are investing in CCS.

In my view, no one is better positioned than Yara to capture value in the low-emission ammonia market.

3. A shift to regenerative agriculture

In addition to the need to decarbonize the upstream part of the food industry – the production of fertilizers – there is an equally strong need to decarbonize the downstream part – the use of fertilizers.

Regenerative agriculture is by far the best systematic approach to adopt sustainable farming practices that affect nature and climate in a positive way. As part of our support for regenerative farming, we develop and deliver low-carbon nitrate fertilizers, specialty products for enhanced crop performance, and organic-based fertilizers.

We also offer a suite of digital tools to optimize yields and minimize environmental impact, including improving nitrogen use efficiency, which is fundamental in regenerative agriculture.

However, regenerative farming will only achieve scale when farmers find it commercially attractive. They are the stewards of the soil and must therefore be rewarded with new green revenue streams. Yara is enabling this through the Agoro Carbon Alliance, which incentivizes farmers to sequester carbon in their soil through carbon credit incentives.

4. Not only a green transition, but a just transition

A green transition can only be viable if it is inclusive and fair. High-income countries account for more than a third of emissions while low-income countries account for less than one percent[2], and we cannot allow a green transition to be the expense of the most vulnerable.

CONTENT

> "In my view, no one is better positioned than Yara to capture value in the low-emission ammonia market."

Yara has an on-the-ground presence in 60 countries, and we witness every day how the poorest are paying the highest for the climate crisis. Africa is the epicenter of multiple crises threatening food production, economic growth, and regional stability.

US Secretary of state, Antony Blinken, puts it this way: "Soil is literally at the root of many pressing national security challenges that we face".

One of Yara's main contributions to African agriculture is the availability and affordability of quality fertilizers. Our product innovation MiCrop is an upgraded quality commodity and offers 5-7 nutrients instead of the limited 2 nutrients offered by a low-quality commodity. The impact on livelihoods is stunning:

"I've doubled my yield. The increased yield has enabled me to have an income, to do so many things. I can pay school fees for my children in the best school in Kenya. I've been able to open a shop and also to build a new permanent house. And I bought a tractor," says Kenyan farmer, Beatrice Opiyo[3].

5. Metrics and actions as antidote for greenwashing

There is a classic saying "what's measured gets done" and I'm a believer. We can't pretend that the green transition is easy. It's time to walk the talk and be transparent about it.

At Yara, we have our strategy scorecard with clear targets and quarterly updates on how we are progressing. We have grouped these targets under People, Planet and Profit for everyone to see – and to challenge us.

Metrics are also crucial in agriculture and there is enormous potential for improvement. Yara has been working on the issue of data fragmentation and field connectivity for several years, especially in our agriculture technology subsidiary Varda, to come up with a global field ID. Best described as a QR code for fields, it helps to standardize the identification of agricultural land plots and supports traceability, regenerative farming monitoring, and documentation.

6. Ambitious, committed partnerships

None of the five fundamentals mentioned so far are achievable without the sixth: Collaboration.

We are therefore engaged in several partnerships with companies that share our view on what needs to be done and show an eagerness to get going.

One such project is on carbon capture and storage with Northern Lights, owned by Shell, TotalEnergies and Equinor. We will capture 800,000 tonnes of CO_2 annually at our Sluiskil plant in the Netherlands, to be transported and stored below the Norwegian continental shelf in the North Sea. It's an agreement on commercial terms and an example of a profitable, decarbonization business case.

In Norway, we have joined forces with Reitan Retail, Norgesmøllene, and Felleskjøpet Agri to reduce emissions from Norwegian food production. Oats will be the first available product, with between a 25-30 percent lower carbon footprint than oats produced with traditional mineral fertilizers.

A third example is the long-term agreement with Simpsons Malt in the UK, which also includes our unit Varda. It is aimed at dramatically reducing the carbon footprint in malting barley and distilling wheat for leading global beer and whisky brands.

Humankind's ability to find solutions, when faced with danger and crisis, is almost limitless. If we get these six fundamentals right, we will have come a long way in safeguarding our planet and ourselves.

Svein Tore Holsether
President and CEO

[1] WEF/BCG (2023): Winning in Green Markets: Scaling Products for a Net Zero World.
[2] Hannah Ritchie (2023): Global inequalities in CO_2 emissions
[3] Yara (2023): Tailored solutions for cultivating prosperous communities

CONTENT

About Yara

Yara grows knowledge to responsibly feed the world and protect the planet. Supporting our vision of a world without hunger and a planet respected, we pursue a strategy of sustainable value growth, promoting climate-friendly crop nutrition and zero-emission energy solutions. Yara's ambition is focused on growing a nature-positive food future that creates value for our customers, shareholders, and society at large and delivers a more sustainable food value chain.

To achieve our ambition, we have taken the lead in developing digital farming tools for precision farming and work closely with partners throughout the food value chain to improve the efficiency and sustainability of food production. Through our focus on low-emission ammonia production, we aim to enable the hydrogen economy, driving a green transition of shipping, fertilizer production and other energy intensive industries.

Founded in 1905 to solve the emerging famine in Europe, Yara has established a unique position as the industry's only global crop nutrition company. We operate an integrated business model with around 18,000 employees and operations in over 60 countries, with a proven track record of strong returns. In 2023, Yara reported revenues of USD 15.5 billion.

Understanding ammonia and GHG emissions

Ammonia is the key intermediate for all nitrogen fertilizer. It is produced by combining nitrogen from the air with hydrogen, most commonly from natural gas. This process creates GHG emissions through both chemical reactions and combustion of fuel for energy. Emissions from ammonia production can, however, be eliminated by producing the hydrogen through electrolysis of water based on renewable energy, or by capturing CO_2 from the production process with carbon capture and storage (CCS) technology.

In this report, we use the following terms for ammonia with lower GHG emissions:

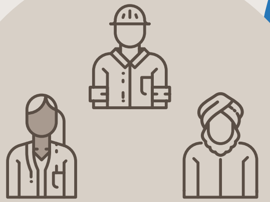
Renewable ammonia:
Ammonia based on hydrogen produced through electrolysis based on renewable energy, often referred to as "green ammonia"

Low-carbon ammonia:
Ammonia based on hydrogen from natural gas, with CO_2 captured and permanently stored after a CCS process, often referred to as "blue ammonia"

Low-emission ammonia:
Collective term for renewable and low-carbon ammonia

CONTENT

Key figures



18,000 employees

22.3
Million tonnes
Crop nutrition delivered (22.7 in 2022)

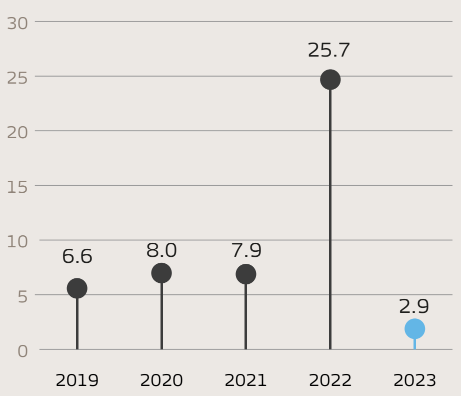
2.9% Return on invested capital (25.7% in 2022)[1)]

312 USD millions Operating income (3,827 in 2022)[1)]

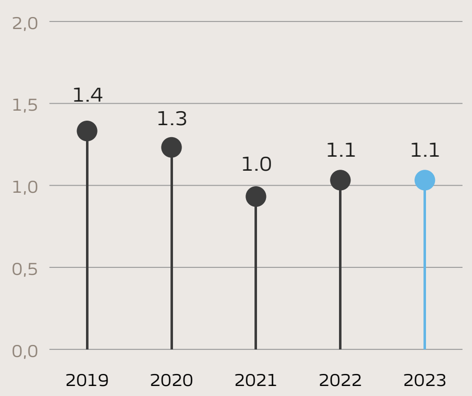
75% Diversity and inclusion index (75% in 2022)

3.0 GHG intensity[7)] (3.1 in 2022)

ROIC (Percent)



TRI



		2023	2022
Profit performance			
Revenue and other income	MUSD	15,547	24,051
Operating income[1)]	MUSD	312	3,827
EBITDA[1)2)]	MUSD	1,709	4,959
Net income	MUSD	54	2,782
Capex[3)]	MUSD	1,219	987
Debt/Equity ratio[1)4)]		0.49	0.37
Net cash flow from operations	MUSD	2,288	2,391
Basic earnings per share[5)]	USD	0.19	10.90
People performance			
Engagement rate	percent	77	78
TRI rate[6)]	per million hours worked	1.1	1.1
Planet performance			
Scope 1+2 CO_2e emissions[7)]	million tonnes	15.6	15.9
Energy use	million GJ	249	246

1) See page 343 for definitions, explanations and reconciliations of Alternative Performance Measures (APMs).

2) EBITDA, as defined by Yara, includes operating income, interest income, other financial income and share of net income in equity-accounted investees. It excludes depreciation, amortization and impairment loss, as well as amortization of excess values in equity-accounted investees.

3) Cash outflows from investing activities, see consolidated cash flow statement on page 221 for specification.

4) Net interest-bearing debt divided by shareholders' equity plus non-controlling interests.

5) Yara currently has no share-based compensation program that results in a dilutive effect on earnings per share.

6) TRI: Number of Total Recordable Injuries per million hours worked, contractors included.

7) The GHG intensity indicator covers scope 1, 2 and parts of scope 3 emissions from suppliers, but does not represent a complete carbon footprint. Measured against tonnes nitrogen in Yara's products. See details on page 129.

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2023

Highlights

Developing world-scale low-carbon ammonia plants in the US

MARCH/JUNE

Yara's strategic ambition is to develop two world-scale low-carbon ammonia plants in the US Gulf Coast region. Each ammonia plant will have a capacity of approximately 1.2–1.4 tonnes annually. About 95 percent of the carbon dioxide (CO_2) generated from the production process will be captured and transported for permanent geological storage. This will allow us to serve our customers with low-emission ammonia and meet the growing global demand within existing and emerging markets. Yara is expected to offtake the vast majority of the production volumes, which further enhances the strategic value and commercial viability of the projects.

Delivering growth and decarbonization with capital discipline

JUNE

On our Capital Markets Day, we presented our ambition to grow our low-carbon ammonia operations. Coupling the potential investments in the US with our leading global ammonia position, we can profitably decarbonize our premium product operations in Europe while also diversifying our energy position and growing in new market segments like shipping and power generation. Together with our farmer-centric approach and initiatives within regenerative agriculture, this will help us deliver on our ambition of Growing a Nature-Positive Food Future.

Opening digital crop nutrition expertise to third parties

JUNE

We announced that we are opening our AgTech portfolio to third parties through the new agricultural API-solution, YaraFX Insight. This tool will make recommendations based on our more than 100 years of crop nutrition knowledge, global field trials, and the input of over 800 agronomists worldwide, and will be available for integration into third-party digital platforms. Farmers worldwide will be able to benefit from these capabilities to increase yields, on the digital platform of their choice.

Connecting southern and northern Europe with hydrogen

JUNE

Yara Clean Ammonia and Cepsa entered a strategic partnership to establish the first low-emission hydrogen maritime corridor between the ports of Algeciras and Rotterdam. This initiative aims to decarbonize European industry and maritime transport by providing a safe and cost-efficient supply chain for low-emission ammonia and hydrogen. It is well aligned with the EU's Fit for 55 package and FuelEU maritime initiative, which aims to cut GHG emissions from maritime transport by 2 percent in 2025, 6 percent in 2030, and 75 percent in 2050 compared to 2020.

Conclusion of 65 years of research

SEPTEMBER

Since 1958, Yara has systematically studied the long-term effects of nutrient management in farming. The conclusions of this long-term trial emphasized the pivotal role of balanced nutrition in maintaining soil health. The application of mineral fertilizer and supplementing farmyard manure with mineral fertilizer has had social, economic, and environmental benefits indicative of sustainable crop production. Farmyard manure alone or unbalanced nutrition reduced crop yield and revenue and led to inefficient use of resources and nutrients as well as a depletion of soil fertility. The trial was conducted at Yara's Hanninghof research center in Dülmen, Germany.

* Jate, M., & Lammel, J. (2022). Effect of Balanced and Integrated Crop Nutrition on Sustainable Crop Production in a Classical Long-Term Trial. IntechOpen. doi: 10.5772/intechopen.102682

Investing in CCS at Yara Sluiskil

NOVEMBER

Yara and Northern Lights, a CO_2 transport and storage supplier, signed a binding commercial agreement, enabling the first cross-border transportation and storage of CO_2. We aim to reduce our annual CO_2-emissions by 800,000 tonnes from ammonia production at Yara Sluiskil. The CO_2 will be liquefied and shipped by Northern Lights from the Netherlands to permanent storage on the Norwegian continental shelf, 2.6 kilometers under the seabed.

Partnering with John Deere to increase fertilization efficiency

SEPTEMBER

John Deere and Yara launched a partnership to combine our agronomic expertise with John Deere's precision technology and advanced machinery, to make every nutrient count. Our Atfarm platform enables farmers to monitor the biomass development of their crops and nitrogen uptake throughout the season and access field specific variable rate application maps. This data can be shared as a WorkPlan with the John Deere Operations Center™. The partnership will enable farmers to increase yields and optimize fertilizer usage, helping them contribute to the ambition of the European Union's Farm to Fork Strategy.

YaraAmplix™ – expanding the range of biostimulants

NOVEMBER

In response to demand for solutions to increase crop resilience and nutrient use efficiency, we announced the launch of YaraAmplix, our new portfolio of biostimulant products. YaraAmplix is formulated with mostly natural ingredients to deliver targeted effects such as enhanced tolerance to abiotic stress, and improved nutrient use efficiency, crop yield and quality. It is a vital solution for regenerative agriculture addressing climate, soil health, resource use, biodiversity, and prosperity.

World's first container ship powered by low-carbon ammonia

NOVEMBER

Yara Clean Ammonia, North Sea Container Line, and Yara International announced a collaboration to launch the world's first container ship, Yara Eyde, powered by low-carbon ammonia. Beginning in 2026, the vessel will operate between Norway and Germany, facilitating a reduction in CO_2 emissions in maritime transport. Yara Eyde is a key step towards achieving the 1.5°C goal by 2030, addressing the shipping industry's 706 million tonnes of CO_2 emissions. Yara is participating as a cargo-owner and will ship fertilizer produced in Porsgrunn to Germany, reducing scope 3 emissions.

Expanding our organic-based fertilizer portfolio

DECEMBER

We announced the acquisition of the organic-based fertilizer business of Agribios Italiana, our second bolt-on acquisition supporting our organic strategy in Europe. This signifies our commitment to further expand our offering in this sector as a complement to our mineral fertilizers to help promote regenerative agriculture and improve soil health. The acquisition will also allow Yara to continue to play a part in helping achieve the EU ambition of increasing the amount of farmland under organic farming.

Commissioning pilot plant for renewable ammonia production in Yara Porsgrunn

DECEMBER

In 2023, Yara constructed and started commissioning the renewable hydrogen demonstration plant at our ammonia production facility in Porsgrunn, Norway. The project will demonstrate that ammonia, produced using renewable energy, can reduce GHG emissions in fertilizer production. Water electrolysis will produce hydrogen to partially replace the fossil-based hydrogen production at the plant. The 24MW electrolyzer plant will ensure an annual capacity of around 20,000 tonnes of renewable ammonia and reduce GHG emissions equivalent to 41,000 tonnes of CO_2e per year from the existing ammonia production plant.

UN Sustainable Development Goals

The private sector has a great responsibility to help deliver on the Sustainable Development Goals (SDGs). Learn more about how we contribute to achieving the SDGs at www.yara.com.

CONTENT

YEAR IN REVIEW

Acting on our ambition

We recognize the urgency of the nature- and climate crises, and we are responding. Leveraging our resilient and flexible business model, we are continuing to put our ambition of Growing a Nature-Positive Food Future into action.

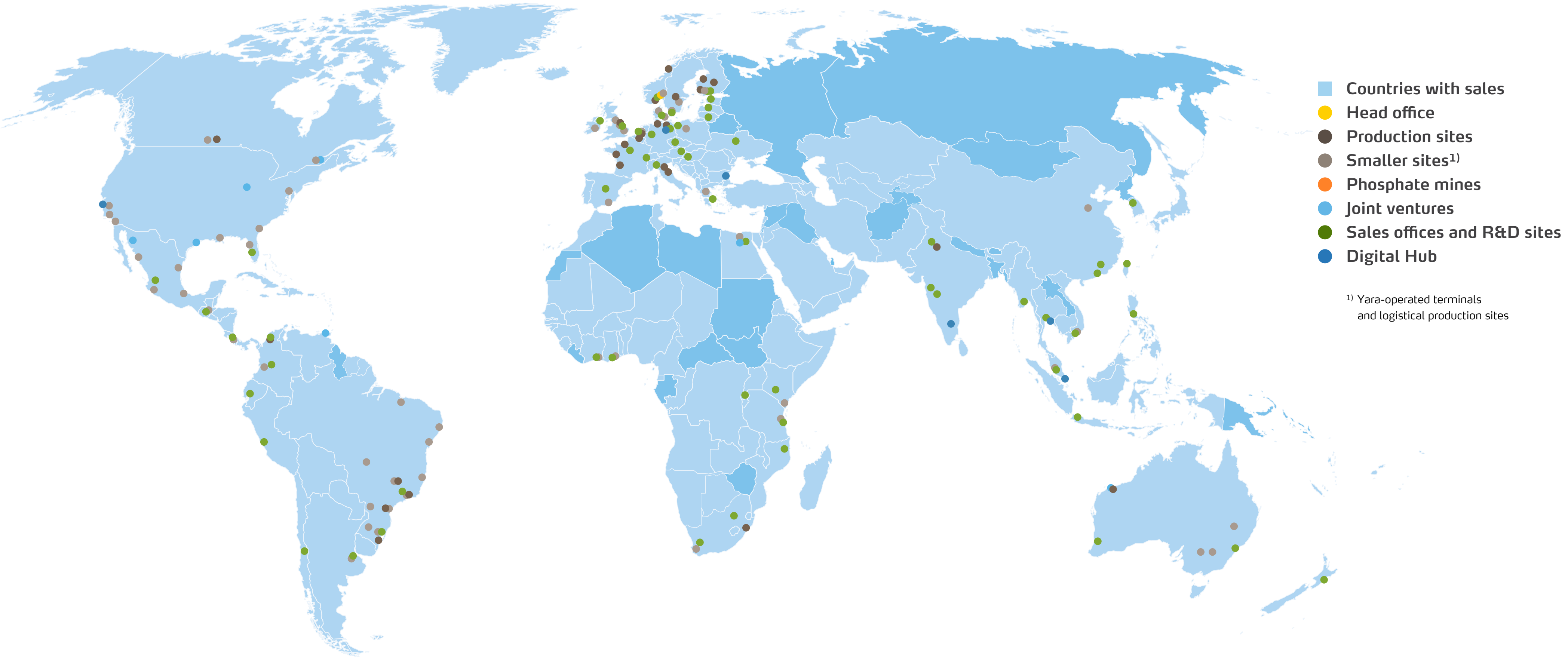
Report of the Board of Directors

The following parts of this report constitutes the Report of the Board of Directors.

Page 12-213

Global presence

Yara is the industry's most global player. We combine the production and marketing of crop nutrition products and solutions with a farmer-centric approach, turning a century of agronomic knowledge into value for millions of farmers around the globe.



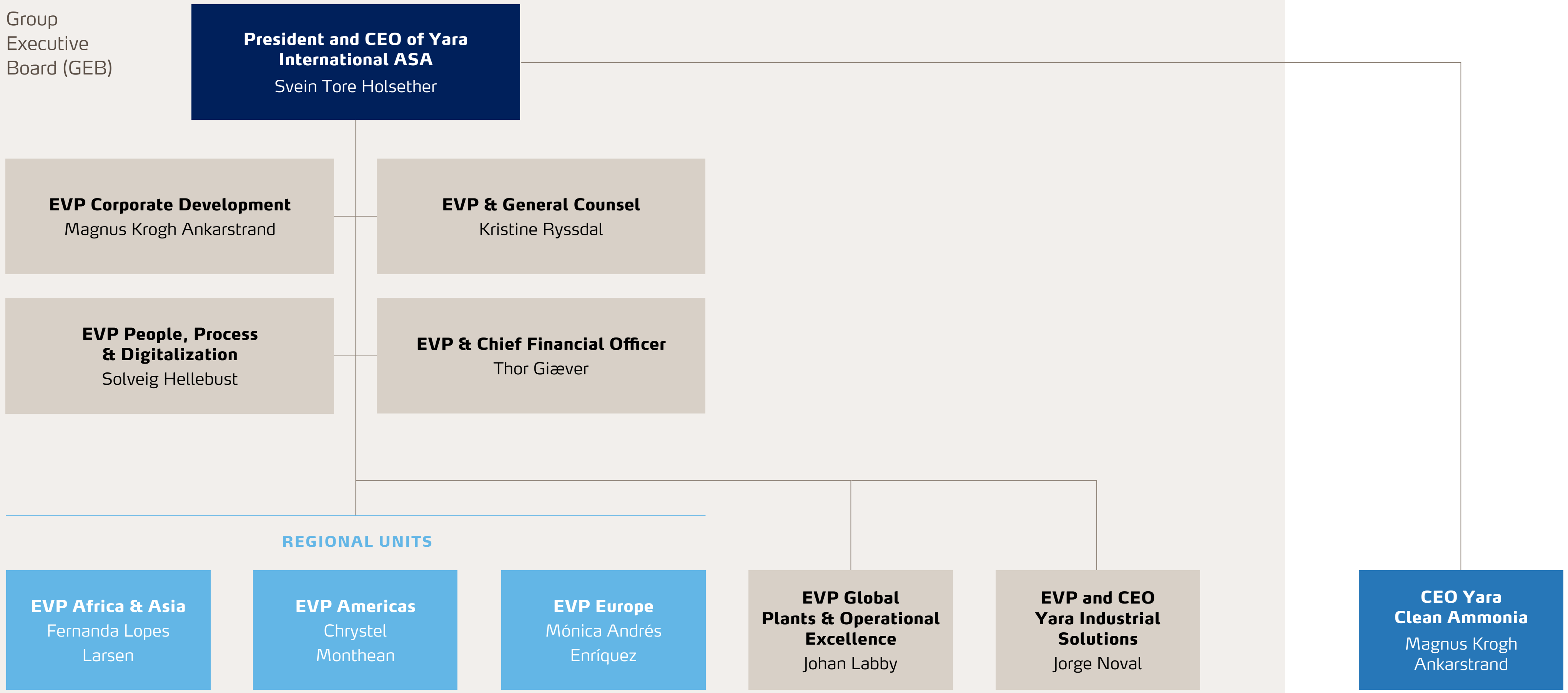
Yara-branded retail outlets around the world	Countries with operations	Countries with sales	Production sites	Terminals, warehouses, blending units and bagging facilities
10,800+	60+	140	26	200

CONTENT

OUR ORGANIZATION

Our organizational structure

Our organizational structure reinforces strategy execution, empowers local operations, strengthens accountability and drives customer centricity.



CONTENT

OUR ORGANIZATION

Regions

Our three regional units Africa & Asia, Americas, and Europe operate in a fully integrated setup. They produce and deliver Yara's existing fertilizer solutions, and commercialize and sell new offerings with support from our corporate function Global Innovation.

Fernanda Lopes Larsen
EVP, Africa & Asia

Africa & Asia

Deliveries	4,506 thousand tonnes
EBITDA	188 USD million
ROIC	3.0%
Employees	2,004

Chrystel Monthean
EVP, Americas

Americas

Deliveries	10,073 thousand tonnes
EBITDA	834 USD million
ROIC	11.1%
Employees	5,728

Mónica Andrés Enríquez
EVP, Europe

Europe

Deliveries	7,705 thousand tonnes
EBITDA	49 USD million
ROIC	(10.3%)
Employees	3,862

CONTENT

OUR ORGANIZATION

Global units

The Global Plants & Operational Excellence segment operates Yara's largest and export-oriented production plants, Porsgrunn and Sluiskil. The Industrial Solutions segment mainly provides nitrogen-based solutions and services across a wide range of industries. The Clean Ammonia segment includes Yara's Ammonia Sales and Logistics activity, which plays a vital role in Yara's production system through optimizing production capacity utilization. This segment also leads Yara's exploration of new renewable and low-carbon ammonia projects.

Johan Labby
EVP, Global Plants & Operational Excellence

Global Plants & Operational Excellence

Finished fertilizer production	6,269 thousand tonnes
EBITDA	183 USD million
ROIC	(0.5%)
Employees	2,027

Jorge Noval
President Yara Industrial Solutions

Yara Industrial Solutions

Deliveries	6,350 thousand tonnes
EBITDA	254 USD million
ROIC	6.3%
Employees	2,349

Magnus Krogh Ankarstrand
President Yara Clean Ammonia and EVP, Corporate Development

Yara Clean Ammonia

Ammonia sales	3,404 thousand tonnes
EBITDA	101 USD million
ROIC	9.0%
Employees	62

CONTENT

HOW WE CREATE VALUE

From field to fork

Why fertilizer?

Almost half of the world's population depend on mineral fertilizer for their food security[1]. Mineral fertilizers are essential crop nutrients, which replenish the soil after harvest and enable farmers to profitably grow nutritious quality crops. FAO estimates a need for 60 percent increase in food production by 2050, and balanced fertilization is crucial to sustainably increase agricultural output.

Why Yara?

Yara is the world's leading crop nutrition company. Yara supports farmers globally with agronomic knowledge, digital tools, and top-quality fertilizers. Unlike most fertilizer companies, we offer a complete range of crop nutrition products, ranging from those based on key nutrients – nitrogen (N), phosphorus (P) and potassium (K) – to those incorporating growth and quality enhancing nutrients, such as calcium (Ca) and magnesium (Mg), to micronutrients tailored to specific soil or crop conditions. Read more in the Fertilizer Industry Handbook at yara.com.

INPUT

We employ

Yara employs an array of resources and assets to create value and deliver on our mission.

Energy

- Natural gas to produce ammonia

Materials

- Minerals to produce crop nutrition

Infrastructure

- 26 production sites
- 200 infrastructure points globally
- 10,800 Yara-branded retail outlets worldwide

Knowledge

- Unique agronomic and industrial knowledge
- 18,000 employees representing great diversity

Financials

- Strong track record
- High credit rating
- Liquid share

Brand

- Global recognition
- Quality and reliability

We produce

We produce a comprehensive range of nitrogen-based fertilizers and industrial products.

We supply

Our global footprint enables consistent and reliable deliveries to customers worldwide.

We deliver

We deliver complete crop nutrition solutions for the farming community and food industry, as well as nitrogen-based solutions for industrial use.

Production

- # 1 producer of nitrates and compound NPK (premium products)
- # 2 producer of ammonia
- Flexible and scalable production system

Distribution

- # 1 in traded ammonia
- Global network of sales offices, terminals, and warehouses
- Timely deliveries aligned with crop cycles and demand

Farmer

- Sales to 20 million farmers
- Agronomists worldwide
- Complete package of premium products, knowledge and digital tools for modern farming

OUTPUT

We create

People

A safe and inspiring workplace, helping to feed 200 million people

Planet

Sustainable farming and food solutions, based on ambitious climate targets

Profit

Superior shareholder returns from efficient operations along with new and greener revenue streams

[1] Erisman et al. (2008). "How a century of ammonia synthesis changed the world", Nature geoscience, VOL 1, OCTOBER 2008

STRATEGY

Megatrends shaping our industry and strategy

Agriculture, the food value chain, and industries are undergoing profound changes. These are the megatrends significantly shaping our industry and our long-term strategy.

Climate change

The climate crisis is set to put food systems under extreme pressure, affecting agricultural production globally. There are increasing expectations for, and regulations related to, tangible climate actions and the reduction of greenhouse gas emissions.

Water safety and reliability

Water is crucial for plant growth. A lack thereof is a major stress factor in crop production. Climate change disrupts precipitation patterns, while extensive irrigation taps aquifers and reduces water quality through salination. These changes have caused considerable impacts on water reliability worldwide.

Dietary shifts

Consumers, particularly in high-income countries, are increasingly driving diets towards healthier, sustainable choices, with more plant-based nutrition. Globally, however, the trend towards higher calorie and animal protein intakes continues.

Soil health

Roughly one third of the world's soil is degraded, and soil erosion, biodiversity loss, and pollution are high on the list of causes. Farming without adequate replenishment of nutrients adds to soil degradation. Best farming practices, however, focus on soil health, carbon capture, and regenerative agriculture.

Zero waste and circular economy

Resource scarcity, growing sustainability awareness, and increased consumer pressure is creating a push towards a more circular economy. It is driving increased interest in recycling nutrients in agriculture and food value chains, as well as for organic fertilizers.

Agri and food industry integration

Agriculture and the food value chain is becoming increasingly integrated. Input providers are joining forces, farms are growing in scale and professionalism, the food industry is moving upstream, and the whole industry is under pressure to achieve new levels of sustainability.

Digitalization

Digital innovation and technological transformation are fundamentally changing strategies and practices in decision making, fertilizer application, farm automation, and traceability. It has started to impact the entire food value chain.

Geopolitical and trade uncertainty

Covid-19 and the war in Ukraine has brought uncertainty to global markets and future trade flows, and a likely slow-down in globalization. We see increasing importance of resource security across food, energy, and other critical resources.

CONTENT

STRATEGY

Opportunities and risks from the megatrends

Megatrends present new opportunities we can actively pursue, as well as risks we need to mitigate.

Opportunities

- There is a shift towards sustainability and transparency, where our crop nutrition offerings provide a good starting point for finding solutions
- Digital tools can enable new market channels and reduce the yield gap through farmer connectivity
- Mainstream adoption of low-emission ammonia and hydrogen can open new markets and support new applications
- Focus on soil health, water use, and biodiversity, where optimal fertilizer use has a positive impact
- Increased data access can open new monetization opportunities

Risks

- Regulatory changes, consumer demand for sustainability, and optimized fertilizer use can lead to lower fertilizer demand growth
- Environmental costs and taxes can increase costs
- Physical climate change risks could challenge our operations and customers
- Reduction in demand, commoditization, and increased price competition can challenge premium fertilizer margins
- Competitive landscape can be disrupted
- Increased uncertainty around the competitive position of our European production

CONTENT

STRATEGY

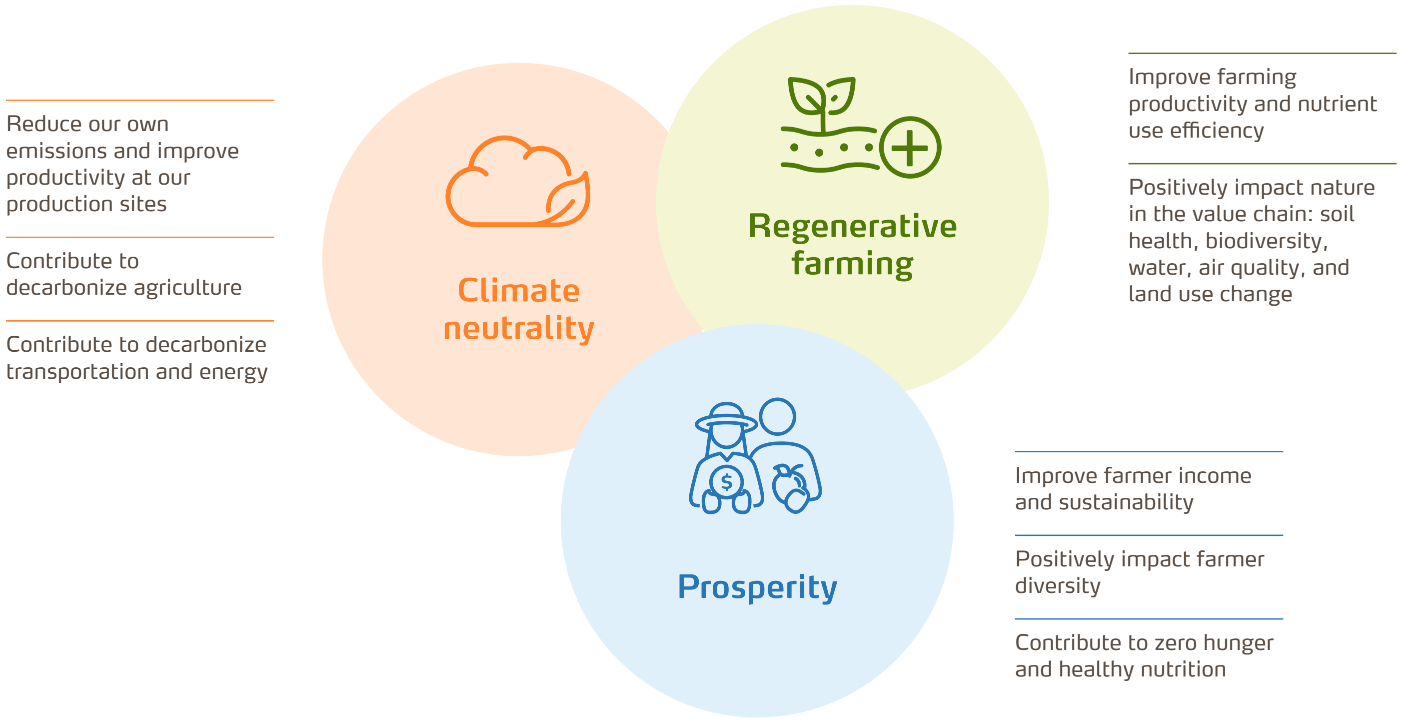
Our ambition is the headline of our strategy

Yara has set a long-term strategic ambition of Growing a Nature-Positive Food Future. It reflects our mission and vision and is set with the objectives of minimizing risks for Yara and nature and to capture new business opportunities.

Our ambition rests on the three pillars of Climate neutrality, Regenerative farming, and Prosperity. They represent the most material action areas we will focus on over time to operationalize our ambition.

While moving forward, we recognize that discussions, frameworks and the understanding of the concept of 'nature-positive' are still evolving, and maturity across topics differs. We will consciously pace our progress as maturity evolves. Climate neutrality is the most mature topic and a pressing global challenge, and actions to reduce greenhouse gas emissions across our scopes will therefore have priority the next few years. In parallel, we will work on baselining and evaluating nature impacts, and assessing actions on other nature dimensions.

Our ambition: Growing a Nature-Positive Food Future



CONTENT

STRATEGY

Two strategic priorities will lead us to our ambition

Yara's strategy builds on our competitive edge: our people, agronomic and industry knowledge, our connection to millions of farms and our global footprint in production, sales and ammonia distribution.

Informed by the most material risks and opportunities presented by megatrends, our strategy rests on two strategic priorities:

- Accelerate operational excellence
- Expand our reach and offering

These two priorities cover specific strategic responses on the way to reaching our ambition.

Over the past two decades, Yara's business model has developed from focusing on our asset and product base – what we have – to focusing on farmers and complete solutions – how we can contribute.

We will continue to focus on improving our core – fertilizer production and crop nutrition – by accelerating operational excellence. Building on the strength of our crop nutrition core, we are increasingly aiming to expand our reach and offerings, tapping into new business opportunities emerging in our environment, and contributing to low-carbon and regenerative solutions.

Our strategic priorities

Accelerate operational excellence

Culture of entrepreneurship and people development: Invest in leadership behaviors, engagement, continuous improvement, dynamic upskilling, diversity, equity, and inclusion.

Efficient and reliable operations: Strengthen our assets and core processes through operational excellence, digitalization, and a persistent focus on safety.

Decarbonized and resilient asset portfolio: Proactively optimize our asset portfolio and decarbonize through new low-emission ammonia assets, sourcing, and projects at prioritized existing assets.

Expand our reach and offering

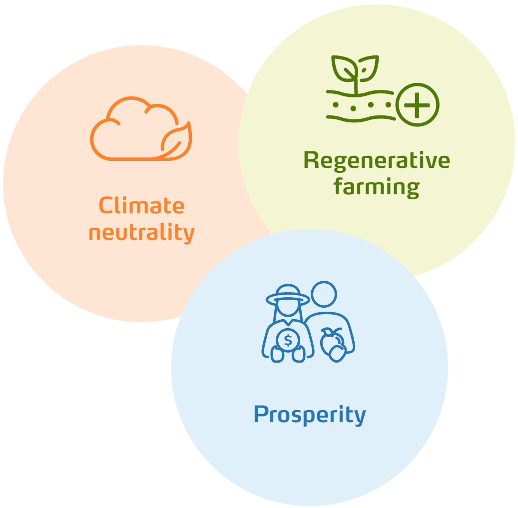
Low-carbon premium products: Expand premium position with focus on generating demand for and commercializing fertilizer with reduced carbon footprint and industrial products.

New regenerative offerings: Develop and monetize new farmer products and solutions, building on our competitive edge, which profitably contribute to delivering low-carbon and regenerative outcomes, e.g., biologicals and digital solutions.

New adjacent markets: Invest in value-creating portfolio of new and potentially disruptive businesses that go beyond our traditional markets, such as Yara Clean Ammonia and Agoro.

Our ambition

Growing a Nature-Positive Food Future



CONTENT

STRATEGY

Priorities 2024

In 2024, we will give particular attention to four priorities to continue the execution of our strategy

Long-term strategic priority	Priority in 2024	
Accelerate operational excellence	Advance strategic leadership behaviors and strengthen talent development on prioritized skillsets	**Examples of key projects and actions**
	Evolve asset portfolio to achieve profitable decarbonization and lower energy cost	Continue CCS project at Yara Sluiskil, with estimated start-up 2026, see page 41.
	Improve efficiency in production assets and core processes, and increase resilience in sourcing position	Scale up production of fertilizer produced with renewable ammonia from Yara Porsgrunn, see page 41.
		Continuously assess asset footprint.
Expand our reach and offering	Define and mature pathway to value generation in low-carbon and regenerative agriculture solutions	Mature low-carbon ammonia projects in the US towards final investment decision in 2H2025, see page 42.
		Develop new commercial offerings, including digital tools and biologicals.

CONTENT

STRATEGY

Managing sustainability impacts in our value chain

The ambition of Growing a Nature-Positive Food Future applies to our whole value chain. We give priority to the three pillars of our ambition where we believe we can have the greatest impact. Here is an overview of our main challenges and how we approach them.

STRATEGIC RESPONSES ACROSS YARA'S VALUE CHAIN

Climate neutrality

We are reducing our own GHG emissions and developing ways to decarbonize agriculture, transportation, and energy.

- 2025–2030 GHG Program
- Fertilizer based on low-emission ammonia
- Fuel solutions for transportation and energy

Regenerative farming

We aim to improve farm productivity while protecting soil health, biodiversity, water, air quality, and land.

- Low-carbon, specialty, and organic-based fertilizers
- Precision farming tools
- Knowledge and R&D

Prosperity

We want to improve farmer income, sustainability, and diversity to contribute to zero hunger and healthy nutrition

- Affordable, quality crop nutrition
- Farmer connectivity
- Knowledge-sharing and training

MAIN CHALLENGES

Sourcing

Complex value chain
Sourcing from extractive industries
Non-renewable raw materials

Production

Energy-intensive processes
Emissions to air and water
Health and safety risks
Community impacts

Transportation

Fossil fuel use
Emissions to air
Use and disposal of plastic packaging

Use of products

GHG emissions and nutrient losses
Large freshwater withdrawals
Soil and nature degradation
Land use change

OPERATIONAL RESPONSES

Sourcing:
Human rights due diligence
Industry risk assessments
Sustainable Procurement Program

Production:
Energy optimization
Environmental Roadmaps for sites
Employee engagement
Diversity, equity, and inclusion
Compliance program

Transportation:
Low-emission vessels
Product stewardship programs
Circular packaging

Use of products:
Crop-specific nutrition solutions
On-the-ground agronomists
Farmer engagement
Analytical services

Strategy scorecard

Our Strategy scorecard comprises the KPIs we use to measure the progress on the execution of our corporate strategy.

People

More on page 25

Yara KPI	2021	2022	2023	2025 Target
Strive towards zero accidents, TRI	1.0	1.1	1.1	<1.0
Engagement index[1]	79%	78%	77%	Top quartile
Diversity and inclusion index[1]	77%	75%	75%	Top quartile
Female senior managers[2]	29%	29%	32%	40%

[1] Measured annually
[2] Status at year-end

Planet

More on page 28

Yara KPI	2021	2022	2023	2025 Target
GHG emissions, intensity, t CO_2e/t N	3.0	3.1	3.0	2.7
GHG emissions, scope 1+2, CO_2e[1]	-4%	-14%	-16%	-30%
Digitized hectares, MHa[2]	NA	19	23	150
MSCI rating	A	A	AA	A

[1] GHG absolute emissions scope 1+2 target is for 2030 with a 2019 baseline. Due to reconciliation and validation, the 2023 figure deviates slightly from data reported in the Q4 presentation.
[2] Cropland with digital farming user activity within defined frequency parameters

Profit

More on page 31

Yara KPI	2021	2022	2023	2025 Target
Ammonia production, Mt[1]	7.8	7.7	7.8	8.6
Finisher fertilizer production, Mt[1]	21.3	20.5	21.1	22.5
Premium generated, MUSD[2][3]	125	1,594	1,877	N/A
Operating capital days[3]	83	87	105	92
Capital return (ROIC)	7.9%	25.7%	2.9%	>10%
Fixed costs in core business, MUSD[4]	2,202	2,252	2,351	Beat inflation

[1] Yare Improvement Program performance, see further details on page 35.
[2] Figures for 2021 and 2022 changed following a revision of the market references applied, see page 35.
[3] See page 343 for definitions, explanations, and reconciliations of Alternative Performance Measures (APMs).
[4] Fixed cost target is annual

CONTENT

PEOPLE PERFORMANCE

People

Yara's success in transforming and growing our business depends on the people working with us and those affected by us. Our employees and their knowledge are Yara's greatest asset, and we work to support their growth and protect not only their physical but also their psychological safety.

As a socially responsible company, we are working to increase diversity, equity, and inclusion in our company, increase worker engagement, and ensure we uphold and promote human rights in our company and in the value chain.

Health and safety

We believe every accident is preventable. Our goal is to drive the total recordable injury (TRI) rate down to 1.0 or fewer by 2025, a steppingstone to achieving our ultimate goal of zero injuries. In 2023, we achieved TRI rate of 1.1, which was lower than industry benchmarks and the same rate that we recorded in 2022. The sickness rate for Yara employees was 3.2 percent in 2023, a decrease from 3.9 percent in 2022.

Safe by Choice is our company-wide quest to develop a value-based and sustainable HESQ culture to reach our goal of zero harm. In 2023, we continued the Safe by Choice journey and developed a human factor program to raise awareness about how our behaviors influence accidents and reduce or eliminate human error. We also rolled out our occupational health program, which includes procedures and guidelines for risk assessments, an employee assistance program, mental health and psychological safety training, and workshops to improve the work environmental in teams and departments. See also Health, safety, and security, page 160, and Employment, page 152.

Employee engagement

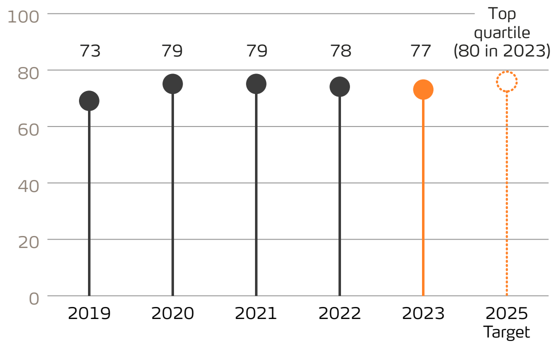
The employee engagement index remained high at 77 percent in 2023. Our goal is to score in the top quartile of the international benchmark on an annual basis. We did not reach this goal in 2023 due to strong performance among other companies in the benchmark, which raised the threshold for the top quartile to 80 percent.

We continue to monitor employee engagement and enablement, using frequent surveys to gather feedback from our employees and identify areas for improvement.

Developing a learning culture is instrumental for our strategy execution, and in 2023 we introduced the Global Learning Charter to guide our employees in their learning, upskilling, and reskilling. More than 10,000 employees took part in the new performance and development process People Connect, which was launched in 2023.

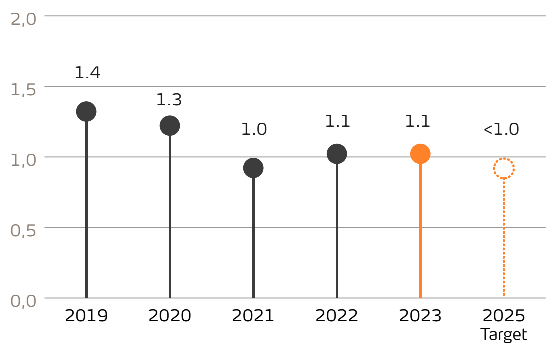
Engagement index

Index (%)



TRI

Total recordable injuries per million hours worked



We also reinforced our development activities for leaders at all levels of the organization, setting out our expectations in the Yara Leadership Behaviors and supporting them with online learning activities and bespoke development programs. See also Training and skills development, page 172

Diversity, Equity, and Inclusion

In 2023, we achieved a score of 75 percent in the diversity and inclusion index, the same as in 2022. This was below our target of being in the top quartile of international benchmarks, which advanced during the year and set the threshold at 78 percent.

We remain committed to attracting, developing, and retaining diverse talents, and to creating an equitable and inclusive work environment. In 2023, we continued to celebrate global awareness days and saw the successful accomplishment of another three cohorts in our Black Leadership Development Program. Furthermore, we launched employee resource groups. These are voluntary, employee-led groups that are formed to act as a resource and sounding board for underrepresented groups across our organization.

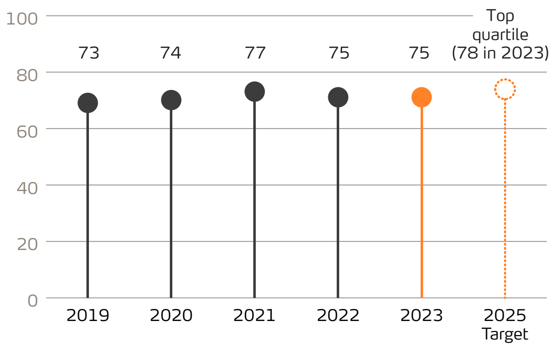
We are committed to increasing the share of women in senior management positions to 40 percent or more by 2025. Over the last five years, we have successfully increased this share from 22 to 32 percent. Overall, women accounted for close to 27 percent of our workforce at year-end 2023.

We closely monitor representation and retention rates and continue to run and implement new initiatives to make Yara more attractive to women. Examples of such initiatives are the Women in Agronomy and Women in Maintenance programs, our annual gender pay gap analysis and the gender equity employee resource group, which was launched in 2023.

Principles to ensure fair and equal treatment and prevent discrimination have also been embedded in

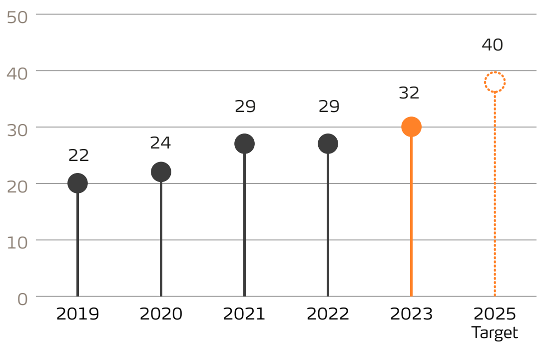
Diversity and inclusion index

Index (%)



Female senior managers

Share in %



Ensuring a living wage

How much must a worker earn to support a family with the necessary goods and services to provide a healthy and decent standard of living?

We have been working to answer this question for two years to ensure that every Yara employee earns a living wage. This is key to meeting the goals of providing decent work and reducing inequality.

In July 2023, we had established thresholds and evaluated individual compensations across all our countries of operations. Our assessment concluded that 5.3 percent of Yara employees were earning below the "decent package" standard Yara has set for a living wage.

Following a commitment and actions to close identified gaps, we had reduced the share of employees earning below the threshold to 3.3 percent at year-end 2023. This work will continue in 2024.

» Living wage, page 157

our recruitment, compensation, and development processes. See also Equal treatment and opportunities for all, page 164.

Human rights

Yara is committed to respecting internationally recognized human and labor rights throughout the value chain. Our human rights policy is embedded in Yara's Code of Conduct, which describes our priorities as well as salient risks we have identified in our operations and value chain. Our Code of Conduct is complemented by the Code of Conduct for Yara's Business Partners which honors the same internationally recognized and endorsed standards for human rights, business ethics, and labor conditions as our Code of Conduct.

Our human rights due diligence process adheres to the basic principles of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Evaluating the effectiveness of this process will have high priority in 2024.

Meanwhile, we continued to mitigate identified human rights at risk of adverse impact in human rights impact assessments (HRIAs) over the last few years, with a particular focus on the working conditions for contracted workers. To monitor the effectiveness of our measures, we also performed internal audits to verify the implementation and effectiveness of actions related to HRIAs conducted in India, Colombia, and Brazil. See also Human rights due diligence, page 99.

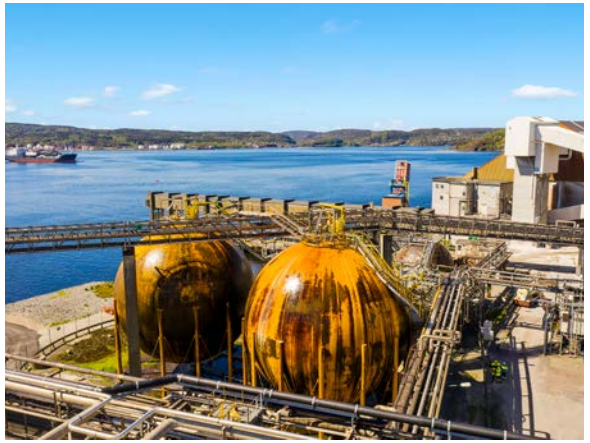
Respecting our workers' labor rights is a priority for us. We fully support the right to freedom of association and collective bargaining and are engaged in regular dialogue with employees and their organizations. In 2023, about 70 percent of Yara's permanent employees and 60 percent of non-permanent employees were covered by collective bargaining agreements, which include terms of working conditions and rights, hereunder health and safety, discrimination and harassment, training, and career management. Yara's approach also covers countries with limited opportunities for unionizing where we encourage worker participation through representative committees. Our expectations for freedom of association and collective bargaining extend to our business partners through the Code of Conduct for Yara's Business Partners. See also Employment, page 152.

Sustainability in procurement

In our procurement activities, we continued to use third-party sustainability evaluations to assess our suppliers' sustainability performance, including on human rights issues. We also put in place a global Supplier Audit Procedure and initiated an audit pilot program with a dedicated focus on human rights and working conditions, to supplement ongoing local supplier audits. Our industry risk assessment was enhanced to guide our prioritization of suppliers to audit in 2024. See also Workers in the value chain, page 178.

Human rights and equality and anti-discrimination disclosures

To learn how we comply with the Norwegian Transparency Act and the Equality and Anti-Discrimination Act, see guidance on page 207 and full disclosures in the sustainability statements.



Together for Sustainability (TfS)

In 2023, we joined Together for Sustainability (TfS), an initiative to set global standards for the environmental, social, and governance performance of chemical supply chains. Over the course of the year, we started to engage in working groups and regional teams and committed to apply the TfS audit protocol to select supplier audits in 2024. We will also participate in the TfS' program to reduce scope 3 GHG emissions.

» Managing impacts in our supply chain, page 104

PLANET PERFORMANCE

Planet

Climate neutrality and regenerative agriculture are cornerstones of our ambition. Decarbonizing our own operations is critical, but we also want to contribute to reducing emissions and impacts on nature from our supply chain and our operations with farmers and other customers who use our solutions.

The agriculture sector is responsible for almost one third of global GHG emissions. Nitrogen fertilizers alone account for almost 11 percent of agricultural emissions or 2 percent of global GHG emissions. While almost 40 percent of these emissions originate from the production of nitrogen fertilizers, the remainder is in-field emissions related to the use of fertilizers[1]. In addition, nutrient losses can lead to pollution of the air, water, and soil.

As a global crop nutrition and fertilizer company, we acknowledge our impact on the planet and resource use. We aim to not only reduce our own emissions significantly, but also to help reduce emissions and impacts from crop production and the food system, and to enable the hydrogen economy.

[1] Menegat, S., Ledo, A. & Tirado, R. Greenhouse gas emissions from global production and use of nitrogen synthetic fertilisers in agriculture. Sci Rep 12, 14490 (2022).

Aiming for climate neutrality

Our work to achieve climate neutrality follows three main avenues:

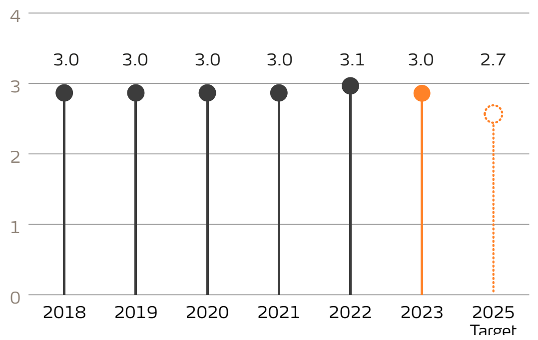
- Reducing our own emissions and improving productivity at our production sites
- Contributing to decarbonize transportation and energy
- Contributing to decarbonize agriculture

In 2023, our GHG scope 1 and 2 emissions (market-based) totaled 15.6 million tonnes of CO_2e. The GHG intensity was 3.0 tCO_2e/tN. Higher reliability and fewer curtailments did, however, improve the GHG intensity in the second half of 2023 and we saw productivity records at several sites. In December, we reached a GHG intensity of 2.8 tCO_2e/tN, almost at the targeted level for 2025. We will intensify our efforts to increase production reliability and energy efficiency to reach and stabilize at the targeted level.

Our GHG 2025 program showed good progress in 2023 and is key to reaching our GHG intensity target. The program includes more than 90 profitable projects to reduce GHG emissions from our production. At year-end 2023, we had achieved reductions of 1.2 million tonnes CO_2e, with another 0.5 million tonnes CO_2e in the pipeline. Beyond the GHG 2025 program, our focus will be on decarbonizing ammonia production through step

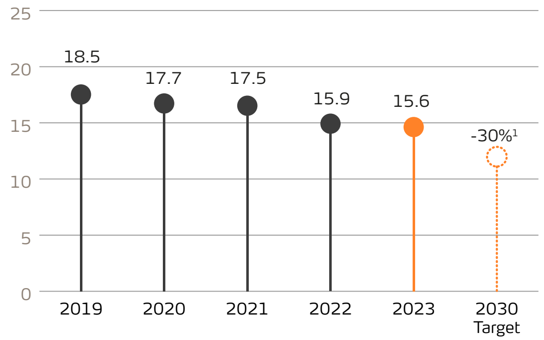
GHG intensity

t CO_2e/t N



GHG emissions, scope 1+2 (market based)

Million tonnes CO_2e



[1] From a 2019 baseline

For definitions, see Climate and energy, page 129.

change projects, such as the carbon capture and storage (CCS) project at Yara Sluiskil and the electrolyzer project at Yara Porsgrunn. See also Climate change, page 129.

Decarbonizing hard-to-abate sectors

Low-emission ammonia is the gateway to the hydrogen economy and to decarbonizing hard-to-abate sectors such as transportation and energy. In 2023, we took important steps towards decarbonizing our ammonia production. This will enable us to deliver low-emission ammonia through strategic partnerships for fertilizer and fuel applications across the agriculture, shipping, power and industrial sectors.

Promoting sustainable and regenerative agriculture

The use phase accounts for more than half of all GHG emissions over the fertilizer life cycle. Better farming practices can reduce in-field emissions, but not eliminate them, as the emissions stem from the natural nitrogen cycle. Regenerative agriculture represents a systematic approach to adopting the best sustainable practices that impact nature and climate positively. It includes five main themes: climate, soil health, resource use, biodiversity, and prosperity.

We are working towards regenerative farming to:

- Improve farming and nutrient use efficiency
- Positively impact nature in the value chain

We aim to support agriculture in its transformation towards sustainable and regenerative practices. To do so, we focus on developing and delivering bespoke crop nutrition and digital solutions, and sharing crop and agronomic knowledge.

As our digitalization efforts continue, connecting with farmers provides valuable insight into field activities. This enables us to offer relevant digital solutions and agronomic knowledge to help farmers improve their productivity, profitability, and environmental performance. In 2023, we further increased our coverage of digitized hectares, capturing 23 million unique hectares. Our refined approach to connectivity, with increased focus on quality over quantity, provides significant opportunity as we further enhance our value proposition towards impactful regenerative agriculture hectares targeting key crops and geographies.

How we are building momentum for low-emission ammonia

Growing demand

through strategic partnerships and collaborations

- Partnership with Cepsa to connect southern and northern Europe with renewable hydrogen
- Partnership with Höegh Autoliners on a future supply deal for low-emission ammonia
- Invested to realize the world's first ammonia bunkering solution together with Navigator Holdings Ltd. and Azane Fuel Solutions AS
- Partnership with CMB.TECH and North Sea Container Line to realize the world's first low-emission ammonia-powered container ship, demonstrating the viability of low-emission ammonia as a shipping fuel

Growing supply

through investments in new technologies and capacity

- Roll-out of the first tonnes of fertilizer based on renewable ammonia from Yara Porsgrunn
- Signed binding agreement for the transport and storage of up to 800,000 tonnes of CO_2 from Yara Sluiskil, annually
- Actively progressed with plans to invest in two world-scale low-carbon ammonia plants in the US

CONTENT

Agoro Carbon alliance program sees significant growth

Agoro Carbon provides farmers and ranchers an additional revenue stream by giving them access to the carbon marketplace. The company enrolls ranchers and farmers in 10-year contracts to implement regenerative agricultural practices that remove carbon from the atmosphere and retain it in the soil. Agoro Carbon has had another year of rapid growth, especially in North America. The Yara-backed company has now enrolled farmers and ranchers across 28 states in the US into its agriculture carbon program, representing 2 million acres (809,000 hectares) of farm and ranchland. This will enable the company to help remove 7.5 million tonnes of carbon emissions from the atmosphere into the soil over the next 10 years.

"In 2023, we doubled the expected carbon removal potential versus the previous year while spending nearly 20 percent less to do so, and are aiming for continuous improvements as we grow," says Elliot Formal, CEO Agoro Carbon.

In 2023 we opened the agricultural API-solution, YaraFX Insight, to third parties, enabling farmers to benefit from our knowledge and data on a digital platform of their choice. We also partnered with John Deere to combine our Atfarm platform with the John Deere Operations Center™. Farmers can take advantage of this to increase yields and optimize fertilizer use through the monitoring of biomass, nitrogen uptake, and field-specific application maps.

Products for regenerative farming

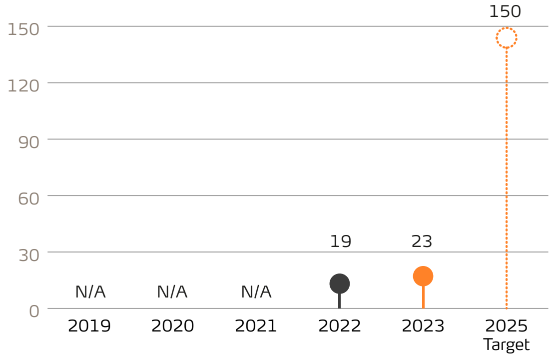
Our specialty products, such as biostimulants, foliars, fertigation, and coatings, can contribute to higher nutrient use efficiency and water use efficiency. Biostimulants, for instance, can enhance plant health and the crop's tolerance to abiotic stress, helping plants to adapt to climate change. They complement fertilizers by improving the availability, uptake, and use of nutrients.

To expand on our range of biostimulants, we launched our new brand, YaraAmplix™, in 2023. Furthermore, we announced plans to build a new global plant for specialty fertilizers and biostimulants, and we opened the Huaibei water-soluble fertilizer plant in China, which will expand our fertigation offer. Fertigation is the use of water-soluble fertilizer in an irrigation system and can increase water use efficiency, crop yield, and fertilizer efficiency.

In the organic-based fertilizer segments we announced the acquisition of Agribios Italiana, further expanding our organic-based and organo-mineral based offerings, which we believe are important additions to help promote regenerative agriculture and improving soil health. It also positions us to help achieve the EU ambition of increasing the proportion of farmland under organic farming.

Digitized hectares

Million hectares



Digitized hectares are defined as cropland with digital farming user activity within defined frequency parameters. In 2023 we increased the frequency parameters for measuring hectares with user activity. Due to this change, historical data is limited to 2022.

Nature baselining

As part of Yara's nature-positive roadmap, a baselining project was conducted during 2023 and will continue in 2024. The goal of this project is to establish Yara's nature-related impacts and dependencies, and the LEAP approach as recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) is being applied. See Biodiversity and ecosystems, page 145, for more on our efforts to protect nature.

We continued to engage with the TNFD in 2023, see Memberships, page 50.

CONTENT

FINANCIAL PERFORMANCE

Profit

Yara's full-year 2023 net income was USD 54 million compared with USD 2,782 million a year earlier, mainly reflecting lower margins and higher impairment loss driven by a USD 168 million impairment of the Tertre plant in Belgium. Excluding special items, EBITDA was USD 1,712 million compared with record high USD 4,889 million a year earlier.

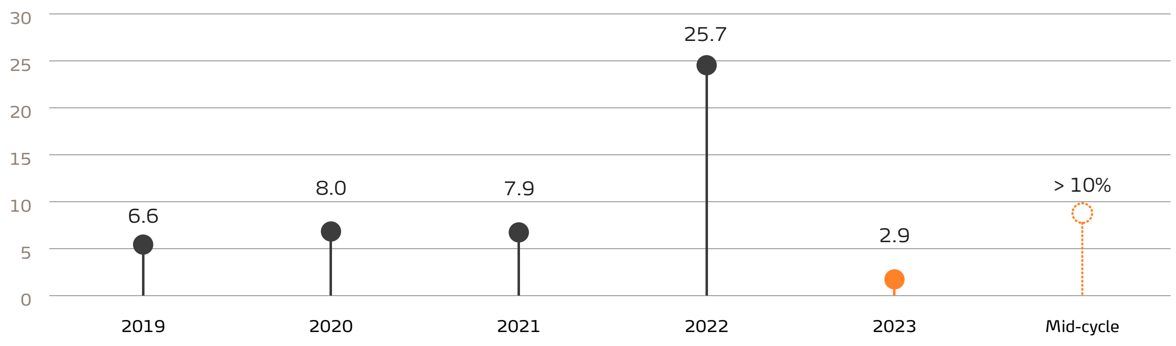
Yara's full-year 2023 EBITDA excluding special items was 65 percent lower than a year earlier, mainly reflecting lower margins with lower selling prices more than offsetting lower production cost. Deliveries decreased by 5 percent compared to 2022, driven by reduced third-party products availability following sanctions on Russia, but with limited impact on EBITDA as these are low-margin products.

Sharp decline of EBITDA in 2023 compared with 2022 led to a reduction of ROIC, which was further negatively impacted by higher impairment losses and high effective tax rate in 2023. The fertilizer industry is of a cyclical nature. While Yara delivered a record-high

ROIC

%

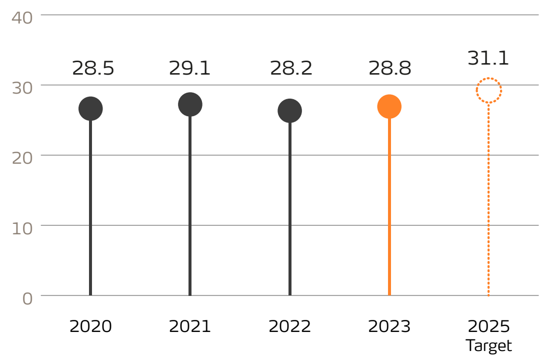
Return on invested capital will reflect the value created for shareholders



Production output

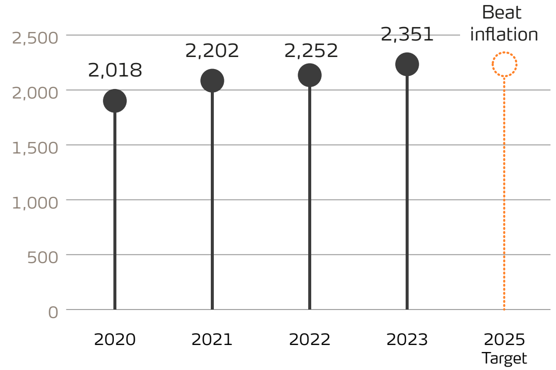
Million tonnes

Production adjusted for major turnarounds and market optimization effects, better reflecting underlying performance under the Yara Improvement Program (YIP).



Fixed costs in core business[1)]

USD millions



1) See page 343 for definitions, explanations and reconciliations of alternative Performance Measures (APMs).

CONTENT

ROIC during the high price cycle of 2022, earnings in 2023 were significantly impacted by the low price cycle.

Europe's full-year 2023 EBITDA excluding special items was 92 percent lower than a year earlier, as lower selling prices more than offset higher deliveries and lower feedstock cost. Deliveries increased by 3 percent compared with 2022.

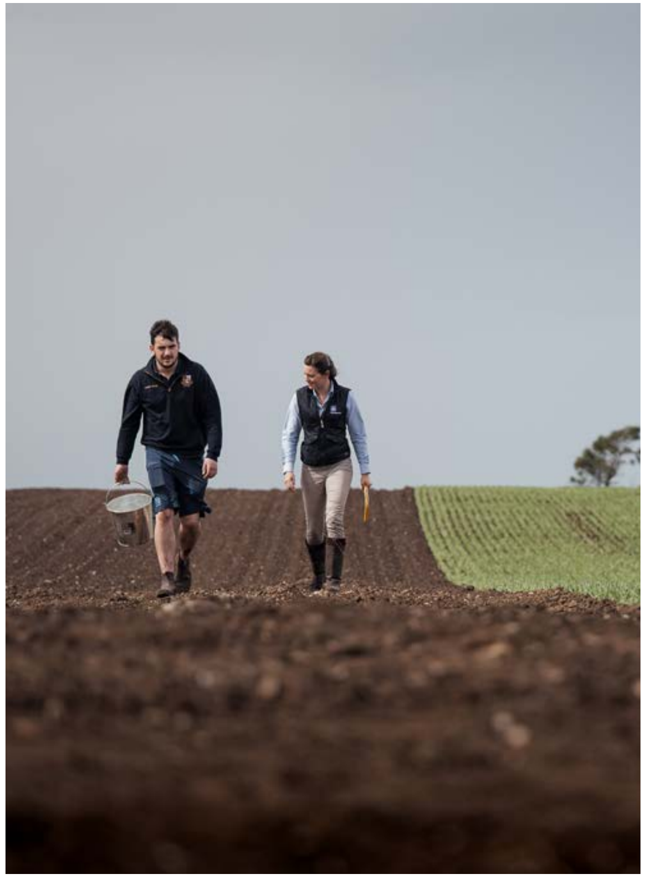
Americas' full-year 2023 EBITDA excluding special items was 56 percent lower than a year earlier, mainly reflecting lower production margins in North America, lower commercial margins in Latin America, and lower deliveries. Deliveries decreased by 8 percent compared to 2022 due to reduced third-party product (TPP) availability following sanctions on Russia.

Africa & Asia's full-year 2023 EBITDA excluding special items was 66 percent lower than a year earlier, driven by reduced ammonia production margins and lower selling prices offsetting higher deliveries. Total deliveries were 5 percent higher compared to 2022, which was impacted by poor farmer economics in the region and Chinese domestic prices being decoupled from global prices.

Global Plants & Operational Excellence's (GPOE) full-year 2023 EBITDA excluding special items was 57 percent lower than a year earlier. This result mainly reflected reduced fertilizer prices impacting production margins.

Industrial Solutions' full-year 2023 EBITDA excluding special items was 65 percent lower than a year earlier, driven by lower market prices and lower deliveries. Total deliveries were down 11 percent, mainly in Chemical applications EMEA due to reduced industrial activity in Europe and in Transport Reagents compared with record deliveries in 2022.

Clean Ammonia's full-year 2023 EBITDA excluding special items was 60 percent lower than a year earlier, driven by lower deliveries, lower margins due to lower ammonia prices, and higher fixed costs. Total deliveries were 17 percent lower than 2022, due to reduced product availability given the maintenance of key ammonia production sites in the year and lower downstream industrial and fertilizer demand.



ESG rating

Yara's target is to maintain an MSCI rating of A or better.

MSCI

	2023	2022	2021	2020	2019
Score	AA	A	A	BBB	BB

MSCI rating is scored on the scale: CCC – B – BB – BBB – A – AA – AAA where AAA is best. Yara's target score: A

Financial highlights

USD millions, except where indicated otherwise	2023	2022	2021	2020	2019
Revenue and other income	15,547	24,051	16,607	11,728	12,936
Operating income	312	3,827	1,068	1,176	989
EBITDA[1)]	1,709	4,959	2,804	2,223	2,095
EBITDA excl. special items[1)]	1,712	4,889	2,891	2,161	2,165
Net income/(loss)	54	2,782	384	690	589
Basic earnings/(loss) per share[2)]	0.19	10.90	1.75	2.58	2.20
Basic earnings/(loss) per share excl. foreign currency exchange gain/(loss) and special items[2)]	1.11	10.98	4.73	3.08	3.09
Net cash provided by/(used in) operating activities	2,288	2,391	1,406	2,047	1,907
Net cash provided by/(used in) investing activities	(1,197)	(509)	(874)	248	(1,044)
Net debt / equity ratio	0.49	0.37	0.55	0.36	0.42
Net debt / EBITDA excl. special items (last 12 months) ratio[1)]	2.16	0.66	1.36	1.36	1.72
Average number of shares outstanding (millions)	254.7	254.7	256.8	268.0	272.3
Return on invested capital (ROIC)	2.9%	25.7%	7.9%	8.0%	6.6%

1) See page 343 for definitions, explanations and reconciliations of Alternative Performance Measures (APMs).
2) USD per share. Yara currently has no share-based compensation programs resulting in a dilutive effect on earnings per share.

Key statistics

	2023	2022	2021	2020	2019
Yara production (thousand tonnes)[1]					
Ammonia	6,391	6,510	7,261	7,606	8,479
Finished fertilizer and industrial products, excl. bulk blends	18,437	18,332	20,856	21,047	22,060
Yara deliveries (thousand tonnes)[1]					
Ammonia trade	1,475	1,771	2,007	1,966	2,527
Fertilizer	22,283	22,687	28,610	29,291	27,620
Industrial Product	6,350	7,159	7,442	6,920	7,837
Total deliveries	30,109	31,616	38,059	38,177	37,983
Yara's Energy prices (USD per MMBtu)					
Global weighted average gas cost[2]	10.9	21.8	9.3	3.8	4.7
European weighted average gas cost	14.9	31.8	11.7	3.6	5.4

[1] Including Yara share of production in equity-accounted investees, excluding Yara-produced blends
[2] Excluding Babrala.

Market information[1]

Average of publication prices		2023	2022	2021	2020	2019
Urea granular (fob Egypt)	USD per tonne	402	785	479	246	263
CAN (cif Germany)	USD per tonne	386	749	360	191	226
Ammonia (cfr NWE)	USD per tonne	573	1244	560	252	293
DAP (fob US Gulf)	USD per tonne	568	900	602	314	356
Phosphate rock (fob Morocco)	USD per tonne	261	256	118	80	91
European gas (TTF)	USD per MMBtu	12.9	36.9	13.1	3.0	4.8
US gas (Henry Hub)	USD per MMBtu	2.5	6.4	3.7	2.0	2.7
EUR/USD currency rate		1.1	1.1	1.2	1.1	1.1
USD/BRL currency rate		5.0	5.2	5.4	5.1	3.9

[1] Source: The Market, Fertilizer Week, Fertecon, Profercy, World Bank and Argus. 1-month lag applied, as proxy for realized prices (delivery assumed 1 month after order)

Balance sheet

Yara has kept a solid balance sheet in a year with challenging operating conditions and significant volatility. Lower price levels in 2023 compared to 2022 impacted both inventories and trade receivables in current assets. Overall total liabilities decreased compared to a year earlier with lower current liabilities, mainly due to a reduction in trade payables due to lower prices and lower commodity third-party products (TPP) sourcing to Brazil. Our equity reflects a strong USD 1.3 billion dividend payment.

Parent

The net income in the parent Yara International ASA reflects the results of its subsidiaries through dividends and group contribution, and increased from NOK 12,636 million in 2022 to NOK 14,128 million in 2023. Dividends and group relief from subsidiaries was NOK 15,607 million, compared to NOK 15,956 million a year earlier. The total equity of the parent increased from NOK 11,648 million in 2022 to NOK 24,619 million in 2023, mainly as a result of lower dividend proposed to shareholders. The proposed dividend for 2023 of NOK 1.3 billion is equivalent to 44 percent of consolidated net income of the group excluding currency translation and special items.

Yara Improvement Program (YIP)

Yara has a corporate program called the Yara Improvement Program that steers and coordinates current and future improvement initiatives. The program distinguishes between three defined pillars: a) higher production returns and leaner cost base, b) lower environmental footprint, and c) smarter working capital management. The operational metrics are reported on a rolling 12-month basis to better reflect underlying performance.

On a rolling 12-month basis, production (YIP definition) of ammonia and finished fertilizers increased by around 0.6 million tonnes compared to 2022, largely driven by reliability improvement across several key sites even amid a challenging operating environment. Under the definition of this metric, production volumes are adjusted by market-driven curtailments and planned maintenance stops.

GHG emissions intensity improved in 2023 due to better reliability, fewer curtailments, and the implementation of GHG emissions reduction projects, see page 28 for more information.

Fixed costs in core business for 2023 were in line with our ambition to beat inflation. Yara will continue to explore further cost optimization based on expected value creation across the business.

Net operating capital days increased in 2023 compared to 2022. However, the increase in days was driven by lower input prices which more than offset reduced inventory volumes.

Improvement Program

	2023	2022	2021	2020	2019
Production - ammonia (thousand tonnes)[1]	7,754	7,699	7,782	7,696	7,535
Production - finished products (thousand tonnes)[1]	21,077	20,489	21,338	20,807	20,649
GHG emission intensity (t CO_2e/tN)[2]	3.0	3.1	3.0	3.0	3.0
Fixed costs in core business (USD millions)[3]	2,351	2,252	2,202	2,018	-[4]
Net operating capital (days)[3]	105	87	83	113	115

[1] YIP definition; adjusted for major turnarounds, market optimization and portfolio adjustment: completed Paulinia closure (finished products)
[2] GHG emission intensity includes scope 1, 2 and scope 3 emissions related to imported ammonia.
[3] For definitions of fixed costs and net operating capital days, refer to the APM section, page 343.
[4] KPI was updated at Yara Capital Markets Day 2023 to better reflect Yara's ambition to beat inflation in core business in the current inflationary environment, with figures restated from 2020 onwards.

Financial items

Net financial expense for the full year was USD 92 million lower than a year before, primarily due to higher floating interest rates; interest income increased by USD 51 million while interest expense increased by USD 33 million.

The net foreign currency exchange loss this year of USD 32 million comprises a loss of USD 146 million on the US dollar denominated debt positions and a gain of USD 114 million on internal positions in other currencies than USD. The year before, the US dollar denominated debt positions generated a loss of USD 281 million while the internal positions in other currencies than USD generated a gain of USD 220 million.

Income tax

The effective tax rate for 2023 was 71.1 percent, compared to 23.5 percent for 2022. The main reason for the high effective tax rate in 2023 was the impairment of the Tertre production plant, which was recognized without tax effect. For more information, see note 2.8 Income taxes in Yara's consolidated financial statements. Furthermore, tax losses that are not recognized as deferred tax assets in certain countries also contribute to higher effective tax rate in 2023.

Liquidity

At the end of 2023, Yara had USD 539 million in cash and cash equivalents, and USD 2,270 million in undrawn committed bank facilities. We consider the company's cash and financial position to be strong.

Cash flow

Yara's operating cash flow in 2023 was USD 103 million lower than in 2022, as decreased operating income more than offset a release of operating capital. The operating capital release was mainly driven by lower prices and reduced inventory volumes. Yara's investing cash outflow was USD 247 million higher compared to a year earlier when adjusting for Salitre proceeds of USD 440 million in 2022, mainly reflecting higher maintenance investments. The financing cash outflow was USD 294 million higher compared to a year earlier, mainly due to increased dividend payments.

Financial items

USD million	2023	2022	2021	2020	2019
Interest income	159	111	64	61	74
Interest income and other financial income	159	108	64	62	76
Foreign currency exchange gain/(loss)	(32)	(61)	(251)	(243)	(145)
Interest expense	(260)	(227)	(138)	(135)	(157)
Net interest expense on net pension liability	(1)	(3)	(5)	(5)	(9)
Other	13	(30)	(21)	(25)	(15)
Interest expense and other financial items	(249)	(260)	(164)	(165)	(182)
Net financial income/(expense)	(122)	(214)	(351)	(346)	(251)

Variance analysis

USD millions	2023
EBITDA 2023	1,709
EBITDA 2022	4,959
Reported EBITDA variance	(3,250)
Special items variance (see page 39 for details])	(73)
EBITDA variance excl. special items	(3,177)
Volume/Mix	(100)
Margin	(3,017)
Currency translation	3
Other	(63)
Total variance explained	(3,177)

Research and Development (R&D) towards a nature-positive food future

Expenditures on research and development (R&D) activities amounted to USD 113 million in 2023, compared to USD 95 million in 2022. R&D at Yara is conducted in several units, including the Yara Technology Center and our corporate level Global Innovation unit. Yara's Global Innovation function identifies the main capabilities to be managed globally for driving strategic positioning of new products and solutions as an important enabler of our nature-positive ambition. The Global Innovation strategy will focus on four strategic innovation themes: sustainable yield, crop quality and resilience, low-carbon crop and food, and data insight and connectivity.

Capital expenditure

Yara expects to invest approximately USD 1.3 billion during 2024, focusing on maintenance and reliability improvement investments in our core plants, together with a portfolio of premium product expansion and decarbonization projects. Capex guidance is in line with our capital allocation policy, at maximum USD 1.2 billion annual average in 2022 real terms, to safeguard our operations and ensure continued growth in our earnings.

Premium generated

"Premium generated" measures Yara's ability to grow premium offerings and to generate a positive price premium compared with alternative commodity products. The increase in premium generated in 2023 (USD 1,877 million in 2023 compared to USD 1,594 million in 2022) largely reflects our sustained premium over and above commodity prices that have been declining significantly. Yara's realized average prices for premium products fell less than the commodity references due to our competitive commercial performance.

Global sourcing resilience

Import restrictions, as well as several rounds of new sanctions, have been presented by the EU, UK, US, and other countries following Russia's invasion of Ukraine. This has restricted, and will likely continue to restrict, trade with Russian and Belarusian counterparties, both due to sanctions imposed on entities and individuals, and due to banking and logistical challenges.

Yara has historically sourced phosphate, potash, and ammonia from Russia, and purchased significant volumes of natural gas for its production in Europe. Yara stopped sourcing from suppliers prohibited by sanctions in certain jurisdictions from 2022, and has been utilizing its global sourcing, production, and distribution capabilities with the objective to keep supplying customers and secure continuity in food supply chains.

To cater for the reduced volumes of ammonia from Russian producers, Yara has replaced these volumes by sourcing ammonia from other producers. For phosphates and potash Yara has increased sourcing from existing suppliers outside of Russia/Belarus and entered into contracts with new suppliers, which has secured supplies to Yara's production system. There has been no material impact on Yara's production volumes so far due to a lack of raw materials. Yara's global and flexible business model has demonstrated its resilience through the geopolitical developments and volatile operating conditions of the past few years.

Production volumes

Thousand tonnes	2023	2022	2021	2020	2019
Ammonia	6,391	6,510	7,261	7,606	8,479
of which equity-accounted investees	–	–	–	*181*	*1,000*
Urea	4,266	3,949	4,739	5,175	6,419
of which equity-accounted investees	–	–	–	*268*	*1,504*
Nitrate	5,504	5,625	6,254	6,471	6,225
NPK	5,888	5,980	6,442	6,104	5,697
CN	1,595	1,749	1,773	1,640	1,543
UAN	856	738	917	959	974
SSP-based fertilizer	296	291	334	647	1,087
MAP	32	–	14	51	115
Total finished products	18,437	18,332	20,473	21,047	22,060

Production is curtailed as part of Yara's market optimization efforts. In 2023, 1,063 thousand tonnes of ammonia and 2,285 thousand tonnes of finished fertilizer production were curtailed.

Deliveries (detailed table)

Thousand tonnes	2023	2022	2021
Yara deliveries			
Ammonia trade	1,475	1,771	2,007
Fertilizer	22,283	22,687	28,610
Industrial Product	6,350	7,159	7,442
Total deliveries	30,109	31,616	38,059
Crop Nutrition deliveries			
Urea	4,690	4,700	5,920
Nitrate	4,462	4,442	5,481
NPK	8,355	8,498	10,458
of which Yara-produced compounds	*5,905*	*5,728*	*6,228*
of which blends	*2,369*	*2,464*	*3,623*
CN	1,478	1,500	1,748
UAN	1,047	998	1,295
DAP/MAP/SSP	560	559	904
MOP/SOP	709	921	1,534
Other products	982	1,069	1,270
Total Crop Nutrition deliveries	22,283	22,687	28,610
Europe deliveries			
Urea	532	513	940
Nitrate	3,467	3,292	3,774
NPK	2,098	2,096	2,582
of which Yara-produced compounds	*1,989*	*1,994*	*2,426*
CN	373	316	432
Other products	1,236	1,238	1,495
Total deliveries Europe	7,705	7,455	9,222

Thousand tonnes	2023	2022	2021
Americas deliveries			
Urea	1,995	1,939	2,684
Nitrate	705	853	1,336
NPK	4,583	5,071	6,157
of which Yara-produced compounds	*2,594*	*2,732*	*2,437*
of which blends	*1,963*	*2,112*	*3,195*
CN	911	970	1,106
DAP/MAP/SSP	513	508	821
MOP/SOP	628	824	1,432
Other products	738	778	992
Total deliveries Americas	10,073	10,943	14,528
of which North America	*2,811*	*2,814*	*3,465*
of which Brazil	*5,619*	*6,450*	*8,865*
of which Latin America excl. Brazil	*1,642*	*1,679*	*2,198*
Africa & Asia deliveries			
Urea	2,164	2,247	2,295
Nitrate	290	297	371
NPK	1,675	1,331	1,718
of which Yara-produced compounds	*1,321*	*1,003*	*1,365*
CN	195	214	210
Other products	182	199	265
Total deliveries Africa & Asia	4,506	4,289	4,860
of which Asia	*3,373*	*3,271*	*3,679*
of which Africa	*1,133*	*1,018*	*1,180*
Industrial Solutions deliveries			
Ammonia[1)]	374	462	564
Urea[1)]	1,335	1,419	1,646
Nitrate[2)]	1,207	1,306	1,234
CN	181	198	210
Other products[3)]	1,312	1,633	1,636
Water content in industrial ammonia and urea	1,940	2,141	2,153
Total Industrial Solutions deliveries	6,350	7,159	7,442

1) Pure product equivalents
2) Including AN Solution
3) Including sulfuric acid and other minor products

Special items

	Fixed cost effect		EBITDA effect		Operating income effect	
USD million	2023	2022	2023	2022	2023	2022
Environmental provision	(19)	–	(19)	–	(19)	–
Restructuring cost	(41)	(5)	(41)	(5)	(41)	(5)
Impairment of non-current assets	–	–	–	–	(192)	(13)
Contract derivatives gain/(loss)	–	–	4	(2)	4	(2)
Government support	–	–	8		8	–
Additional bonus to employees	–	(4)	–	(4)	–	(4)
Total Europe	(60)	(9)	(48)	(11)	(241)	(23)
Disposals	–	(2)	11	(11)	11	(21)
Provision related to closure of plant	–	4	–	4	–	4
Impairment of non-current assets	–	–	–	–	(3)	(3)
Scrapping of project development	–	–	–	(13)	–	(13)
Additional bonus to employees	–	(6)	–	(6)	–	(6)
Total Americas	–	(4)	11	(26)	8	(40)
Loss on sold asset	–	–	–	(7)	–	(7)
Insurance claim	–	–	–	7	–	7
Supplier compensation	–	–	–	9	–	9
Impairment of non-current assets	–	–	–	–	–	(2)
Contract derivatives gain/(loss)	–	–	–	98	–	98
Additional bonus to employees	–	(2)		(2)	–	(2)
Total Africa & Asia	–	(2)	–	106	–	104
Impairment of non-current assets	–	–	–	–	(3)	(4)
Arbitration award	–	–	13	–	13	–
Additional bonus to employees	–	(2)	–	(2)	–	(2)
Total Global Plants & Operational Excellence	–	(2)	13	(2)	10	(5)

Table continues on the next page >

	Fixed cost effect		EBITDA effect		Operating income effect	
USD million	2023	2022	2023	2022	2023	2022
Write off capitalized project costs	–	–	–	(9)	–	(9)
Reimbursement related to acquisition of asset	–	–	–	17	–	17
Impairment of non-current assets	–	–	–	–	(1)	–
Government support	–	–	28	–	28	–
Additional bonus to employees	–	(2)	–	(2)	–	(2)
Total Industrial Solutions	–	(2)	28	6	27	6
Contract derivatives gain/(loss)	–	–	–	(1)	–	(1)
Impairment of non-current assets	–	–	–	–	–	(2)
Total Clean Ammonia	–	–	–	(1)	–	(3)
Impairment of non-current assets	–	–	–	–	(20)	–
Restructuring cost	(1)	–	(1)	–	(1)	–
Impairment of current assets	–	–	(5)	–	(5)	–
Additional bonus to employees	–	(2)	–	(2)	–	(2)
Total Other and Eliminations	(1)	(2)	(6)	(2)	(26)	(2)
Total Yara	(61)	(21)	(3)	70	(222)	37

Outlook

Market conditions

During 2023, fertilizer prices declined sharply, improving affordability for farmers. For nitrogen in particular, there was a strong increase in availability, and consumption increased significantly. However, the combination of high price volatility and high interest rates made buyers cautious and risk averse, preferring to avoid taking positions early.

Deliveries in the first half of the season of 2023/2024 are lagging both in the EU and in the US compared to normal, indicating a potential volume catch-up for 1H2024. As of year-end, optimal application rates for this season had increased compared to the season before, but this has somewhat moderated during the first months of 2024 following lower food prices and higher urea prices leaving affordability modestly below historical average. Nitrate prices have remained stable during the start of 2024, gaining attractiveness versus urea, however wet weather is reported to be delaying application in parts of Europe.

Warm weather, coupled with a modest weather-adjusted gas consumption and good access to LNG, have caused a significant decline in European gas prices. As of end February 2024, TTF day ahead price was around USD 8/MMBtu, with European gas storage 63 percent full.

The peak of global urea capacity additions is now behind us, with industry consultant projections showing supply growth well below trend consumption growth from 2024 and onwards, and a historically low number of new projects under construction indicating a tightening supply-demand balance in the coming years.

Geopolitical risks

As a global company, Yara is increasingly exposed to geopolitical events and their consequences. The global order is transitioning from a unipolar system, dominated by the US, to an increasingly bipolar world with China as a major power. This shift creates a new geopolitical landscape, with implications for global markets, supply chain resilience, the energy markets, and the broader agricultural sector.

The Russian invasion of Ukraine will shape the global landscape for many years to come, impacting Yara through challenging market dynamics, production volatility – especially in Europe, and indirect concerns in the global market. The war continues to impact global food security and remains the greatest destabilizing factor globally in 2024. The situation in the Middle East impacts global supply chains and increases the security risk exposure, also affecting Yara. Merchant vessels being attacked in the Red Sea and the Arab Gulf create ripple effects for global supply chains.

Combined with authoritarianism challenging democracies, we recognize that Yara will operate in a world of volatility, and increased vigilance, strengthened operational flexibility, and organizational resilience will remain priority areas.

Global priorities

The climate emergency, decarbonization, and ensuring food security have become top concerns globally. Yara is leveraging its over 115 years of crop nutrition experience, its unique position in ammonia, and its strategic focus to address them.

In the EU, the climate emergency has led to the introduction of an increasing carbon price on emissions, with the Carbon Border Adjustment Mechanism (CBAM) intended to ensure a level playing field.
Yara is well positioned to respond to the new market dynamic. Since 2005, Yara has reduced emissions in our European system by approximately 55 percent by deploying the latest technology in nitrogen fertilizer production. Further emission reductions will come from the decarbonization of our ammonia production. In 2023, Yara signed an agreement for the first cross-border transportation and storage of CO_2 from Sluiskil, Netherlands. The CO_2 will be liquefied and shipped by Northern Lights from the Netherlands to permanent storage on the Norwegian continental shelf, 2600 meters under the seabed. The agreement is expected to reduce annual CO_2 emissions by 800,000 tonnes from the ammonia production at Yara Sluiskil, positioning Yara as a front-runner for decarbonization in Europe. During 2024, fertilizer produced from renewable ammonia will be rolled out from our pilot plant in Porsgrunn, Norway. This is a key learning project that will further fuel Yara's decarbonization efforts.

The EU Green Deal aims to reduce nutrient losses of at least 50 percent by 2030, and Yara's positioning for the future and our focus on premium products and nitrates will allow farmers to be more efficient in their crop fertilization compared to using commodities like urea. This is likely to lead to increased demand for precision farming tools and best-in-class agronomic knowledge to raise nutrient use efficiency. Yara sees this as an opportunity for our business model as we expand our product portfolio with organic and biostimulant products that promote regenerative and sustainable agriculture, as well as ensure sufficient food production at the same time. Yara will continue being vocal on Europe's strategic need to ensure it remains an attractive location for investments towards the green transition.

The Inflation Reduction Act (IRA) in the US creates a significant opportunity for the profitable decarbonization of ammonia for several applications. Foremostly, there is immense potential for decarbonizing fertilizer production but also for many other applications, including shipping, power generation, and as an energy carrier in new market segments. Increased supply of low-carbon ammonia benefits Yara's business as this allows us to source ammonia for our finished product plants in Europe for upgrading to nitrates and NPKs, making use of our global scale to further diversify our energy position, cut emissions and reduce our carbon tax costs. We continue to mature the announced large-scale low-carbon ammonia projects in the US. Yara is expected to offtake the vast majority of the production volumes, and we see strong potential returns from these projects. Yara will take time to evaluate the totality of the projects before final investment decision planned for the second half of 2025.

Yara's strategy is focused on further strengthening operational resilience and flexibility, profitable growth in low-carbon ammonia, and on capturing increased value through our premium crop nutrition solutions. Together, these efforts will support the transformation of the global food system, generate long-term growth opportunities, and drive progress towards Yara's ambition of growing a nature-positive food future.

CONTENT

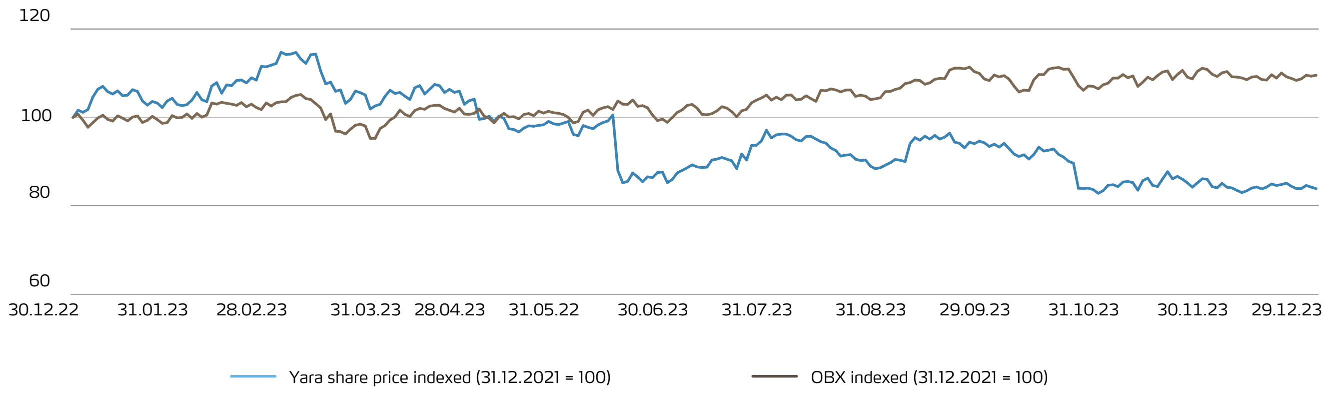
The Yara share

Yara aims to be an attractive investment for shareholders and to provide competitive returns compared to other investment alternatives. The Yara share shall be a liquid, attractive investment opportunity.

We are committed to serving all our shareholders and potential investors by providing accurate, comprehensive, and timely information. Our policy is equal treatment of all stakeholders, including analysts, banks, institutional investors, and private shareholders. All information that may be important and relevant for Norwegian and international markets is provided in the form of releases to the Oslo Stock Exchange (OSE), media, and financial newswires. Yara presents quarterly results as live webcasts.

Share performance and distribution

In 2023, 133 million shares were traded on the OSE at a value of NOK 55 billion. The average daily trading volume for Yara shares on the OSE during 2023 was 528,645. The highest closing price during the year was NOK 494.10 and the lowest was NOK 356.70. The year-end closing price was NOK 361.20, representing a 16 percent decrease from the 2022 year-end.



Common share data

	Q1	Q2	Q3	Q4	2023	2022
Basic earnings per share	0.41	(1.18)	0.00	0.96	0.19	10.90
Average number of shares outstanding[1)]	254,725,627	254,725,627	254,725,627	254,725,627	254,725,627	254,725,627
Period end number of shares outstanding[1)]	254,725,627	254,725,627	254,725,627	254,725,627	254,725,627	254,725,627
Average daily trading volume[2)]	573,065.8	622,147.4	457,924.3	469,700	528,645	665,368
Average closing share price	459	420	399	371	413	441
Closing share price (end of period)	454	379	405	361	361	431
Closing share price high	494	463	418	402	494	501
Market capitalization (end of period NOK billion)[3)]	115.6	96.5	103.2	92.0	92.0	109.7
Dividend per share[4)]					5	65
Dividend yield[5)]					1.4%	15.1%
Total shareholder return[6)]					(6.91%)	(5.69%)

1) Excluding own shares
2) Only traded on OSE
3) Calculated by multiplying the period's closing share price with the outstanding shares as of period end
4) 2022 dividend including 10 NOK per share additional dividend paid 4Q 2022 and 55 NOK per share ordinary dividend
5) Based on 31 December share price
6) Measured in US dollars with dividend reinvested

closing price. Yara's 2023 total shareholder return (TSR) was -6.91 percent measured in US dollars, with dividends reinvested. Yara's market capitalization as of 31 December 2023 was NOK 92.0 billion.

At year-end 2023, Yara had 57,904 shareholders. Non-Norwegian investors owned 38.7 percent of the total stock, of which 16.6 percent were from the United States and 4.5 percent from the United Kingdom. The Norwegian State, through the Ministry of Trade, Industry and Fisheries, is the largest single owner, with 36.2 percent of the shares. Norwegian private ownership of Yara shares was 25.1 percent at the end of 2023.

Shareholding distribution

(as of 31 December 2023)

Ownership structure:

No of shares	No of shareholders	% of share capital
1-100	36,537	0.46%
101-1,000	17,392	2.25%
1,001-10,000	3,189	3.62%
10,001-100,000	578	7.15%
100,001-1,000,000	175	19.48%
above 1,000,000	33	67.05%
Total	57,904	

Shareholding distribution[1)]

(as of 31 December 2023)

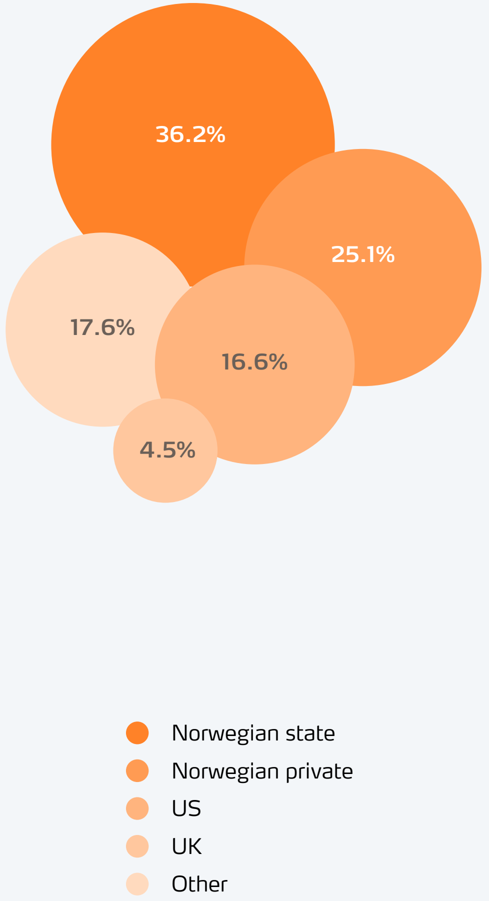
Ownership structure:

Name	Holding (%)
Norwegian Ministry of Trade, Industry and Fisheries	36.2%
Folketrygdfondet	6.6%
BlackRock Institutional Trust Company, N.A.	3.3%
The Vanguard Group, Inc.	2.4%
DNB Asset Management AS	1.8%
Storebrand Kapitalforvaltning AS	1.8%
Polaris Capital Management, LLC	1.6%
State Street Global Advisors (US)	1.6%
Pareto Asset Management AS	1.4%
UBS Asset Management (UK) Ltd.	1.4%
KLP Fondsforvaltning AS	1.3%
Nordea Funds Oy	0.9%
Northern Trust Investments, Inc.	0.8%
Danske Invest Asset Management AS	0.7%
Skagen AS	0.7%
Handelsbanken Kapitalförvaltning AB	0.7%
LSV Asset Management	0.6%
SAFE Investment Company Limited	0.6%
BlackRock Asset Management Deutschland AG	0.6%
ODIN Forvaltning AS	0.5%

1) This shareholder list is delivered by Nasdaq and VPS through their service Nominee ID. The list is made by analyzing information provided by registered shareholders on request from Yara International. Neither Nasdaq nor VPS guarantee that the information is complete. For a list of the largest registered shareholders as of 31 December 2023, see note 11 on page 329 in this Integrated Report.

Shareholding distribution[1)]

(as of 31 December 2023)



ADR performance and voting rights

Yara has a sponsored level 1 ADR (American Depository Receipt) program in the United States. The ADRs are not listed, but are bought and sold OTC, i.e., through any broker licensed to buy and sell US securities. The ADR ratio is two (2) ADRs to one (1) ordinary Yara share. On 31 December 2023, the ADR was quoted at USD 17.71, a 19.0 percent decrease for the year. To find a recent price quote for Yara ADRs go to www.adr.com. The ticker symbol is YARIY.

Shares must be registered with the Norwegian Central Securities Depository (Verdipapirsentralen) in the name of the real owner if holders want to vote for their shares at the shareholders' meeting. Holders of Yara ADRs should check their voting rights with JPMorgan, which is the depository bank for Yara ADRs.

Cash distribution policy

Yara's targeted capital structure is a mid- to long-term net debt/EBITDA range of 1.5-2.0 and a net debt/equity ratio below 0.6. Subject to these requirements, Yara's ordinary dividend shall be 50 percent of net income. Shareholder returns are distributed primarily as cash, with share buybacks as a supplemental lever. The dividend pertaining to a fiscal year will be declared at Yara's Annual General Meeting in the following year.

In 2023, Yara paid USD 1,301 million in dividends and share buybacks representing approximately 47 percent of net income attributable to shareholders of the parent in 2022. All of this was attributable to dividends as there were no share buybacks in 2023. Yara's Board has proposed to the Annual General Meeting a dividend payment of NOK 5 per share for 2023, which represents approximately 260 percent of net income attributable to shareholders of the parent and 44 percent of net income when excluding currency effects and special items[1] (2022: 47 percent), totaling a payment of USD 125 million based on outstanding shares and USDNOK exchange rate at 31 December 2023.

The Yara Annual General Meeting on 12 June 2023 authorized Yara's Board to buy back up to 5 percent of total shares (12,736,281 shares) before the 2024 Yara Annual General Meeting, at a purchase price not less than NOK 10 and not more than NOK 1,000. A pre-condition for the program was that an agreement was entered into with the Norwegian State whereby the State committed to selling a proportional share of its holdings to leave the State's ownership (36.21 percent) unchanged.

2024 Annual General Meeting

The Yara Annual General Meeting will take place on Tuesday 28 May 2024. Information about how share-holders register for the Annual General Meeting will be published on www.yara.com no later than 21 days prior to the event, including information on how to register attendance or vote.

Analyst coverage

Twenty-three financial analysts provide market updates and estimates for Yara's financial results, of whom 15 are located outside Norway.

Rating

Rating agencies Moody's and Standard & Poor's have rated Yara as solid investment grade. Reflecting its strong market position and cost leadership, Yara is rated investment grade "Baa2" with Moody's and "BBB" with Standard & Poor's.

Change of address

Shareholders registered in the Norwegian Central Securities Depository should send information about changes of address to their registrars and not directly to the company.

Registrar information

Registered shareholders may contact our registrar in Norway regarding share transfers, address changes and other issues related to their holding of Yara shares. The contact details are shown below.

Share facts

Ticker: YAR
Listing: Oslo Stock Exchange (OSE)

Yara's registrar in Norway and ADR depositary bank
Contact details to Yara's registrar in Norway and ADR depositary bank can be found on the company's website:

yara.com/investor-relations/share-and-debt-information/registrar-and-auditor/

2024 Dividend schedule
Ex-dividend date
29 May 2024

Payment date
6 June 2024

2024 Release dates
Q1: 26 April 2024
Q2: 19 July 2024
Q3: 25 October 2025
Q4: 7 February 2025

[1] Dividend share of net income when excluding currency effect and special items is calculated by diving Yara's ordinary dividend payment in USD by EPS excluding currency and special items. see the Earnings per share table on page 354 in the APM section for the explanation and reconciliations of net income excluding currency and special items.

STRATEGIC ENGAGEMENT

Shaping tomorrow's frameworks

As the only truly global fertilizer company, Yara engages with different stakeholder at all levels across the globe, to take part in the creation and promotion of solutions for a nature-positive food future.

In the countries in which we have a presence, and where international events and travels present opportunities to meet, Yara engages with politicians, legislators, and regulators on a wide range of issues of importance for our business and industry. In 2023, these conversations included topics such as global food security, the future of farming and sustainable and regenerative agriculture, fueling the green transition, and the decarbonization of industry, among others. These topics are closely connected to our ambition as well as our commitments to the UN Sustainable Development Goals, the goals of the Paris Agreement, and the Kunming-Montreal Global Biodiversity Framework.

Regulations and government incentives are important in this time of climate transition and geopolitical crisis. It is critical that business and industry take part in the co-creation of solutions to the many challenges we face in the coming decades.

We seek to be transparent and open about our engagement and lobbying activities. The positions we lobby for shall be founded on impact assessments, knowledge and science. Learn more about our policy and approach to political engagement on page 202.

Shifting global power and impacts on the food system

Yara is increasingly exposed to geopolitical events and their consequences, with fragmentation, protectionism, armed conflicts, and crime continuing to influence the operating environment. Throughout 2023, we were very active in raising the awareness of the risks we see for global food production and security as a result of the ongoing war in Ukraine. Our messaging has been clear in media and directly to politicians and policymakers: Fertilizer and food should not be used as weapons of war, and ensuring the independence of prioritized industries is critical as global instability rises.

Promoting regenerative agriculture and soil health

Regenerative agriculture is one of three pillars of action for Growing a Nature-Positive Food Future. It represents a systematic approach to adopting the best sustainable practices that impact nature and climate positively and includes five main themes; climate, soil health, resource use, biodiversity, and prosperity. We believe that supporting farmers is important to deliver the necessary yields and crop quality to feed the world in a changing climate, while at the same time mitigating

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climate change and providing nature-positive outcomes. This requires products, tools, and services enabling profitable and efficient use of nutrients, water, and land with decarbonizing and regenerating effects on agriculture and associated landscapes. In 2023, we developed our position paper on regenerative agriculture, which is available at www.yara.com.

Food systems transformation

We work both regionally and globally to promote regenerative agriculture. Most notably, we are engaged in the Food Collective, which is working on the implementation of transformative initiatives at scale. This includes the development of common frameworks and governance models combined with appropriate farmer-centric solutions.

Given the sense of urgency, Yara is advocating for frameworks to include nitrogen use efficiency. Managing nitrogen use efficiency is a move with positive outcomes for climate, soil health, nature and farmer profitability, and we provide digital tools and services to support farmers in achieving this.

The UN Food Systems Summit +2 Stocktaking Moment took place on the premises of the Food and Agriculture Organisation (FAO). Yara representatives participated in discussions on soil health, water in agriculture, and geospatial mapping of data in the agricultural sector. The FSS Global Stocktake meeting outcome was a synthesis report from the UN Secretary General, including a summary of 101 country reports on food systems transformation.

Promoting nitrogen use efficiency

In 2023, One Planet for Business and Biodiversity (OP2B), hosted by the World Business Council for Sustainable Development (WBCSD), consolidated what regenerative agriculture means and strengthened the consensus that nitrogen use efficiency is one of the suitable metrics for measuring regenerative agriculture outcomes. Based on our initiative and knowledge sharing, the Task Force on Nature-related Financial Disclosures also included nitrogen use efficiency as a recommended target in its draft guidance for the food and agriculture sector.

Similarly, nitrogen use efficiency was defined as one of the five key metrics for regenerative agriculture outcomes by the Sustainable Markets Initiative (SMI) and its Agribusiness Task Force, in which Yara participates. In 2023, the task force launched a framework for making regenerative farming financially viable and scalable. Other contributions to the framework included soil health assessments across 250,000 hectares of farmland to support the identification of metrics for environmental outcomes.

Engaging with experts, policymakers and food chain companies

We continued to engage in the Sustainable Agriculture Initiative (SAI), of which we are a founding member of its regenerative agriculture program and an active contributor in several workstreams. In 2023, we gave particular attention to the climate workstream and contributed to a better understanding of how the baseline for crop carbon footprints can be set.

Legacy of Knowledge

In September, we celebrated the 65th anniversary of our long-term field trial by holding the two-day Legacy of Knowledge event at our R&D center Hanninghof in Dülmen, Germany. The conference gathered leading researchers and experts from the international research community and Yara to share their perspective on topics such as soil health, nutrient use efficiency, and low-carbon agriculture.

Throughout 2023, we hosted and participated in several events focusing on regenerative farming practices and soil health. Among them was the event "Rethinking Arable Farming in a Changing Climate" organized by the European Landowners Organization (ELO) in collaboration with Bayer, Netafim, and Yara. It brought together leading agronomists to explore the challenges and opportunities of growing arable crops in a changing climate and to identify practical solutions that farmers can implement today to make a tangible difference.

Later, we hosted a roundtable event for food chain companies and researchers at our research center in Kotkaniemi, Finland. It highlighted the importance of close collaboration in harmonizing regenerative farming practices and developing sustainable food production.

Knowledge exchange for African agriculture

The Africa Food Systems Forum is the premium, year-round forum focusing on African agriculture and food systems, bringing together stakeholders to take practical action and share lessons at its annual gathering. Yara's participation focused on digital tools and innovation, soil health, soil knowledge exchange, and supporting young entrepreneurs through the annual GoGettaz Agripreneur Prize.

Learn more about our engagement in the debate on EU policies, regulations, and funding schemes related to regenerative agriculture and sustainable farming in Political engagement, page 202.

Delivering on the Paris Agreement

Yara is committed to achieving climate neutrality by 2050. We are actively reducing emissions in our own production processes, supporting the development of the hydrogen economy, and taking measures to minimize emissions generated during the use of our products. Given the energy-intensive nature of our industry, collaboration with various stakeholders is crucial for the success of these efforts.

World Economic Forum Annual Meeting

Yara's CEO and four board members participated in the WEF's Annual Meeting in Davos, convened under the theme "Cooperation in a Fragmented World". The key workstreams included accelerating green investments, the energy transition, strengthening European strategic autonomy, regenerative agriculture, and building resilience in food systems. Yara hosted an open café to actively promote discussions on these topics.

NY Climate Week

The weeks around the United Nations General Assembly, NY Climate Week, and the World Economic Forum's Sustainable Development Impact Summit have become an important occasion for stakeholders to meet in person. In 2023, four Yara representatives participated in over 120 meetings on the topics of soil health, food insecurity, AI for food and agriculture, and the energy transition.

Signing of CCS project

On the opening day of the European Hydrogen Week 2023, Yara and Northern Lights signed the agreement to capture and store 800,000 tonnes of CO_2 annually from Yara Sluiskil, beginning in 2025.

The signing ceremony took place at Yara's stand under the auspices of the Norwegian Energy Minister Terje Aasland. It marked the world's first cross-border carbon capture and storage (CCS) agreement. Later, the project was also presented to the Zero Emissions Platform, which advises the European Commission and the other EU policy-makers on CCS policies.

First Movers Coalition

Yara is one of the founding members of the First Movers Coalition. The primary objective is to facilitate the reduction of carbon emissions in the most polluting industries worldwide by encouraging private sector interest in decarbonization technologies. It has become the leading global coalition of companies leveraging their purchasing power to decarbonize the world's heavy-emitting sectors, spearheading a multitude of collaborative partnerships, and pioneering innovative business models.

COP28 Climate Conference

Four Yara delegates participated at COP28 to discuss the energy transition through low-emission ammonia and transforming food systems through resource-use efficiency and technology. Yara co-hosted the business-led Norway pavilion and convened sessions on energy transition, ammonia, food systems transformation, soil health, and decarbonization. Yara Clean Ammonia sponsored the Future of Shipping meeting and took part in the Hydrogen Transition Summit 2024.

European Hydrogen Week

Hydrogen Week is the flagship European event for the hydrogen value chain, co-organized by the European Commission, Hydrogen Europe, and the Clean Hydrogen Partnership. For Yara, this is a strategic event in our low-emission hydrogen and ammonia advocacy program, and in 2023, we proudly announced the project to capture and store carbon from our plant in Sluiskil, the Netherlands, see separate fact box page 48.

EU Policies related to climate neutrality

Yara is actively engaged in the debate on EU policies, regulations, and funding schemes related to climate neutrality. Some of the main topics Yara has engaged on are related to decarbonization. More specifically, our focus area has been climate legislation impacting the fertilizers sector, as well as energy and hydrogen policies and the challenge of decarbonizing hard to abate production processes. We also engage in the carbon capture and storage (CCS) policy area to contribute to the development of a favorable EU framework for CCS projects.

Learn more about our engagement on EU climate-related policies in Political engagement, page 202.

Strategic engagement in Norway

Headquartered in Norway and with the Norwegian state as Yara's largest shareholder, we naturally have a high level of political engagement with Norwegian officials across all levels. In 2023 this engagement included raising the issue of the vital need for renewable energy – more, faster, and with associated infrastructure – to enable industries like Yara's to decarbonize production. In parallel, we raised our voice on the inevitable dilemmas this poses, where the requirements of large-scale decarbonization and use of land require tough choices to be made, in Norway and across the globe.

The Confederation of Norwegian Enterprise

Yara's CEO has, since 2021, served as President of the Confederation of Norwegian Enterprise (NHO) , i.e., Chairman of the Board of NHO. He was re-elected for two more years in June 2023. His most important task is to represent Norwegian businesses, and to support and challenge the NHO administration in their work with the ambitions, and with the policy of NHO's Roadmap for the Business Community of the Future.

Yara is participating in several working groups within the Federation of Norwegian Industries and is an active member of the association for power refining industries. NHO's fora on Sustainability provides input to NHO's policy formulations in relevant areas, including human rights.

The Zero Emission Resource Organization

Yara was one of the main sponsors of the Zero Emission Conference in Oslo in November 2023. The conference is one of the largest and longest running climate solutions conferences in Europe, organized by the Norwegian environmental foundation Zero Emission Resource Organization (ZERO). Yara's focus was on low-emission ammonia and the Zero conference was used as a platform to announce 'Yara Eyde', the world's first container ship that will use low-emission ammonia as fuel.

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Key memberships

We are actively engaged in several associations and organizations across the globe, many of them important to achieve the goals of the Paris Agreement and our ambition.

World Business Council for Sustainable Development (WBCSD)

Yara contributes to several WBCSD initiatives, most notably Scaling Positive Agriculture, Natural Climate Solutions, SOS 1.5, and One Planet Business for Biodiversity (OP2B).

World Economic Forum (WEF)

Yara is a Strategic Partner of WEF, co-founder of the First Movers Coalition, and signatory to the Partnering Against Corruption Initiative (PACI). We play an active role in shaping global and regional agendas through Global Future Councils, and Yara's CEO participates in the WEF Alliance of CEO Climate Leaders, the International Business Council, and Industry Governors and Food Stewards meetings.

Together with FAO, Yara is part of a multi-stakeholder initiative hosted by WEF on Technologies for Soil Health, aiming to co-develop a knowledge product that will set a narrative on technologies for soil health, and support mature technologies and initiatives that can be scaled in this space.

International Fertilizer Association (IFA)

Yara plays an active role in the International Fertilizer Association (IFA), aiming to raise industry performance and to promote sustainable farming solutions. Through IFA, we engage in several high-level processes in the UN such as the multi-stakeholder coalition Farming First. Yara's CEO chaired the IFA Executive Board of Directors from June 2021 to June 2023.

The Fertilizer Institute (TFI)

Yara's engagement with TFI is focused on the health and sustainability of crops and farmland to ensure global food security. We accomplish this by keeping informed and working together with lawmakers and regulators to create policies that are fair to our industry and society. Yara currently has a member on the TFI Board of Directors and Executive Committee along with participation on all issue committees.

Fertilizer Canada

Yara's engagement with Fertilizer Canada is related to maintaining the competitiveness of domestic fertilizer production and working to have Yara's products and services included in programs supporting sustainable agriculture. Yara currently has a member on the Fertilizer Canada board along with participation on all issue committees.

Fertilizers Europe

As a member of Fertilizers Europe, Yara engages in the development of more sustainable agricultural policies and practices in Europe. We also promote of the principles of Product Stewardship, which we have helped develop in order to raise industry standards. Yara holds the position of Vice President of the Fertilizers Europe Board, and Yara also chairs the Climate Committee.

Hydrogen Europe

Yara is active in several of Hydrogen Europe's working groups with an aim of contributing to better framework conditions and funding schemes for hydrogen in Europe. Through Hydrogen Europe we participate in meetings and engage in discussions on concrete policy measures aiming to develop a market for hydrogen in Europe.

The European Chemical Industry Council (CEFIC)

Yara is an active member of several of CEFIC's working groups, contributing to discussions and providing input on EU policy issues that are relevant for our sector. The Automotive Grade Urea (AGU) is a Sector Group dedicated to the NO_x reduction agent AUS 32 (also known as AdBlue) providing clean air to breathe. Yara is also active in the sector groups for Carbon and Energy on topics related to energy market regulations and climate legislation for energy-intensive industries.

European Biostimulants Industry Council

As part of the European Biostimulants Industry Council (EBIC), we advocate for an operating environment that creates a truly European market for biostimulants and recognizes their contribution to sustainable agricultural production.

The European Consortium of the Organic-Based Fertilizers Industry (ECOFI)

As a member of ECOFI, Yara is promoting

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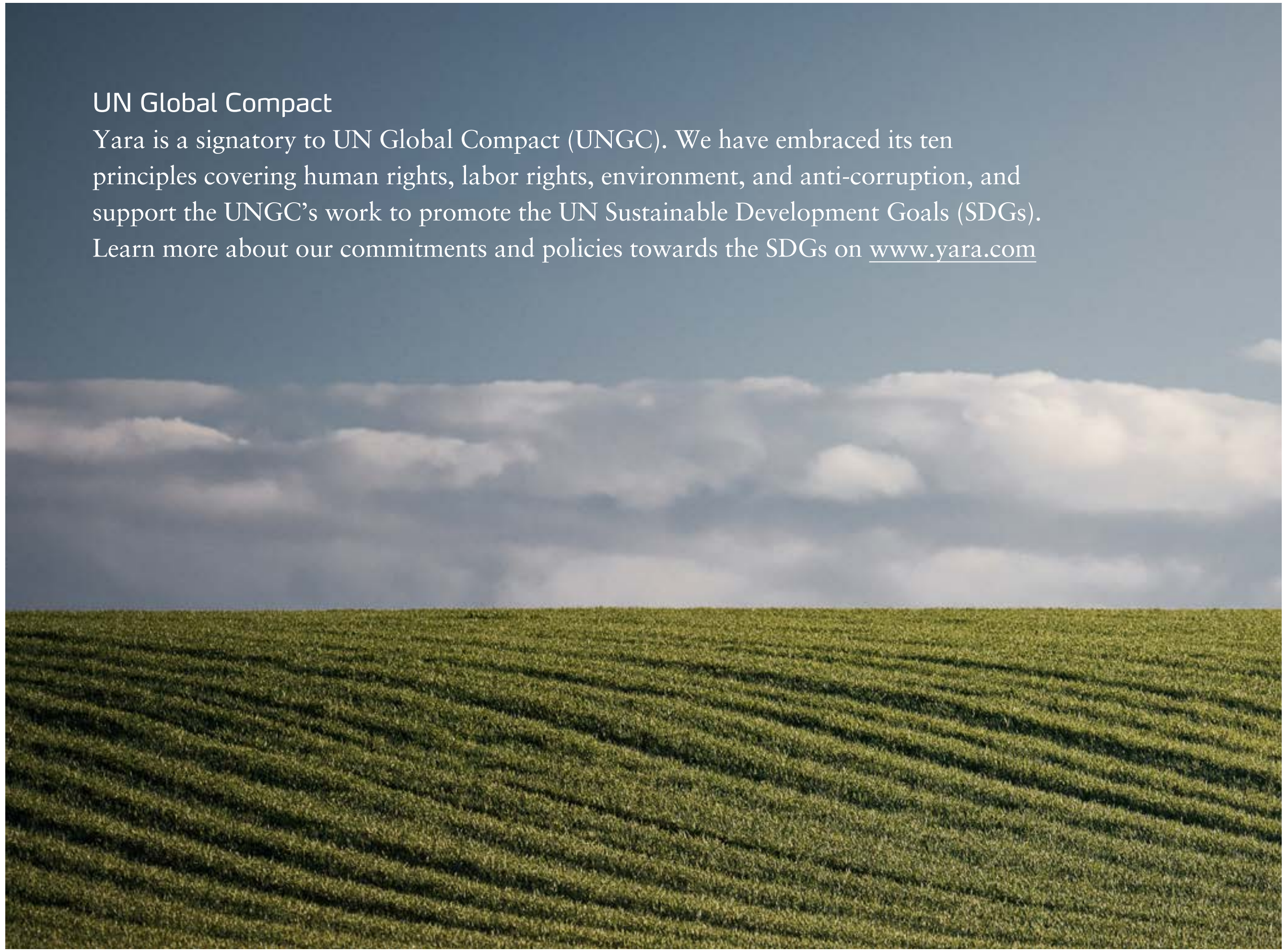
complementarity between mineral and organic-based fertilizers to support soil health. Together with other members, we work on the development of a regulatory framework for organic-based fertilizers and their role in a circular economy. Yara holds the position of Vice President of the ECOFI Board.

European Food Forum
As part of the European Food Forum, we promote open dialogue on sustainable food systems among policymakers, food supply chain actors, civil society organizations, research and academia, and other public institutions. The European Food Forum does not itself take positions on specific policy issues. Yara holds the position in the Forum's Management Board.

Nordic Business Network for Human Rights
Yara is a member of the Nordic Business Network for Human Rights, which is a professional network for leading Nordic companies who work with human rights impacts in their organizations or supply chains. The Danish Institute for Human Rights has the role of secretariat and moderator of the network, which is capped at 20 member companies.

Nordic CEOs for a Sustainable Future
Yara co-authored the report entitled "Sustainable Procurement: A Practical guide for Businesses" together with the initiative Nordic CEOs for a Sustainable Future. The members of the initiative are leading Nordic companies, advocating, in meetings with Nordic ministers, for the importance of achieving the goals of the Kunming-Montreal Global Biodiversity Framework.

Taskforce on Nature-related Financial Disclosures (TNFD)
Yara is a member of the TNFD Forum, the Taskforce's global multi-disciplinary consultative group. In 2023, Yara participated in the Chemicals working group and engaged with the Food & Agriculture working group regarding the development of TNFD's sector guidance for these industries. An example of our impact is that Yara advocated for the inclusion of nutrient use efficiency as a recommended metric for the food and agriculture sector. This metric has been included in TNFD's draft sector guidance.



UN Global Compact
Yara is a signatory to UN Global Compact (UNGC). We have embraced its ten principles covering human rights, labor rights, environment, and anti-corruption, and support the UNGC's work to promote the UN Sustainable Development Goals (SDGs). Learn more about our commitments and policies towards the SDGs on www.yara.com

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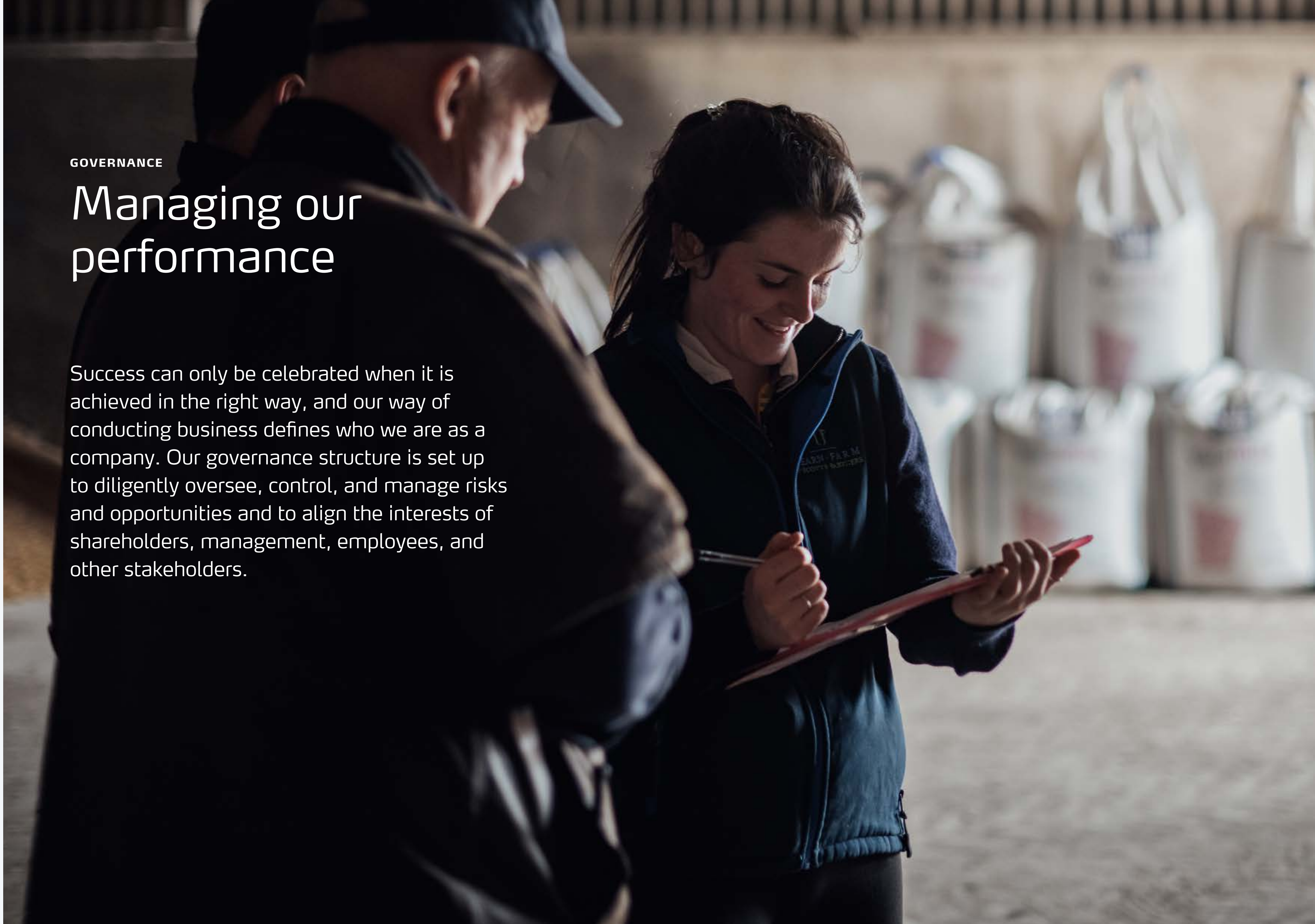

GOVERNANCE

Managing our performance

Success can only be celebrated when it is achieved in the right way, and our way of conducting business defines who we are as a company. Our governance structure is set up to diligently oversee, control, and manage risks and opportunities and to align the interests of shareholders, management, employees, and other stakeholders.

GOVERNANCE REPORT

Corporate governance

An open and active corporate governance is crucial for aligning the interests of shareholders, management, employees, and other stakeholders of Yara. Yara's Board of Directors believes that good corporate governance drives long-term value creation and promotes robust business conduct.

Governance framework

Yara is subject to corporate governance reporting requirements according to the Norwegian Accounting Act section 3-3b, the Oslo Stock Exchange Rulebook II – Issuer Rules, Chapter 4.4, and the Norwegian Code of Practice for Corporate Governance (the "Code"), freely available at lovdata.no, euronext.com/en/markets/oslo, and nues.no respectively.

This report follows the system used in the Code and is part of the Report of the Board of Directors.

1. Implementation and reporting of corporate governance

Yara's Board of Directors ("Board") promotes and supports the open and clear communication of the company's key governance and decision processes. As set out in Yara's Code of Conduct chapter 12.1, available at yara.com, Yara has a responsibility to communicate timely, completely, and accurately with its shareholders, government regulators, and the public. Yara is committed to complying with all applicable laws, rules, and regulations in the countries where the company operates, and continually strives to improve its corporate governance and culture, see Yara's Code of Conduct chapter 2.5 and 2.8.

The company's disclosures follow the GRI Standards and comply with both the Norwegian Accounting Act and the Euronext guidance on ESG reporting.

Yara complies with the recommendations of the Code with the exception of the separate election of each candidate for the Board of Directors and the Nomination Committee. The justification for this deviation and the selected, alternative solution is provided in section 6 below.

2. Business

The scope of Yara's business is defined in its Articles of Association, section 2:

> "The objectives of the company are to engage in industry, commerce, and transport, and to engage in other activities connected with these objectives. Activities may also proceed through participation in or in co-operation with other enterprises."

The Articles of Association are published at yara.com.

Yara's vision is a collaborative society, a world without hunger, and a planet respected. Our ambition is Growing a Nature-Positive Food Future that creates value for our customers, shareholders, and society at large.

Sustainability is an integral part of Yara's core business strategy, and Yara has committed itself to the ten principles of the UN Global Compact, the UN Sustainable Development Goals, the Paris Agreement, and the Kunming-Montreal Global Biodiversity Framework.

Yara fosters an open culture of diversity and inclusion that promotes the safety and integrity of our employees, contractors, business partners, and society at large.

The Yara Group Executive Board adopts the corporate global target in relation to gender diversity. This implies that a target of minimum 40 percent female position holders is met at this level by 2025. This target has already been exceeded with the current level being 55 percent.

The Yara Recruitment and Compensation policies are applicable to the Group Executive Board positions. This implies no discrimination in recruitment processes, meaning a recruitment process with equal opportunities while promoting diversity. To ensure a fair and non-discriminatory practice in relation to compensation, Yara adopts job leveling at the Group Executive Board level. In accordance with the Compensation Policy, market benchmarks are sourced at country levels to ensure equality within and across borders.

For further description of Yara's performance and Diversity, Equality, and Inclusion (DEI) program, see pages 164–171.

Yara's Board of Directors conducts an annual review of Yara's objectives, risk profile, and strategy. Yara's compliance with these objectives, risk profile, and strategy, as well as the need for possible adjustments of them, are monitored by the Board throughout the year. For more information on the Board's work relative to company's objectives, risk profile, and strategy, see page 59.

Yara measures success through its Strategy scorecard and KPIs connected to People, Planet, and Profit.

3. Equity and dividends

Yara's capital allocation policy is based on an overall objective to maintain a mid-investment grade credit rating, while at the same time providing investors with a potential for cyclical upside in dividends.

Yara's targeted capital structure is a mid- to long-term net debt/EBITDA range of 1.5-2.0 and a net debt/equity ratio below 0.60. Subject to these requirements, Yara's ordinary dividend shall be 50 percent of net income. Interim cash returns may be distributed, subject to proposal from the Board and approval in the General Meeting. Shareholder returns are distributed primarily as cash, with share buybacks as a supplemental lever.

New equity will only be issued in connection with concrete step growth opportunities. No general mandate is granted to the Board to increase the company's share capital. Yara may execute share buy-back programs as an integral part of its shareholder policy. Every year since the company's IPO, Yara's Board has secured an authorization from the Annual General Meeting to buy back up to 5 percent of total shares in the company during the next year, for subsequent cancellation. A precondition for each annual program is that an agreement is made with the Norwegian State whereby the State commits to selling a proportional share of its holdings to leave the State's ownership (36.2 percent) unchanged.

The mandates granted to the Board of Directors for the company to purchase its own Yara shares are limited in time to the date of the next Annual General Meeting or latest end of June the relevant year. No share buy-back programs were executed during 2023.

4. Equal treatment of shareholders

Transactions involving the company's own shares, such as the share buy-back program as mentioned in section 3 above, are executed via the stock exchange at prevailing stock exchange prices, with ongoing disclosure via stock exchange releases and the company's own web pages. Share redemptions from the Norwegian State are carried out on the same price terms as for the buy-backs carried out via the stock exchange. Yara may execute buy-backs via external bank mandate subject to "safe harbor" exemptions.

For the company's related party transactions, the mandatory regulations in the Norwegian Public Limited Liability Companies Act ("PLC") §3-9 and Chapter 3 are supplemented by IFRS (International Financial Reporting Standards) standards. Thus, the members of the Board of Directors and Group Executive Board are required to disclose all entities that would be considered "related parties" under applicable IFRS regulation. Transactions with such entities are subject to specific disclosure and approval requirements, see further information in section 9 below.

5. Shares and negotiability

The Articles of Association place no restrictions on the transferability of Yara shares, and the shares are freely negotiable. There are no voting restrictions linked to the shares.

There are no restrictions on the purchase or sale of shares by the Board of Directors and the Group Executive Board as long as insider regulations are adhered to. Yara's Share-based remuneration (SBR) program requires the Group Executive Board to use the net amount after tax for the purchase of Yara shares, restricting the sale of such shares for three years following the purchase.

In addition, the Group Executive Board is expected to invest in Yara shares beyond the SBR program, as further described under 'Guidelines on salary and other remuneration for executive personnel'.

It is expected that members of the Group Executive Board do not sell any Yara shares as long as they are members of the Group Executive Board. Any transactions in financial instruments issued by the company done by persons discharging managerial responsibilities or their close associates is disclosed according to the requirements in the Market Abuse Regulation as implemented into Norwegian law in the Norwegian Securities Trading Act.

6. General meetings

In accordance with PLC § 5-1 (1), the Yara general meetings rank at the top of the corporate governance structure. The Annual General Meeting is held before the end of June each year. This is in accordance with Yara's Articles of Association §10 and PLC § 5-6 (1). In 2023, Yara held its Annual General Meeting on 12 June 2023. For more information about the Annual General Meeting of 2023 see page 65.

The general meetings are convened in writing by the Board of Directors in accordance with PLC §§ 5-9 and 5-10, and prepared and conducted in accordance with PLC Chapter 5 and Yara's Articles of Association §9. Pursuant to PLC § 5-8 (1) and Yara's Articles of Association §9, the general meetings are by decision of the Board conducted as physical and/or digital meetings.

Yara's Annual General Meeting 2023 was held as a hybrid meeting, meaning that the shareholders could choose between physical meeting attendance at Yara's head offices in Oslo and online meeting attendance.

All general meetings are convened by the Board of Directors at least 21 calendar days before the relevant general meeting date, cf. PLC §§ 5-10 (2), first sentence and 5-11 b no 1. The general meeting notice is sent to all shareholders individually or to their depository banks. The meeting notice includes information regarding shareholders' rights and guidelines for meeting registration and voting, including information regarding the processes for shareholders' digital participation, digital advance voting, and the use of proxy.

In accordance with Yara's Articles of Association §9, shareholders who wish to attend and vote at the General Meeting must give notice of attendance to Yara in advance. Such notice must be received by Yara no later than two business days prior to the meeting.

Documents regarding matters to be considered at the General Meeting are by decision of the Board made available at Yara's website. A shareholder may still request the relevant documents to be sent to him or her, cf. Articles of Association §9.

Shareholders are entitled to have matters dealt with by the General Meeting provided that the relevant matters are reported in writing to the Board at least 28 days before the date of the General Meeting, cf. PLC § 5-11, cf. § 5-11 b. Matters that are not on the agenda may not be voted on at the General Meeting. Shareholders are entitled to present alternatives to the Board's proposal under each agenda item, provided that the alternative proposals are within the scope of the item under consideration. Shareholders are entitled to vote according to their number of shares owned and registered with the Norwegian Central Securities Depository Euronext VPS ("VPS") at the date of the General Meeting. The shareholders may vote on each agenda item put forward in the General Meeting.

The Chair of the Board and the CEO are present at the General Meeting, along with the leader of the Nomination Committee and the external auditor to the extent the agenda items make such attendance relevant. All Board members are encouraged to participate at the General Meetings. The General Meeting elects an independent person to chair the meeting.

In accordance with PLC §§ 6-3 and 6-10, the General Meeting elects the shareholders' representatives to the Board of Directors and approves their remuneration. The Nomination Committee makes proposals to the Annual General Meeting regarding election of shareholder's representatives to the Board, remuneration for the members of the Board and its committees, and election and remuneration of members of the Nomination Committee, cf. Yara's Articles of Association §7 and Procedure for the Yara International ASA Nomination Committee section 1, available at Yara's webpage.

For more information on the Nomination Committee's work, see chapter 7 below.

The company has chosen not to follow the Code's recommendation to vote separately on each candidate nominated for election to the Board and Nomination Committee. This choice is based on the Nomination Committee's process being focused on the combined qualifications and experience of the proposed members of the Board and the Nomination Committee, and that the voting should therefore also be combined.

In accordance with PLC § 7-1, the General Meeting elects the company's external auditor and approves the auditor's remuneration.

In accordance with PLC § 5-6 (2) the Annual General Meeting approves the financial statements, the Report of the Board of Directors, and any dividend payment proposed by the Board. In accordance with PLC § 5-6 (5), this Corporate Governance Report is also presented to the Annual General Meeting for approval.

In accordance with PLC §§ 5-6 (3) and 6-16 a (5), the company's 2023 Guidelines on salary and other remuneration for executive personnel was presented to and approved by the Annual General Meeting at the 2023 Annual General Meeting. In accordance with PLC §§ 5-6 (4) and 6-16 b (2), the company also presented its Report on salary and other remuneration for executive personnel for the financial year 2022 to the 2023 Annual General Meeting for their advisory vote. The 2023 Annual General Meeting voted in favor of the Report.

The minutes of the General Meetings are published at the company website right after the relevant meeting.

7. Nomination Committee

Yara's Articles of Association §7 states that the company shall have a Nomination Committee consisting of four members elected by the General Meeting, and that the General Meeting approves the procedure for the Nomination Committee. The latest approved version of the procedure for the Nomination Committee, which forms the basis on which the Nomination Committees conducts its work, is available on Yara's website. The Nomination Committee Procedure is in line with the recommendations of Section 7 of the Code.

The chairperson and the members of the Nomination Committee are elected by the General Meeting, cf. the Nomination Committee Procedure section 2.1. The General Meeting also stipulates the remuneration to the Nomination Committee, cf. the Nomination Committee Procedure section 2.4.

The Nomination Committee makes proposals to the Annual General Meeting regarding shareholder-elected members of the Board of Directors, members of the Nomination Committee, and their remuneration.

The Nomination Committee also recommends which members the Board should elect as Chair and Deputy Chair. The rationale for the Nomination Committee's recommendations is included in their proposal, and in accordance with the Nomination Committee Procedure section 3.12, the recommendations shall provide, at a minimum, the following information about the candidates recommended by the Nomination Committee:

a. competence
b. capacity
c. independence
d. age
e. education
f. business experience
g. ownership position in the company
h. how long the candidates have been a member of the Board of Directors, and their participation in meetings
i. any other assignments carried out for the company
j. material appointments with other companies or organizations

In accordance with the Nomination Committee Procedure section 3.10, the Nomination Committee works to ensure that its recommendations for Board of Directors candidates satisfy the requirements relating to the composition of the Board of Directors laid down in applicable legislation and regulations. Furthermore, in accordance with the Nomination Committee Procedure section 3.9, the Nomination Committee attaches weight to whether the proposed candidates have the necessary experience, competence, and capacity to serve on the relevant corporate bodies in a satisfactory manner, with the needed independence, and with appropriate change rates for the corporate bodies.

Members of the Nomination Committee are elected for two-year terms. According to the Nomination Committee Procedure, there should be a gradual rotation among the committee members.

The Nomination Committee consists of the following members, all of whom are independent of the Board and Group Executive Board:

- Otto Søberg, Chair (Partner, Vektor Consulting AS)
- Lars-Mattis Hanssen (Acting Director Ownership Department, Norwegian Ministry of Industry, Trade and Fisheries)
- Ottar Ertzeid (independent board member)
- Ann Kristin Brautaset (Deputy Director Equities at Folketrygdfondet (the Government Pension Fund Norway))

The contact details of the Chair of the Nomination Committee are available on Yara's website, and shareholders with input to the Nomination Committee's work are encouraged to send these to the Chair of the Nomination Committee.

For details on the Nomination Committee's work in 2023, see page 56.

8. Board of Directors: Composition and independence

In accordance with PLC § 6-12, the Board of Directors has the overriding responsibility for the management of the company. The Board's role and responsibility is also to supervise the company's day-to-day management and the company's activities in general, cf. PLC § 6-13 (1).

The responsibility for the day-to-day management has been delegated to the CEO as set out in the Rules of Procedure for the CEO of Yara International ASA, approved by the Board of Directors in accordance with PLC § 6-13 (2).

Pursuant to Yara's Articles of Association §6, the company's Board of Directors shall be composed of between 3 and 11 members. At the Annual General Meeting in June 2023, the General Meeting appointed three shareholder-elected Board members for two-year terms, based on the Nomination Committee's proposal. Four existing shareholder-elected Board members were not up for election. Following the Annual General Meeting 2023, the Board of Directors was composed of seven shareholder-elected Board members and four Board members elected by and among the employees. Regarding the latter, in accordance with PLC § 6-35 (2) Yara and its employees have agreed not to have a corporate assembly. The company is thus required to include four employee-elected members to the Board, cf. PLC §§ 6-4 (3) and 6-5. Yara believes this solution, with employee-elected board members instead of a corporate assembly, supports more direct communication between shareholders and management, increases accountability, and improves the speed and quality of the company's decision-making.

There are four women and three men among the shareholder-elected board members, and two men and two women among the employee-elected board members. The Board's gender composition is accordingly compliant with the mandatory requirements set out in PLC § 6-11 a.

The Board elects both its Chair and Deputy Chair among the Board members, based on a recommendation from the Nomination Committee. The Board also appoints and dismisses, if applicable, the CEO and determines the CEO's remuneration.

The shareholder-elected members of the Board are independent of the company's management, main shareholders, and material business contracts, and do not have specific assignments for the company in addition to their duties as Board members. Other than their employment contracts, the same is valid for the employee representative Board members. Members of the Group Executive Board are prohibited from being members of the Board. All Board members are encouraged to own shares in the company.

9. The work of the Board of Directors

The Board has established written instructions for its work. These instructions are set out in the Rules of Procedure for the Board of Yara International ASA available at yara.com. Among other things, the Board Procedure states that all Board members and the CEO shall immediately notify the Board in writing if he or she has an interest in a transaction or agreement that has been entered into or is being considered by the Company. The Board Procedure includes instructions on the handling of agreements with related parties and intra-group agreements, hereunder instructions that all such agreements shall be documented in writing, conditionally on arms-length basis, and that they shall be assessed on a case-by-case basis as to whether a third-party fairness opinion of the relevant agreement is required.

There were no significant transactions between the company and related parties in 2023, except for ordinary commercial transactions with subsidiaries and non-consolidated investees, as well as intragroup transactions relative to Yara Clean Ammonia, Yara's Agoro businesses, and Yara's Varda businesses. These transactions were based on arm's-length market terms.

The Board has established an Annual Cycle which sets out all planned meeting dates, regular Board agenda items, and procedures for Board document preparations. The Board Procedure and Annual Cycle are evaluated by the Board on an annual basis.

In the board meetings, the CEO reports to the Board on operational and financial developments and results, as well as other material company and industry developments, including sustainability topics.

Pursuant to Yara's Rules of Procedure for the Board and Yara's Code of Conduct, all Board members and members of Yara's management are committed to making the company aware of any material interest they may have in items to be considered by the Board. Neither a Board member nor the company CEO may participate in Board discussions or decisions of matters that are of such particular significance for him or her, or for any close associate of his or hers, that the member must be deemed to have a special or prominent personal or financial interest in the matter. If the Chair is or has been personally involved in matters of material significance to the company, any Board review of such matters will be chaired by another member of the Board. In the event of the Chair's absence, Board meetings will be chaired by the Deputy Chair.

The Board of Directors has established an Audit and Sustainability Committee and an HR Committee. Both committees work as preparatory bodies for the Board and according to specific mandates approved by the Board, see more information regarding said committee's work below.

The Board of Directors conducts an annual evaluation of its qualifications, experience, and performance. The report from this evaluation is presented to the Nomination Committee.

Yara International ASA has purchased and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and CEO. The insurance additionally covers any employee acting in a managerial capacity and includes subsidiaries owned with more than 50 percent. The insurance policy is issued by a reputable, specialized insurer with appropriate rating.

The Directors and Officers Liability Insurance provides financial protection to Yara's directors, officers, and any employees that can incur personal liability for claims made against them in respect of acts committed, or alleged to have been committed, in their capacity as such and as a result of an error, omission or breach of duty.

HR Committee

The HR Committee reviews the performance of, and proposes terms and compensation for, the CEO to the Board of Directors. The committee also reviews and proposes guidelines for executive remuneration and material employment matters and advises the

CEO and the Board on People Strategy, People-related KPIs, and other critical topics linked to the People & Organization framework. The HR Committee shall consist of three Board members, including the Chair of the Board, who also chairs the HR Committee. In 2023, the HR Committee, in addition to the Chair, consisted of one shareholder-elected Board member and one employee-elected Board member.

Board Audit and Sustainability Committee

The Board Audit and Sustainability Committee (BASC) assists the Board of Directors in supervision of the integrity of the Company's accounts, the process for financial and sustainability reporting, and the internal control related to financial and sustainability reporting and risk management and performance of the external auditor. BASC further evaluates the performance of the internal audit function related to areas within the mandate of BASC, ensuring sustainability governance processes provide an understanding of the company's significant stakeholders and materiality. BASC conducts an annual evaluation according to its mandate. BASC consists of three members of the Board and has the independence and competence required by legislation.

10. Risk management and internal control

Yara's risk management and internal control activities are integrated within the corporate strategy and business planning processes, based on the principle that risk evaluation is an integral part of all business activities. While risk management is a centrally governed process, the responsibility for day-to-day risk management activities is placed with the operating segments and corporate functions. The Yara Board of Directors and Group Executive Board evaluate and define yearly risk appetite across key strategic, financial, operational, compliance, and HESQ dimensions.

The Board believes that expressing the company's risk appetite within important areas of its business activity helps to convey how the company approaches and evaluates risk to investors, customers, and society at large. Defining risk appetite is also a prerequisite for setting optimal risk tolerance with supporting controls.

The Board carries out separate annual reviews of the company's most important risk exposures and internal control systems. Risks are also considered by the Board in relation to the assessment of specific projects and ongoing operations.

BASC performs ongoing evaluations of risk and control related to financial and sustainability reporting. Yara Internal Risk and Audit supports Yara Management and the Board of Directors in terms of evaluating the effectiveness and efficiency of internal controls and gives an independent view on risk management.

Yara Internal Risk and Audit performs independent audits both at subsidiary and group level, as well as audits and reviews of specialist functions involved in business operations, financial reporting, and risk management. The Chief Audit Executive reports functionally to the Board of Directors and administratively to the Chief Executive Officer. Yara Internal Risk and Audit has no direct operational responsibility or authority over any of the activities it reviews. The unit has unrestricted access to all functions, records, physical properties, and personnel relevant to the performance of its tasks. It also has full and free access to Yara Group Executive Board, the Board of Directors, and BASC.

The external auditor provides a description of the main elements in the audit to BASC, including observations on Yara internal control related to the financial reporting process.

Yara's internal control framework is based on the principles of the integrated framework for internal control established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The five framework components are:
- control environment
- risk assessment
- control activities
- information and communication
- monitoring

The content of the different elements is described below.

Control environment

Yara's Code of Conduct is integrated in its risk management and internal control systems, through global employee training programs and an Integrity Due Diligence process which covers both existing business partners and forward-looking business development activities.

Yara's Steering System is one of the pillars of Yara's internal control system. It aims to ensure that all Yara employees act in a consistent manner, according to authorizations by the CEO, and in line with quality standards and business needs. It includes procedures covering Yara's sustainability work.

All Yara employees are encouraged to raise questions or issues about such matters with line management and through alternative channels, including a whistle-blowing system.

Risk assessment

The Enterprise Risk Management unit is the key facilitator of the internal risk management system and shall assist the Group Executive Board with implementing and maintaining an appropriate risk management framework to support identification, analysis, management, and reporting of all types of risk. The unit further coordinates risk management activities within Yara and consolidates reporting on risks.

The internal control function performs risk assessment related to financial reporting as well as material sustainability reporting indicators.

Control activities

Yara's Group Accounting is responsible for the preparation of the consolidated financial statements and to ensure that the consolidated financial statements are reported according to applicable laws and regulations and in accordance with adopted accounting policies.

The Controller function is responsible for the Board of Directors and Management reporting as well as planning and coordinating the business plan process.

The Internal Control function regulates the governance structure for Internal Control over Financial Reporting (ICFR) and material sustainability reporting and oversees risks and controls related to financial and material sustainability reporting.

BASC performs reviews of the quarterly and annual financial statements with special focus on transaction types, which includes judgments, estimates, or issues with major impact on the financial statements. The internal and external auditors participate in these meetings. In addition to the quarterly and annual reporting, the Board of Directors receives pre-quarterly performance reports.

Information and communication

The Yara Steering System provides all employees with an overview of the prevailing corporate policies and procedures. Yara's Accounting Manual describes corporate accounting policies and is continuously updated and revised for any changes related to IFRS and Yara's Accounting Policies.

Monitoring

All bodies and functions described above monitor and assess for any need for corrective actions related to financial and operational risk within their area of responsibility.

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors is proposed by the Nomination Committee and approved by the General Meeting and is not linked to the company's performance. Shareholder elected Board members are not granted share options.

The remuneration of the Board of Directors reflects the Board's responsibility, expertise, time commitment, and the complexity of the company's activities.

In 2023, the remuneration to the Chair of the Board of Directors was NOK 713,500 per annum prior to the Annual General Meeting, increasing to NOK 780,600 per annum thereafter. The remuneration to the Vice Chair was NOK 426,000 per annum prior to the Annual General Meeting, increasing to NOK 444,700 per annum after the Annual General Meeting. The remuneration to the other Board members was NOK 375,500 per annum prior to the Annual General Meeting and NOK 392,000 per annum thereafter.

Additional remuneration to Board members resident outside Norway was NOK 31,900 per meeting prior to the Annual General Meeting, increasing to NOK 33,300 per meeting after the Annual General Meeting. Remuneration to deputy representatives to the Board was NOK 11,300 per meeting, increasing to NOK 11,800 per meeting after the Annual General Meeting.

The remuneration to the Chair of BASC was NOK 201,500 per annum prior to the Annual General Meeting, increasing to NOK 210,400 per annum thereafter. The remuneration to the other BASC members was NOK 124,500 per annum prior to the Annual General Meeting and NOK 130,000 per annum thereafter.

The remuneration to the Chair of the HR Committee was NOK 111,500 per annum prior to the Annual General Meeting, and NOK 116,400 per annum thereafter. The remuneration to the other HR Committee members was NOK 86,500 per annum prior to the Annual General Meeting and NOK 90,300 per annum thereafter.

The total compensation to Board members in 2023 is disclosed in note 8.1 in the consolidated financial statements, page 301.

12. Remuneration of executive personnel

In accordance with PLC § 6-16 a, Yara prepares guidelines for salary and other remuneration to its executive personnel which, in accordance with PLC §§ 6-16 a (5) and 5-6 (3), are presented to the Annual General Meeting for approval.

The Yara guidelines presented for and approved by the 2023 Annual General Meeting were in accordance with the Ministry of Trade, Industry and Fisheries' guidelines for remuneration of executives in state-owned and partly state-owned companies with effect from 12 December 2022.

In accordance with PLC §§ 6-16 b, Yara prepares a report on salary and other remuneration to its executive personnel. The report is presented to the Annual General Meeting for advisory vote in accordance with PLC §§ 6-16 b (2) and 5-6 (4). Deviations from the State guidelines, if any, will be covered in the report. For members of the Group Executive Board employed by Yara companies in other countries, remuneration may deviate from the State guidelines depending on local market conditions. There is currently one member of Yara's Group Executive Board who is employed by a non-Norwegian Yara company.

For full disclosures of the remuneration guidelines that were approved by the 2023 Annual General Meeting, see page 65. In accordance with PLC §§ 6-16 a and 6-16 b, Yara Executive Remuneration Report 2023 will be made available at yara.com, and revised remuneration guidelines will be presented to the 2024 Annual General Meeting and thereafter available at yara.com.

13. Information and communications

Communication with financial markets is based on the principles of openness and equal treatment of all shareholders. Yara shall provide the public with accurate, comprehensive, and timely information, in order to form a good basis for making decisions related to valuation and trade of the Yara share. The aim of providing such information is to reduce investors' risk and the volatility of the Yara share, contributing to a pricing of the Yara share that reflects the company's underlying values and future prospects.

Yara's main communication channels are quarterly financial reports, stock exchange releases, press releases, and its own web pages (yara.com) in order to secure that the same information is made available to all audiences simultaneously. Although Yara holds regular meetings for analysts, investors, journalists, and employees, all material, new information is first published to the stock exchange and on Yara's web pages. Yara will provide a consistent level of information regardless of whether the news is positive or negative.

Yara does not provide guidance on financial results. However, Yara may communicate guidance and/or targets for discrete activity areas. In addition, Yara provides sensitivities that can be used to calculate the financial effects of changes in market prices and currency exchange rates.

Yara Spokespersons to financial markets (investors, analysts, and financial media) are the Chief Executive Officer, the Chief Financial Officer, SVP Investor Relations, VP Corporate Communications, and Investor Relations Officer(s) or others authorized by these. Questions from investors and financial analysts to other Yara personnel shall be referred to Investor Relations. All meetings with investors and financial analysts shall be arranged/coordinated by Investor Relations, and presentation materials for such meetings shall be prepared or approved by Investor Relations. Investor Relations shall normally accompany Yara managers in investor/analyst meetings.

Yara publishes quarterly financial results according to its financial calendar, which is published annually on its web pages and to the Oslo Stock Exchange. Ahead of the announcement of quarterly results, Yara has a "closed period" when contact with external analysts, investors, and journalists is minimized. Yara will not comment upon its own activities or market developments during this period to minimize the risk of unequal information in the marketplace. The closed periods are from 1 April until the first-quarter results publication, from 1 July until the second-quarter results publication, and from 1 October until the third-quarter results publication, and from 16 January until the fourth-quarter results publication.

Yara is subject to regulation relevant for companies listed on the Oslo Stock Exchange.

14. Take-overs

The Board of Directors has established a procedure relating to bids for the take-over of the company. The procedure sets out that the Board of Directors will not seek to hinder or obstruct any such bids and will not exercise mandates or pass any resolutions with the intention of obstructing any take-over bid unless this is approved by the General Meeting following the announcement of the bid. Pursuant to the procedure, the Board will follow the overriding principle of equal treatment for all shareholders and seek to comply with the Code recommendations, obtaining a valuation from an independent expert and making a recommendation to Yara's shareholders regarding acceptance of the bid. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a takeover bid is made, the Board will issue a statement in accordance with statutory requirements and the recommendations in the Code related to the takeover bid. Further, the Procedure sets out that the board will ensure that the company's business activities are not disrupted unnecessarily.

The Norwegian Securities Act regulates takeover attempts. Shareholders at the Annual General Meeting will, according to law, make the decision on any potential takeover bids.

15. Auditor

The Board has delegated to BASC to monitor the external auditor, and BASC reports the outcome of this work to the Board. The external auditor submits annually the main features of the plan for the audit of the company in the forthcoming year including planned group materiality to be used in the audit. Furthermore, BASC is monitoring the audit in light of matters, if any, the Financial Supervisory Authority of Norway has raised in inspection reports. The external auditor participates each quarter in BASC meetings where financial statements are addressed, as well as BASC and Board meetings where the annual account is addressed and approved. In the latter, the auditor provides to BASC a description of the main elements of the audit of the preceding financial year, including any uncovered material weaknesses related to internal controls of the financial reporting process.

The external auditor shall also:
- Annually confirm its independence
- Disclose any services besides the statutory audit services which have been provided to the company during the financial year
- Disclose any threats to its independence and document measures taken to mitigate such threats

The external auditor also meets with BASC at least once per year to review the company's internal control procedures, the potential weaknesses identified, and the proposals for improvement. The external auditor and the Board meet at least once a year without Yara Group Executive Board present.

The use of the external group auditor for advisory services, tax services, and other services outside the ordinary audit scope shall be pre-approved by BASC. Within defined limits, the CFO and the VP Accounting & Tax have been delegated authority to pre-approve such services. The external group auditor is responsible for reporting such services to BASC and to perform an ongoing assessment of independence. Norwegian laws and regulations stipulate the type of non-audit services that external auditors can perform for Yara.

GOVERNANCE REPORT

Governance activities 2023

Yara's Board of Directors in 2023

The current Yara Board of Directors consists of seven shareholder-elected members and four employee-elected members. The shareholder-elected board members are appointed by the General Meeting, and the employee-elected board members are elected in a separate process among Yara's employees in accordance with PLC §§ 6-4 (3) and 6-5, see also chapter 8 above.

At the Annual General Meeting 12 June 2023, three shareholder-elected members were elected. Of the current seven shareholder-elected board members, four members (Trond Berger, Jannicke Hilland, John G. Thuestad, and Tove Feld) were elected in previous years. With regard to the four employee-elected Board members, all four were elected in previous years.

The current Board consists of the below members who, by the end of 2023, held the following shareholding in Yara International ASA:

Shareholder-elected Board members:
Trond Berger: 3,000
John G. Thuestad: 1,200
Jannicke Hilland: 0
Tove Feld: 500
Therese Log Bergjord: 0
Tina Lawton: 0
Harald Thorstein: 0

Employee-elected Board members:
Rune A. Bratteberg: 578
Ragnhild Flesland Høimyr: 486
Geir O. Sundbø: 550
Eva S. Aspvik: 1,066

Board activities in 2023

Yara's Board of Directors convened 11 times during 2023. Nine of the meetings were ordinary Board meetings, and two were extraordinary meetings. The ordinary Board meetings were run for approximately 5.5 hours, except for a two-day meeting in June, a shorter audio meeting in July, and a full-day meeting (9 hours) in December. The extraordinary Board meetings were shorter meetings conducted as conference calls.

The table on the next page shows the attendance of the respective Board members during 2023.

The Board's Annual Cycle sets out a list of regular Board agenda items which are discussed and/or approved by the Board at least annually. These items include the company's business plan, strategy and financial targets, dividend proposal, annual and midyear reports from Yara Ethics and Compliance, Yara Internal Risk and Audit, Yara Health, Environmental, Safety and Quality, CEO remuneration and targets, succession planning, corporate governance review and approval, governance documents review and approval, approval of the company's Integrated Report and General Meeting papers, and Board self-evaluation.

Sustainability is embedded in Yara's corporate strategy and regularly reported on to the Board through the Strategy scorecard, Yara's three-part scorecard with KPIs covering People, Planet, and Profit. In all Board meetings, the CEO provides a thorough report on the company's operational and financial developments and results, and other material company and industry developments. On a monthly basis, the Board receives an update on the company's KPIs. In addition, deep dives on sustainability and strategic topics from the regions and new business areas are presented in the Board meetings throughout the year. Key agenda items for 2023 included the impacts of Russia's war on Ukraine on Yara and the broader food system and how to rebuild positions in a context with big geopolitical changes and uncertainty. Furthermore, the Board spent time on Yara's journey to grow a nature-positive food future and Yara's low-carbon ammonia projects in the US. In September 2023, a presentation of the energy market outlook was presented by Rystad energy to the Board.

A Board visit to one or more of Yara's sites and/or projects is usually conducted each year. In 2023, the Board visited Brazil to learn more about Yara's operations in the country and how Yara works throughout the value

Board member	Position(s)	Number of meetings attended
Trond Berger	Chair of the Board Chair of the HR Committee Chair of the Audit and Sustainability Committee from 18 November 2022 until 12 June 2023	Board: 11 HR Committee: 7 Audit and Sustainability Committee: 3
Jannicke Hilland	Vice-Chair of the Board Member of the Audit and Sustainability Committee	Board: 10 Audit and Sustainability Committee: 8
Eva S. Aspvik	Member of the Board	Board: 11
Rune A. Bratteberg	Member of the Board Member of the Audit and Sustainability Committee	Board: 11 Audit and Sustainability Committee: 8
Tove Feld	Member of the Board Member of the HR Committee	Board: 11 HR Committee: 5
Ragnhild F. Høimyr	Member of the Board	Board: 11
Geir O. Sundbø	Member of the Board Member of the HR Committee	Board: 8 HR Committee: 6
John Thuestad	Member of the Board	Board: 11
Therese Log Bergjord	Member of the Board from 12 June 2023	Board: 4
Harald Thorstein	Member of the Board from 12 June 2023 Chair of the Audit and Sustainability Committee from 12 June 2023	Board: 5 Audit and Sustainability Committee: 5
Tina Lawton	Member of the Board from 12 June 2023	Board: 5

chain to reduce emissions and contribute to a more resilient agriculture. During the visit, the Board visited the Cubatão plant, the Sumaré plant, and an important coffee cooperative that Yara works with in the country. In 2024, the Board will travel to Canada and the US to visit Yara's production sites and Yara's customers.

The Board annually conducts a self-evaluation. In 2023, the self-evaluation was done by Russel Reynolds. The self-evaluation was discussed in the Board meeting on 14 December 2023.

BASC activities in 2023

The Board Audit and Sustainability Committee (BASC) met according to plan, eight times in 2023. All BASC members attended all eight meetings. There were one change in the composition of BASC during 2023. A new chairman was appointed by the Board on 12 June 2023. The previous chairman attended the first three meetings, and the new chairman the following five meetings. In line with the BASC annual cycle, BASC has continued to focus on both financial and sustainability performance with related risks and controls.

The BASC meetings covered matters relating to the annual business plan, strategy, and risk management, with a special focus on geopolitical risks, risk-based financial scenarios, capital allocation framework , accounting, financial and sustainability reporting, including status on internal control for both financial and sustainability reporting, tax, finance and treasury, improvement programs, ethics and compliance, environmental provisions, legal proceedings, and other compliance-related matters. The BASC also reviewed and approved the Yara Internal Risk and Audit (YIRA) annual audit plan and addressed YIRA's quarterly reports covering a range of topics and risks, including environmental, social and governance related processes and risks.

The BASC agenda also included Yara's responses to new regulations, including the Norwegian Transparency Act (2022), the 2023 EU taxonomy report and the upcoming CSRD/ESRS regulation.

In May, all BASC members attended a training on the scope and implications of emerging ESG reporting requirements, focusing on CSRD/ESRS (2024).

As part of the 2024 business plan review in December, BASC also reviewed and gave directional support to the Administration's approach and assessment of impact- and financial materiality of sustainability matters.

BASC has also met with the external auditor as part of the annual cycle, including approval of services. In addition, BASC has held meetings with the CFO and the chief audit executive.

HR committee activities in 2023

The committee held seven meetings in 2023. One of the committee members was absent from one of the meetings and two members were absent from one of the other meetings. All committee members attended the other five meetings.

The Committee reviewed and proposed to the Board the short-term incentive plan (STIP) payout both for 2022 and for 2023 for the Yara CEO, STIP 2023 and 2024 for the Yara CEO, and allocation of Share-based remuneration 2024 for the Yara CEO. The committee also reviewed these plans with respect to the Group Executive Board and other Yara employees and provided the Yara CEO with feedback.

Other cases the committee reviewed and proposed to the Board were the 2023 Yara Guidelines for executive remuneration and the reporting of executive remuneration in 2022, succession planning for Yara CEO and the Group Executive Board, talent retention risk and mitigation, and remuneration and salary review 2023 for the Yara CEO. The Committee also reviewed and commented on salary review 2023 for members of the Group Executive Board other than the Yara CEO.

Nomination committee activities in 2023

The Nomination Committee, which is independent from the Board and Group Executive Board, held 23 meetings in 2023. The committee had full attendance in the meetings except two meetings, from which one member was excused.

In 2023, the remuneration to the Chair of the Nomination Committee was NOK 9,000 per meeting prior to the Annual General Meeting and thereafter NOK 9,400 per meeting. The remuneration to the other members of the Nomination Committee was NOK 6,800 per meeting prior to the Annual General Meeting and thereafter NOK 7,100 per meeting.

General Meetings in 2023

Yara's Annual General Meeting (AGM) was held on 12 June 2023. The meeting was held as a hybrid meeting where the shareholders could choose between online and physical attendance.

At the AGM, a total of 146,330,389 shares, representing 57.45 percent of the share capital of the company, were represented. The Chair of the Board, Yara's external auditor, and the Chair of the Nomination Committee were physically present at the meeting. From the Yara Group Executive Board, Yara's CEO, CFO, and General Counsel were present.

In addition to regular matters, the AGM approved a dividend for 2022 of NOK 55 per share, approved Yara's 2023 Guidelines on salary and other remuneration for executive personnel of Yara International ASA, gave its support through advisory vote to Yara's 2022 Report on salary and other remuneration for executive personnel of Yara International ASA, appointed three new shareholder-elected Board members, approved an amendment to Yara's Articles of Association in order to ensure compliance with the amended § 5-3 of the PLC (effective as of 1 July 2023) so that the requirement for advance notice of participation in the General Meeting shall be made applicable to all shareholders in Yara and that the deadline for advance notice of participation can be fixed in accordance with the PLC, and approved a new power of attorney to the Board for the acquisition of up to 5 percent (12,736,281 shares) of Yara's share capital with a total face value of up to NOK 21,651,677.70 in the market and from the Norwegian State.

The Nomination Committee works with a long-term perspective and considers Yara's strategy when nominating and evaluating the Board. The Nomination Committee strives to ensure that the Board comprises individuals that both individually and collectively represent diverse and varied backgrounds and bring complementary competencies to the Board. For gender diversity specifically, the Nomination Committee works to ensure a minimum of 40 percent gender diversity in the Board, as deemed mandatory by the PLC Act § 6-11 a. Furthermore, the Nomination Committee puts emphasis on ensuring that at least one board member meets the finance/accounting competency requirements as deemed mandatory by the PLC Act § 6-42 (2). The Nomination Committee also considers the capacity of the Board members to ensure they are able to dedicate sufficient time and attention to their duties, as well as their independence from Yara's management, as per § 3.9 in the procedure for the Nomination Committee.

The term for the current Board members runs until 2024. There was an election of three new Board members in 2023.

When reviewing the Board's work and composition, the Nomination Committee also takes into consideration the outcome of the Board's yearly self-evaluation. In 2023, said self-evaluation was conducted in Q4. The Nomination Committee also encourages and proactively seeks out perspectives from Yara's shareholders to help inform their work. This includes directly contacting the 30 largest shareholders on an annual basis and providing an open invitation to dialogue on the yara.com website.

During 2023, the Nomination Committee had dialogues and received inputs from several Yara shareholders, and these inputs have been taken into consideration by the Nomination Committee when preparing its 2024 proposal. The Nomination Committee also conducted individual conversations with each Board member, both shareholder-elected and employee-elected, during the second half of 2023.

The Nomination Committee is well underway with their work for the 2024 nominations. As part of this job, the Nomination Committee has maintained an open dialogue with the Chair of the Board, Board members, and the CEO to understand which Board competencies will be most effective in supporting Yara with executing its strategy and in achieving its aspirations in the future. The Nomination Committee will present its updated evaluation and its recommendation for shareholder-elected Board members to the AGM in May 2024. Once available, a link will be added to the digital annual report landing page.

The Nomination Committee's past proposals and respective Board evaluations made to the AGM are available in the Investor Relations section of yara.com.

GOVERNANCE REPORT

2023 Guidelines on salary and other remuneration for executive personnel

Yara's guidelines for remuneration of the Group Executive Board and Board members are prepared in accordance with the Public Limited Companies Act section 6-16a. Pursuant to the Public Limited Companies Act section 6-16a (5) the statement will be presented to the Annual General Meeting (AGM) 2023 for approval. The Ministry of Trade, Industry and Fisheries disclosed amended guidelines for remuneration of executives in state-owned and partly state-owned companies with effect from 12 December 2022 (State Guidelines). Yara's remuneration principles applying to the CEO and the other members of the Group Executive Board aim to comply with these guidelines. The State guidelines apply at the outset to the entire group. Potential deviations will be reported to the Annual General Meeting in the report on remuneration of the Group Executive Board and Board. For members of the Group Executive Board employed by Yara companies in other countries, remuneration may deviate from the State Guidelines depending on local market conditions.

Guidelines for remuneration of Board Members

The Chair and other Board members receive remuneration as Board members and members of Board Committees. The remuneration is determined by the Annual General Meeting on the basis of a recommendation from the Nomination Committee. Employee-elected Board members receive the same remuneration as shareholder-elected Board members. None of the shareholder-elected Board members are employed by the company.

None of the employee-elected Board members are executives. The employee-elected Board members receive salary, pension, and other remuneration such as bonuses, share-based remuneration, car allowance, etc. in accordance with the company's general terms for employment.

The Chair and other members of the Board have no agreements for compensation in the event of termination or changes in their positions as Board members.

Guidelines for remuneration of Group Executive Board

The Board of Directors determines the remuneration of the President and CEO (CEO) and approves the general terms of the company's incentive plans for the Group Executive Board based on proposals from the Board HR Committee. The CEO determines the remuneration to the other members of the Group Executive Board.

Deviation from the guidelines

The Board of Directors may decide to temporarily deviate from the guidelines in individual cases where exceptional circumstances make this necessary in order to safeguard the company's long-term interest, financial sustainability, or to ensure the company's viability. Potential deviations and the reasons for these will be reported in the report on remuneration of the Group Executive Board and Board Members to the Annual General Meeting.

General principles

The Board determines the total remuneration to the CEO and other members of the Group Executive Board on the basis of:

- Management incentives in line with maximizing long-term sustainable value creation to Yara's shareholders and other stakeholders;
- The need to offer competitive terms to secure the company's competitiveness in the labor market;
- Commitment to exercise moderation through responsible and not market-leading remuneration

Total remuneration for each member of the Group Executive Board is compared to the relevant market on a regular basis. Pension plans for the Group Executive

Board are moderate and in accordance with the State Guidelines for all members of the Group Executive Board that have joined after 3 December 2015. This is further described below in the section Company-paid pension plans below.

The total remuneration for the members of the Group Executive Board comprises the following elements:

- Base salary
- Local market allowance
- Share-based remuneration
- Short-term incentive plan
- Pension plan benefits
- Other compensation elements such as internet connection, company car, or car allowance

The annual salary increases in 2022 for each member of the Group Executive Board was 3.7 percent from 1 June 2022, after having abstained from annual salary adjustments for the years 2019 to 2021. The average Norwegian salary increase for the period 2019 to 2022 was 12.9 percent on an accumulated basis. The average salary increase frame in 2022 for Yara employees in Norway was 4.8 percent.

Base salary

Base salary is reviewed once a year as per 1 June as part of the annual salary review for all employees in Yara. In addition, salaries may be reviewed if the scope of responsibility is materially changed. The development of base salary for the Group Executive Board is based on the following:

- Annual salary adjustment for all employees in Yara International ASA and Norwegian subsidiaries as average percentage adjustment and average salary adjustment in terms of nominal amount
- Benchmark of executive management salaries in peer companies

Local market allowance

The positions as regional EVPs are placed in markets where Yara's compensation levels are significantly below the market standard. To reduce the retention risk for these positions, a local market allowance will be added as a new element in the respective compensation packages from January 2023. The allowance is linked to the position, which means that the EVPs only receive it for the period they hold this position. Furthermore, the allowance is not included in the basis for calculating the allocation of share-based remuneration shares, short-term incentive plan or pension contributions. For 2023, the annual local market allowance for the three regional EVP positions (EVP Europe, EVP Americas, and EVP Africa & Asia) is 50 TEUR (approximately 55 TUSD) respectively.

Share-based remuneration (SBR)

To support the alignment between executives and shareholder interests and to ensure retention of key talents in the company, an amount equal to 30 percent of the base salary may be awarded by the Board on an annual basis. The net after-tax amount must be invested in Yara shares within a period of one month after the grant and the shares must be retained for a minimum of three years. Executives who resign from Yara must reimburse to the company at the time of resignation the net proceeds of the selling of the shares that are still within the lock-in period.

The SBR percentage for members of the Group Executive Board other than the CEO was adjusted from 25 to 30 percent with effect from 2023. The change has been made to ensure that the SBR plan is competitive and adapted to the market. The CEO was eligible for a 30 percent SBR also before 2023.

The grant of SBR is conditional on Yara's net result excluding special items and currency gain/loss being positive in sum over the last three years. Yara's CEO can, on a discretionary basis, decide that SBR shall not be granted for a given year and Yara's Board of Directors can decide that SBR shall not be granted to the CEO for a given year. Such an assessment will, amongst other factors, be evaluated against Yara's performance vis-a-vis its strategic targets of sustainable value creation, hereunder performance Indicators linked to People, Planet, and Profit.

In cases where members of the Group Executive Board are recruited in countries other than Norway, the SBR percentage may deviate from what is stated above depending on local market conditions for remuneration.

In order to support alignment between members of the Group Executive Board and shareholder interests, it is expected that members of the Group Executive Board participating in the SBR program, in addition to the shares received as part of the SBR, invest in Yara shares an amount equaling the lowest amount received as net, after tax short-term incentive plan payout for the preceding year or the net amount received as SBR for the relevant year, and do so yearly as a minimum. Such investments should be made until the shareholding amounts to the member's gross remuneration package, including pensions. Furthermore, it is also expected that members of the Group Executive Board do not sell any Yara shares as long as they are members of the Group Executive Board.

Short-term incentive plan (STIP)

The STIP contributes to realizing Yara's strategy, long-term value creation, and capital allocation policy. The plan sets stretched annual goals covering the dimensions People, Planet, and Profit based on Yara's communicated strategic scorecard goals, which are reported quarterly.

The annual goals are divided into Company performance and Strategic focus areas as further described below. If all stretched goals are met, the CEO and the members of the Group Executive Board will obtain a target bonus of 40 percent of base salary. Maximum gross before tax payout is 50 percent of base salary. The maximum payout includes accrual of holiday pay on the bonus payout where this is applicable.

According to the amended State Guidelines, the maximum achievable bonus should not exceed 25 percent of base salary with expected implementation as of 1 January 2024. Potential changes to the STIP with effect from 2024 in accordance with the amended State Guidelines will be presented to the 2024 annual general meeting.

In cases where members of the Group Executive Board are recruited in other countries than Norway, the percentages may deviate from what is mentioned above depending on local market conditions for remuneration.

Company performance

The table on page 71 includes the performance indicators set to drive performance for 2023, in line with Yara's strategic goals. The 2023 KPI scorecard was simplified compared to the 2022 scorecard and the number of KPIs was reduced, especially for the Prosperity dimension (renamed Profit mid-2023). A reference table shows for each indicator what is required to achieve the different performance scores. Each indicator has an individual weight and the weighted sum of the performance score for each indicator represents the overall outcome as a percentage of base salary. The maximum bonus related to company performance is 30 percent of base salary.

The objectives for the year and results achieved will be disclosed in the report on remuneration of the Group Executive Board and Board Members to the Annual General Meeting. Some of the performance indicators are market sensitive and consequently yearly targets will not be specified.

Strategic focus areas

A set of strategic focus areas to drive performance is established for each year. The following focus areas were set for 2023:

- Grow an entrepreneurial culture through deploying Grow@Yara for all employees, supported by implementing leadership behaviors, and clarifying roles and mandates where needed
- Increase the resilience and competitiveness of the company's asset base under geopolitical uncertainty through continued focus on operational excellence, decarbonization, and a more active prioritization of resources towards its top-performing assets
- Scale-up the digitalization of the company's core processes through execution of the digital transformation program e.nable and establishing traceability across the food supply chain
- Accelerate scale-up in digital transformation and tools across customers and channels by fully implementing regional and global operating models for digital innovation
- Grow Yara's commercial offering in regenerative agriculture through innovation and asset growth, with priority on premium products and solutions, digital offerings, low-emission ammonia, and biostimulants
- The achievement of goals for the individual strategic focus areas will be assessed in accordance with the following table with a maximum bonus of 20 percent of Base Salary:

Performance scale for strategic focus areas

The planned action has been taken during the year with the following success score	<50%	50%	75%	100%	110%
Corresponds to the following payout in % of base salary	0%	8%	12%	16%	20%

The result achieved for each of the strategic focus areas will be disclosed to the Annual General Meeting in the report on remuneration of the Group Executive Board and Board Members.

In addition to the performance evaluation described above, the Board will take into account how difficult it has been to achieve the results, changes in external non-controllable factors that were not anticipated at the beginning of the year, and whether the results have been achieved in accordance with Yara's values and ethical principles.

Claw back of share-based remuneration and short-term incentive plan payments

Shares provided by the SBR and payments that have already been made from the short-term incentive plan are subject to claw back provisions covering both situations of misconduct and errors leading to financial re-statement. Enforcement of the provision will be subject to local law.

Benefit plans

Company-paid pension plans

Pension plans in Yara should be defined contribution ("DC") plans. Members of the Group Executive Board on Norwegian employment contracts are eligible to the company-paid DC pension plan applicable for all Yara employees in Norway. The contribution rates in this plan are 7 percent of the pensionable salary up to 7.1 times Norwegian Social Security Base Amount (G) and 18 percent of the pensionable salary between 7.1G and 12G.

Yara has a DC pension plan covering salary in excess of 12G applicable for employees on Norwegian employment contracts. From December 2015 this plan was closed for new members. For internal recruits to the Group Executive Board who are members of the plan at commencement, future contributions to the plan stop and they become deferred members of the plan. One current member of the Group Executive Board who was recruited before December 2015 remains an active member of the plan with future contributions.

For employees on Norwegian employment contracts, the upper retirement age is 70 years with the possibility for flexible retirement from age 62 in the company-paid DC pension plans. Yara has a defined benefit early retirement plan for executives on Norwegian employment contracts covering the period from age 65 to 67 with a defined benefit equal to 65 percent of final salary limited to 12G. From 1 January 2015, the plan was closed for new members and ceased for employees below age 50. A DC pension plan was established to compensate members for the shortfall. Executives who were previously members of other defined-benefit pension plans being terminated or converted to DC plans might have cash allowances to compensate for the shortfall.

Executives employed by Yara companies in other countries will be covered by company-paid pension plans according to national plans and markets.

Personal insurance schemes

The executives are members of the personal insurance schemes applicable to other Yara employees. These are group life insurance, disability pension, lump-sum payment in the event of disability, occupational diseases, occupational and non-occupational accident, and health insurance. In addition, they are provided with a travel insurance covering both the executive and family.

Other compensation elements

Executives are granted benefits in kind according to the applicable market standard. These are typically cell phone, internet connection, and company car or fixed car allowance.

In the event of an international assignment contract, the executive and family will be entitled to allowances and benefits in accordance with Yara's Global Mobility Policy.

Members of the Group Executive Board on Norwegian employment contracts are entitled to a severance pay equal to six months base salary on certain conditions. The severance pay is calculated from the end of the notice period. Other income the executive receives during the severance pay period will be deducted from the severance pay. For members of the Group Executive Board employed by Yara companies in other countries severance pay may deviate from the above depending on local regulations.

Ad-hoc compensation elements

In extraordinary circumstances related to recruitment processes, a sign-on bonus may be agreed up to a maximum of the base salary that has been agreed. Any such compensation will be reported in the report on remuneration of the Group Executive Board and Board Members to the Annual General Meeting.

Strategy scorecard as presented to the General Meeting in May 2023

People
(25% weight)

Yara KPI	2021	2022	2025 Target	Measure
Strive towards zero accidents	1.0	1.1	<1.0	TRI rate
Engagement index[1)]	79%	78%	78%	%
Diversity and inclusion index[2)]	77%	75%	76%	%
Female senior managers	29%	29%	40%	%

1) Measured annually
2) L12M per October 2022

Planet
(25% weight)

Yara KPI	2021	2022	2025 Target	Measure
GHG emissions, intensity	2.99	3.05	2.7	t CO_2e/t N
GHG emissions, scope 1+2	17.3 -5%	16.3 -12%	- -30%	Mt CO_2e % CO_2e
Digitized hectares	8	14.8	150	MHa
MSCI rating	A	A	A	Score

Prosperity
(50% weight)

Yara KPI	2021	2022	2025 Target	Measure
Ammonia production[1)]	7.8	7.7	8.6	Mt
Finished fertilizer production[1)]	21.8	20.5	22.5	Mt
Premium generated[2)]	280	1,808	N/A	MUSD
Revenues from new products and services	15	35	1,500	MUSD
Revenues from online sales	4	17	1,200	MUSD
Capital return (ROIC)[3)]	12.7%	25.3%	>10%	%
Fixed costs + Capex[4)]	3.1	3.4	4.3	BUSD

1) Yare Improvement Program target for 2023 accounts for market optimization and turnarounds
2) Premium generated excluded from STIP due to highly uncertain and very subject to or driven by the market environment and volatility, more so than any of the others
3) ROIC excl. special items
4) Fixed cost ambition is to beat inflation in core business. Capex guidance is 1.2 BUSD in real terms

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FROM THE BOARDROOM

Group Executive Board

Read more about our management team by clicking on their pictures or names. You can also continue reading on the following pages.

Svein Tore Holsether →

Thor Giæver →

Mónica A. Enríquez →

Solveig Hellebust →

Magnus K. Ankarstrand →

Johan Labby →

Fernanda L. Larsen →

Chrystel Monthean →

Jorge Noval →

Kristine Ryssdal →

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CHANGES IN THE GROUP EXECUTIVE BOARD IN 2023:

1 July 2023: Johan Labby assumed responsibility as EVP Global Plants & Operational Excellence. Pål Hestad stepped down from the Group Executive Board and remained in a leadership role at Yara.

9 August 2023: Lars Røsæg, Deputy CEO and EVP Corporate Development, stepped down from the Group Executive Board.

10 August 2023: Magnus Krogh Ankarstrand was appointed EVP Corporate Development. Jorge Noval, CEO of Yara Industrial Solutions, assumed responsibility as EVP and became a member of the Group Executive Board.

Svein Tore Holsether (1972)

POSITION
President and Chief Executive Officer

YEAR OF APPOINTMENT
2015

EMPLOYED
2015

EDUCATION
Bachelor's degree, specializing in finance and management from the University of Utah, USA

EXPERIENCE
Mr. Holsether is passionate about promoting the Sustainable Development Goals as an enabler of growth rather than a constraint. He was the former Chair of the Food & Nature program for the World Business Council for Sustainable Development (WBCSD) and has for several years been a nature champion and member of the Alliance of CEO Climate Leaders at the World Economic Forum (WEF). He was a Commissioner of the Business and Sustainable Development Commission (BSDC), and is also President of NHO, the Norwegian Confederation of Business and Industry, and on the board of Skandinaviska Enskilda Banken AB (SEB). Previously, Mr. Holsether has held a range of executive and senior position in large industrial companies.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 7
SHARES OWNED AT YEAR-END 2023 54,805

Thor Giæver (1972)

POSITION
EVP & Chief Financial Officer

YEAR OF APPOINTMENT
2021

EMPLOYED
2004

EDUCATION
Bachelor's (Honors) degree from the School of Management, University of Bath, UK

EXPERIENCE
Mr. Giæver has served as Executive Vice President and Chief Financial Officer since July 2021. He joined Yara in 2004 and has held several senior positions in the company. He was SVP Investor Relations from 2011 to 2021 and has previously held the positions of Acting CFO (2014–2015) and Head of Controlling & Risk Management (2009–2011). He also has earlier experience from a number of finance positions at Ford Motor Company (1996–2004). Giæver is a certified Diversity Manager in line with the requirements from Norsk Sertifisering AS.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 7
SHARES OWNED AT YEAR-END 2023 10,515

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Mónica Andrés Enríquez (1970)

POSITION
EVP, Europe

YEAR OF APPOINTMENT
2021

EMPLOYED
1998

EDUCATION
Master's degree in business administration from Instituto de Empresa Spanish Business School Degree in Agronomy Engineering from the Spanish Polytechnic University of Engineers (ETSIA)

EXPERIENCE
Ms. Andrés Enríquez has served as Executive Vice President Europe since July 2021. She has previously held several positions in the company, among them VP Farming Solutions Europe (2020–2021), Project Manager for Yara Europe Strategy, and SVP BU South Europe (2019–2020), SVP BU Asia (2017–2019), and Country Manager for Spain and Portugal (2013–2016). Ms. Andrés Enríquez was employed by Hydro in 1998 as a field agronomist.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 7
SHARES OWNED AT YEAR-END 2023 7,671

Solveig Hellebust (1967)

POSITION
EVP, People, Process, and Digitalization

YEAR OF APPOINTMENT
2022

EMPLOYED
2020

EDUCATION
Ph.D. in agricultural trade from the Norwegian University of Life Sciences. Master's degree in agricultural economics from the University of Illinois at Urbana-Champaign, USA. Master of Management and Economics ("Siviløkonom") from BI Norwegian Business School

EXPERIENCE
Ms. Hellebust has served as Executive Vice President People, Process, and Digitalization since July 2021. She joined Yara in December 2020 in the position of Senior Vice President and Chief HR Officer. For almost 11 years (2009–2019), Ms. Hellebust was Group Executive Vice President at DNB with 9 years as Group Executive Vice President HR, followed by the role of Group Executive Vice President People and Operations. She has also held various executive HR roles in Pronova BioPharma (2004–2009) and Telenor (2001–2004). Prior to her executive roles, Ms. Hellebust served three years as Associate Professor of Economics at BI Norwegian Business School.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 7
SHARES OWNED AT YEAR-END 2023 4,323

Magnus Krogh Ankarstrand (1979)

POSITION
EVP, Corporate Development

YEAR OF APPOINTMENT
2023

EMPLOYED
2013

EDUCATION
Master of Management and Economics ("Siviløkonom") from The Norwegian School of Economics (NHH)

EXPERIENCE
Mr. Ankarstrand (born 1979) has served as Executive Vice President Corporate Development since August 2023.
He has held the position of CEO, Yara Clean Ammonia since 2021 and has previously held positions as SVP Yara North America, CFO of the Industrial segment, and Director of Strategy & Business Development. He also has previous experience from The Boston Consulting Group and the Royal Norwegian Navy.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 4
SHARES OWNED AT YEAR-END 2023 5,245

← Back to the overview

Johan Labby (1978)

POSITION
EVP, Global Plants & Operational Excellence

YEAR OF APPOINTMENT
2023

EMPLOYED
2003

EDUCATION
Master's degree in mechanical engineering from the University of Mons, Belgium.

EXPERIENCE
Mr. Labby has served as Executive Vice President Global Plants & Operational Excellence since July 2023. Mr. Labby has been a Yara employee since 2003 and has held several positions at Yara. He has extensive leadership experience from Yara production sites, including Plant Manager in Le Havre, France, and the position as Maintenance, Engineering, and Turnaround Manager at different sites, including Belle Plaine, Canada, Le Havre, France, and Uusikaupunki, Finland.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 4
SHARES OWNED AT YEAR-END 2023 322[1)]

Fernanda Lopes Larsen (1974)

POSITION
EVP, Africa & Asia

YEAR OF APPOINTMENT
2020

EMPLOYED
2012

EDUCATION
Master's degree in civil engineering from Graz University of Technology, Austria and a specialization in Corporate Innovation from Stanford University, USA

EXPERIENCE
Mrs. Lopes Larsen has served as Executive Vice President Africa & Asia since September 2020. She joined Yara in 2012 and has since held several senior positions, the most recent being Senior Vice President for Indirect Procurement (2016–2020). Prior to joining Yara, Mrs. Lopes Larsen held manufacturing and procurement positions in the consumer goods and pharmaceutical companies Procter & Gamble and GlaxoSmithKline.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 7
SHARES OWNED AT YEAR-END 2023 8,827

Chrystel Monthean (1967)

POSITION
EVP, Americas

YEAR OF APPOINTMENT
2020

EMPLOYED
1991

EDUCATION
Post-graduate degree in agronomy engineering from Ecole National des Ingénieurs de l'Horticulture et du Paysage, France. Master's degree in international business and technology transfer from Rouen Business School, France.

EXPERIENCE
Mrs. Monthean has served as Executive Vice President Americas since September 2020. She has been a Yara employee since 1991. Her previous positions in the company include EVP Africa & Asia (June 2020), Manager, BU Latin America (2018–2020), Value Chain Director (2013–2018), and Managing Director of Yara Vietnam (2007–2013). Prior to moving to Asia and Latin America, Mrs. Monthean held roles in various commercial functions and countries in Europe.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 7
SHARES OWNED AT YEAR-END 2023 9,831

[1)] Number of shares includes 322 shares pending transfer per 31 December 2023

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Jorge Noval (1968)

POSITION
EVP & CEO,
Yara Industrial Solutions

YEAR OF APPOINTMENT
2023

EMPLOYED
1998

EDUCATION
Degree in chemical engineering from the University of Oviedo, Spain, and post graduate education from IE Business School, Spain.

EXPERIENCE
Mr. Noval has served as CEO of Yara Industrial Solutions since February 2020. He previously held the Senior Vice President Mining Applications position and the VP Strategy and Business Development position, both in Yara Industrial. Mr. Noval has more than 25 years' experience in senior positions in the chemical industry.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 4
SHARES OWNED AT YEAR-END 2023 6,783

Kristine Ryssdal (1960)

POSITION
EVP & General Counsel

YEAR OF APPOINTMENT
2020

EMPLOYED
2016

EDUCATION
Master of Laws degree from the London School of Economics, UK. Law degree from the University of Oslo

EXPERIENCE
Ms. Ryssdal has served as Executive Vice President & General Counsel since July 2021. She previously held the position of EVP HR & General Counsel (2020–2021) and EVP General Counsel (2016–2020). Before joining Yara, Ms. Ryssdal held the position of Vice President Legal at Statoil (2012–2016). Prior to this, Ryssdal was Senior Vice President and Chief Legal Officer of Renewable Energy Corporation ASA 2008–2012, Senior Advisor Commercial & Legal Affairs at Norsk Hydro / Statoil Hydro 2006–2008, Legal Counsel at Norsk Hydro 1998–2006, and Attorney at the Attorney General's office 1987–1998. Sustainability is an integrated part of her leadership agenda as responsible for Ethics & Compliance in the Group Executive Board. Ryssdal is also a member of the Executive Board of the Central Bank of Norway, supervising amongst other matters, responsible investments of the Norwegian Oil Fund.

GROUP EXECUTIVE BOARD MEETINGS ATTENDANCE 6
SHARES OWNED AT YEAR-END 2023 16,495[1)]

[1)] Number of shares includes 1,364 shares pending transfer per 31 December 2023

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FROM THE BOARDROOM

Board of Directors

Read more about our Board of Directors by clicking on their pictures or names. You can also continue reading on the following pages.

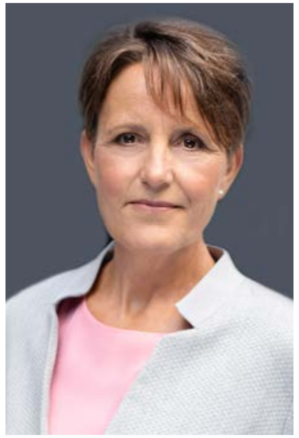
Trond Berger →
(Chair)

Jannicke Hilland →
(Vice Chair)

Eva S. Aspvik →

Therese Log Bergjord →

Rune Bratteberg →



Tove Feld →

Ragnhild F. Høimyr →

Tina Lawton →

Geir O. Sundbø →

Harald Thorstein →

John Thuestad →

← Back to the overview

Trond Berger (1957)

POSITION
Chair of the Board
Chair of the HR Committee
Chair of the Audit and Sustainability Committee until 12 June 2023

ELECTED BY/YEAR
Shareholders, 2018

POSITION
CEO in Blommenholm Industrier since 2020

EDUCATION
Master's degree in economics from the BI Norwegian School of Management. State-Authorized Public Accountant Graduate of the Norwegian Armed Forces' Officer Candidate School

EXPERIENCE
Mr. Berger is CEO of Blommenholm Industrier. Previously, he was Investment Director at Blommenholm Industrier (2019–2020). From 1999 to 2019, Mr. Berger served as Executive Vice President of Schibsted ASA, including as CFO with responsibility for sustainability. Previous positions also include Investment Director with Stormbull (1998), Executive Vice President (CFO) of Nycomed ASA, and Executive Vice President, Strategy and Business Development at Nycomed Amersham (1997–98), and Partner at Arthur Andersen (1981–92).

OTHER ASSIGNMENTS
Mr. Berger is also Chair of the Board of Bertil O Steen Holding, Arctic Asset Management, and Polaris Media, as well as member of the board of Sayonara.

BOARD MEETINGS ATTENDANCE 11
HR COMMITTEE ATTENDANCE 7
AUDIT & SUSTAINABILITY COMMITTEE ATTENDANCE 3
SHARES OWNED AT YEAR-END 2023 3,000

Jannicke Hilland (1967)

POSITION
Vice Chair of the Board
Member of the Audit and Sustainability Committee

ELECTED BY/YEAR
Shareholders, 2022

POSITION
EVP of Telenor Infrastructure at Telenor since 2022

EDUCATION
Ph.D. in physics from the University of Bergen.
Study in strategic leadership at the Norwegian Business School (NHH). Bachelor of Science (Hons) in electrical and electronic engineering from UMIST, UK

EXPERIENCE
Ms. Hilland was the CEO of Eviny from 2015 to 2022. She has previously held various management positions in Equinor (2008–2015), including in the Corporate Executive team as Head of Corporate Safety, Security and Emergency Preparedness. From 1998 to 2008, Ms. Hilland held positions within Norsk Hydro's oil and gas division, including as Offshore Installation Manager at Troll. She has served as a board member in several companies, including Nysnø Klimainvesteringer and Bonheur ASA.

OTHER ASSIGNMENTS
Ms. Hilland is a board member of NHO (The Norwegian Confederation of Business and Industry)

BOARD MEETINGS ATTENDANCE 10
AUDIT & SUSTAINABILITY COMMITTEE ATTENDANCE 8
SHARES OWNED AT YEAR-END 2023 0

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Eva Safrine Aspvik (1972)

POSITION
Member of the Board

ELECTED BY/YEAR
Employees, 2022

POSITION
Union representative at Yara Glomfjord

EDUCATION
Skilled chemical process operator

EXPERIENCE
Ms. Aspvik has been a Yara employee since 2006. She has been actively engaged in union matters in the Glomfjord plant since 2015.

OTHER ASSIGNMENTS
Ms. Aspvik has been the leader of the Haugvik Industriarbeiderforening (Industrial workers association) since 2018.

BOARD MEETINGS ATTENDANCE 11
SHARES OWNED AT YEAR-END 2023 1,066

Therese Log Bergjord (1965)

POSITION
Member of the Board

ELECTED BY/YEAR
Shareholders, 2023

POSITION
COO in Nutreco and CEO of Skretting

EDUCATION
Finance and marketing studies at the University of Stavanger and BI Norwegian Business School.

EXPERIENCE
Ms. Bergjord has had extensive management roles in international companies within oil & gas, food service, and aquaculture. She is currently CEO of Skretting, a global producer and supplier of feed for the aquaculture industry, and a Management Board member of Nutreco. She is also a board member of SeaBOS (Seafood Business for Ocean Stewardship initiative) and Nordic Aqua. Ms. Bergjord has broad experience as a board member of several listed and private companies over the years.

BOARD MEETINGS ATTENDANCE 4
SHARES OWNED AT YEAR-END 2023 0

Rune Bratteberg (1960)

POSITION
Member of the Board
Member of the Audit and Sustainability Committee

ELECTED BY/YEAR
Employees, 2012

POSITION
Head of Product Stewardship and Compliance since 2019

EDUCATION
Degree in information technology and a degree in Nordic languages and history from the University of Bergen

EXPERIENCE
Mr. Bratteberg has been a Yara (Hydro) employee since 1986. He held various IT and HESQ leadership positions within Hydro and Yara, including CIO from 2001 to 2009. Mr. Bratteberg was a member of the Chemical Industry Advisory Board to SAP AG from 2004 to 2009, and Chairman of the Board at the Scandinavian School of Brussels from 2009 to 2011.

BOARD MEETINGS ATTENDANCE 11
AUDIT & SUSTAINABILITY COMMITTEE ATTENDANCE 8
SHARES OWNED AT YEAR-END 2023 578

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Tove Feld (1964)

POSITION
Member of the Board
Member of the HR Committee

ELECTED BY/YEAR
Shareholders, 2022

POSITION
Self-employed, Visionary Growth since 2020

EDUCATION
Master of Science in soil mechanics from University of Florida, USA.
Ph.D. in engineering from Aalborg University, Denmark.
Executive MBA from IMD, Switzerland.

EXPERIENCE
Ms. Feld has international senior management (c-suite) and leadership experience from Ørsted (2010–2015; 2018–2019), Siemens Gamesa (2015–2018), and DNV Global Wind/Cleaner Energy (2004–2009). From 1991 to 2003, she worked as a consultant in Rambøll.

OTHER ASSIGNMENTS
Ms. Feld is the Chair of the Board at Cloudberry Clean Energy ASA, and a board member of Venterra Group PLC, NEXEL, Force Technology and TRIG (The Renewables Infrastructure Group).

BOARD MEETINGS ATTENDANCE 11
HR COMMITTEE ATTENDANCE 5
SHARES OWNED AT YEAR-END 2023 500

Ragnhild Flesland Høimyr (1987)

POSITION
Member of the Board

ELECTED BY/YEAR
Employees, 2020

POSITION
HESQ Manager at Yara Porsgrunn since 2023

EDUCATION
Master of Science from the University South-Eastern Norway

EXPERIENCE
Ms. Høimyr has been a Yara employee since 2015. Previously, Ms. Høimyr held the position of Production Manager CN area (2019-2023) and Process Engineer NPK/CN area in Porsgrunn (2015-2019). She has served as member of the Telemark University College Board (2010-2012), and as Chairman of the Board of the Student Welfare Organization in Telemark (2012-2014).

BOARD MEETINGS ATTENDANCE 11
SHARES OWNED AT YEAR-END 2023 486

Tina Lawton (1967)

POSITION
Member of the Board

ELECTED BY/YEAR
Shareholders, 2023

POSITION
Operating Director in Paine Schwartz Partners

EDUCATION
Bachelor of Arts and Master of Arts in pure and applied biology from the University of Oxford

EXPERIENCE
Ms. Lawton has broad international management experience in the agricultural industry having worked for Syngenta and its legacy companies, including AstraZeneca, in North America, Europe, and Asia from 1989 to 2019. In Asia, Ms. Lawton was the Regional President from 2013 where she successfully grew the business and employee engagement despite challenging market conditions. She was awarded the WBCSD Leading Women Award in 2018, in recognition of the inclusive partnerships she had built across the agricultural value chain to deliver on the region's sustainability agenda and for empowering women and girls in agriculture.

OTHER ASSIGNMENTS
Ms. Lawton also sits on the boards of AgroFresh, a Portfolio Company of Paine Schwartz Partners and Unifrutti, a Portfolio Company of ADQ.

BOARD MEETINGS ATTENDANCE 5
SHARES OWNED AT YEAR-END 2023 0

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← Back to the overview

Geir O. Sundbø (1963)

POSITION
Member of the Board
Member of the HR Committee

ELECTED BY/YEAR
Employees, 2010

POSITION
Corporate employee representative of Yara International ASA, Chairperson of European Works Council (EWC) of Yara International ASA

EDUCATION
Skilled chemical process operator

EXPERIENCE
Mr. Sundbø has been a Yara (Hydro) employee since 1987. He has worked extensively as a skilled chemical process operator (1987–2004). He has been actively engaged in trade union matters since 1989 and has, since 2004, been a full-time employee representative at Yara. Mr. Sundbø previously held various roles at both Herøya Arbeiderforening (1993–2019) and Industri Energi Audit Committee (2010–2019). He also served as a board member of Bjørkøya Utvikling AS (2009–2019).

BOARD MEETINGS ATTENDANCE 8
HR COMMITTEE ATTENDANCE 6
SHARES OWNED AT YEAR-END 2023 550

Harald Thorstein (1979)

POSITION
Member of the Board
Chair of the Audit and Sustainability Committee from 12 June 2023

ELECTED BY/YEAR
Shareholders, 2023

POSITION
Partner at Arkwright London since 2020

EDUCATION
Master of Science in industrial economics and technology management from NTNU

EXPERIENCE
Mr. Thorstein has extensive experience as an advisor, board member, and manager in finance and investment companies. He previously worked at Seatankers, DNB Markets, and Arkwright Norway.

OTHER ASSIGNMENTS
Thorstein holds board positions in DOF ASA, B2Impact ASA, Odfjell Drilling Ltd, and Jacktel AS.

BOARD MEETINGS ATTENDANCE 5
AUDIT & SUSTAINABILITY COMMITTEE ATTENDANCE 5
SHARES OWNED AT YEAR-END 2023 0

John Thuestad (1960)

POSITION
Member of the Board

ELECTED BY/YEAR
Shareholders, 2014

POSITION
Executive Vice President Bauxite & Alumina at Norsk Hydro ASA since 2018

EDUCATION
Master's degree in metallurgy from NTNU
MBA from Carnegie Mellon University, USA

EXPERIENCE
Prior to his current position, Mr. Thuestad led Hydro Extruded Solutions, Europe (2017–2018). His previous experiences at Hydro/Sapa include EVP Sapa Extrusions Europe (2013–2017) and leading the Sapa Profiles with production plants in Europe, North America, and China (2012–2013). Other previous positions include EVP Group President Primary Metals at Alcoa Global Primary Products (2007–2012), CEO of Elkem AS (2005–2007), and Elkem Aluminium AS (2000–2007). Prior to that, Mr. Thuestad was Managing Director of Norzink AS and Fundo AS. He has served as board member/Chairman of Tyssefaldene AS (1997–2000), board member of Borregaard AS (2005–2007), Statkraft/Groener AS (2000–2003), and as Officer of Alcoa Inc (2010–2011).

OTHER ASSIGNMENTS
Member of the Executive Committee of International Aluminium Institute (IAI)

BOARD MEETINGS ATTENDANCE 11
SHARES OWNED AT YEAR-END 2023 1,200

Enterprise Risk Management

Yara is committed to proactive and effective risk management to mitigate adverse effects on our operations and to identify and explore business opportunities. Proactive risk management contributes to achieving our long-term strategic targets and short-term goals.

Yara's global risk management process aims to identify, assess, and manage risk factors that could affect the performance of any parts of the company's operation.

Risk responsibilities

Yara's Board of Directors is responsible for defining risk appetite for all main risk categories relevant to the company. The Board oversees the risk management process and carries out annual reviews of the company's most important risk categories and internal control arrangements.

Yara's Group Executive Board is responsible for reviewing and operationalizing the defined risk appetite by maintaining an enterprise-wide system for risk management. The Group Executive Board actively monitors the development of top risks and initiates actions accordingly. Risk assessments performed by the regional units and global expert organizations are reviewed periodically in business review meetings.

Risk management is an integral part of all our business activities. The regions and global expert organizations are the risk owners and regularly perform risk assessments based on established procedures to identify, assess, and manage the risks that affect their business and analyze how these risks influence performance.

The Enterprise Risk Management function is the facilitator of Yara's risk management system and the operational risk management activities and shall assist management in maintaining an appropriate risk management framework including policies, procedures, and tools, as well as maintaining an aggregated view of key risk exposures. The function reports to the Chief Financial Officer.

Framework and procedures

Yara has implemented a framework with clear policies and procedures to facilitate risk management across the organization. This creates a stable environment within which we can deliver on our strategic and operational objectives, and systematically identify and capture business opportunities.

Our framework is guided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM framework and the ISO 31000 risk management standard as the best practice benchmarks for assessing the soundness, efficiency, and effectiveness of our risk management process.

The materiality of each risk factor is determined by assessing the likelihood and potential consequences. In this appraisal, a combination of qualitative and quantitative risk assessment techniques is deployed. Risks are evaluated to determine whether the risk level is acceptable or unacceptable and to prioritize those that have the greatest potential to impact our performance.

We implement mitigating strategies and pursue business opportunities to ensure that each risk is optimally managed. Risk mitigation plans are based on evaluations of the cost of control and potential impacts relative to the benefits of reducing the risk.

Once primary risks are managed, we continually monitor residual risks to ensure that they remain at an acceptable level and that events are properly addressed and managed. The risk profile is reviewed and updated at least annually, with more frequent updates if new opportunities or risks are identified. The risk mitigation plan is reviewed and updated on a quarterly basis to reflect the current status of risks and action plans and is communicated to the Group Executive Board during quarterly business review meetings.

Risk appetite

Risk appetite is broadly defined as the level of risk an entity deems acceptable in the pursuit of overall goals. Yara's Board of Directors is responsible for defining Yara's risk appetite. The Board of Directors and Group Executive Board have jointly evaluated and defined risk appetite across key operational and strategic dimensions, arriving at a set of practical guidance statements on key risks.

These risk appetite statements set boundaries for strategic initiatives, guide resource allocation, and aid decision-making within the company. Risk appetite is an integral part of policies and procedures, annual business planning, periodic performance reviews, and capital value processes. Furthermore, risk appetite conveys the way we approach and evaluate risk to our investors, customers, and society at large.

Risk appetite areas	Risk appetite level		
Exposure to global nitrogen price dynamics We optimize our business model by seeking exposure to fertilizer market prices for own-produced products.			High
Exposure to natural gas price markets Securing access to, and stable supply of, favorably priced natural gas is imperative to our operations and competitiveness. In regions with efficient gas markets, we will seek exposure to spot market prices unless exceptional market circumstances clearly give reason for deviation. In regions without efficient gas markets, Yara seeks to enter into longer term contracts if favorable gas prices are obtainable.			High
JV ownership structure exposure – new entries Yara has a moderate risk appetite for entering into new JVs. To reduce risks, Yara has a preference for having, at minimum, an equal representation with JV partners in the Board and will only engage in JVs provided that agreements are commercially attractive, secure acceptable governance standards, policies, and procedures, and financial control for Yara. Yara will only enter into JVs where we are confident that we can bring ethical compliance and HESQ standards to an acceptable level.		Moderate	
Culture, people, and leadership exposure Yara has a low appetite for risk exposures impacting our culture, people, and leadership which are crucial enablers for execution of the corporate transformation strategy, and at the same time running current core operations ethically and compliantly. Yara has an ambitious people strategy supporting the shift towards a more entrepreneurial culture, continuous improvement, and a growth mindset.	Low		
Exposure to new business areas outside current core operation Yara invests funds in new business areas to mitigate risk in core business and develop new revenue streams. Yara is willing to be exposed to uncertainty around future revenue generation, but the resources employed are reviewed on an annual basis.		Moderate	
Long term credit rating down grade exposure We believe a solid financial base is the foundation for the pursuit of sound growth opportunities and have a low risk appetite for financial exposure not derived from the underlying business. We have a low risk appetite for a credit rating downgrade to below investment grade BBB/Baa2. We accept the underlying USD exposure embedded in the Yara business model but keep a major part of the company's debt in USD as a partial hedge.	Low		
Tax exposure Within the framework of tax laws and regulations we optimize our tax cost in the same way as other costs. Yara does not pursue tax solutions without the existence of commercial purpose and is committed to a transparent management of tax.		Moderate	

CONTENT

Risk appetite areas	Risk appetite level		
Information and cyber security exposure Yara has a low appetite for risk exposure to cyber incidents in the office- and production environment. Measures have been established to reduce both cyber exposure to safety and reliability issues in our production sites, and to reduce the risk of leakage of confidential data, legal and regulatory compliance violations, insider threat from dismissed employees or contractors, and the loss or malicious modification of business-critical data.	Low		
Production reliability exposure – Priority plants Yara has a low risk appetite for unplanned production downtime for the priority plants and aims to produce optimally at all times, balancing investments to improve reliability, process safety, and plant profitability.	Low		
Production reliability exposure – Plants Yara has a moderate risk appetite for unplanned production downtime for other plants. Resource allocation reflects risk exposure, profitability, operational performance, assets life cycle, and value generating potential, and ensures compliance to internal and external HESQ requirements.		Moderate	
Raw material sourcing exposure Securing the supply of key raw materials for our fertilizer production, blending, and distribution is crucial for our production plants. The demand for raw materials is covered by our own production as well as sourcing from third parties. Yara has low risk appetite and seeks opportunities to diversify external supply options.	Low		
Human rights, corruption and competition law exposure We are committed to upholding high standards for human rights, ethical and lawful business conduct across the organization in relation to business partners, investors, regulatory authorities, and society at large. We have zero tolerance for bribery, corruption, and violation of competition law.	Low		
Sanctions exposure Yara operates a highly global and diverse business and is therefore unable to achieve zero exposure to sanctions-related risks. However, Yara shall never knowingly breach applicable sanctions. Furthermore, where a potential sanctions risk is identified, Yara shall not proceed with the activity, unless Yara considers that the likelihood of breaching applicable sanctions is low.	Low		
Environmental exposure from operations or products Yara strives to be best in class compared to industry peers and committed to explore and apply the highest relevant environmental and sustainability standards for operations and products.	Low		
Health and safety exposure Securing safe and healthy working conditions is our highest priority. We aim to minimize the exposure to conditions that could negatively affect health and safety. Furthermore, we aim to minimize the probability and consequences of process safety and product safety accidents negatively affecting people, environment, assets, and the reputation of Yara.	Low		
Security exposure Securing people and assets in the organization is our highest priority. Yara proactively and systematically identifies relevant security threats and understands risks at all levels of the organization. Yara systematically builds and maintains security barriers to reduce vulnerabilities and increase resilience. Furthermore, Yara responds to the threats with effective measures to minimize the security risk exposure impacting physical and personnel security.	Low		
Product portfolio exposure to regulatory changes Yara has a low appetite for exposure to incompliance to regulatory requirements impacting the product portfolio in our value chain, and proactively seeks to reduce exposure to operational, commercial, and financial consequences. Yara is proactively liaising with regulatory bodies to adapt and adhere to stricter regulations.	Low		

CONTENT

Risk factors and risk responses - People, Planet, and Profit

People risks

The success of Yara's business and transformation is dependent upon our people. Our people processes, practices, and frameworks are built on the foundation of our four values: Ambition, Curiosity, Collaboration, and Accountability. We put substantial resources and efforts info minimizing potential risks while simultaneously investing in the development of our culture, leadership, and our organization. Risk management processes are embedded in key business processes to detect potential internal and external risk exposures, and to understand causes of such, in order to initiate effective risk mitigating responses.

Risk factors	Risk responses	Material topics
Human capital Yara's ability to compete effectively and meet market demands depends heavily on the competence, engagement, enablement, and performance of its employees. Furthermore, the company's strategy entails a shift towards an expanded business model that requires a transformation in how we run the business. The ambitious strategy requires a step-up on entrepreneurship and change management competencies and skills. The success of transforming the company at the same time as running the existing core business is also dependent on a successful implementation of the diversity, equity, and inclusion (DEI) agenda.	Yara's people strategy is established to support transformation of the global organization at the same time as we run current core business operations with sustainable performance. Implementation of the strategy is ongoing and necessary resources required for the implementation are allocated through our business plan process and status is monitored as an integrated part of regular performance review processes. Yara regularly deploys global employee surveys to focus management initiatives on employee engagement and enablement, and the DEI agenda. An increased focus on leadership development and provision and access to learning opportunities for all employees has been prioritized. Yara is committed to promoting equal opportunities and to fighting discrimination. DEI is fully integrated in Yara's business strategy and key business processes.	S1 Employment S1 Equal treatment and opportunities for all S1 Training and skills development
Health and safety Yara's production sites are large industrial plants, and many of Yara's raw materials, intermediates, and products are classified as substances dangerous and hazardous to the health. Yara operates several material-handling units and blending units. Most of our installations are aging, and not all are meeting current health and safety standards by design but partly through modifications. Our working environment exposes employees and contractors to potential occupational health and safety risks, but also process safety risks, which in severe cases could potentially impact neighboring communities and the environment.	Risk exposures are closely monitored and followed up across Yara. The company has strict requirements for the reporting of incidents, accidents, and injuries, and works continuously to improve safety culture by systematically enforcing strict operating procedures and developing leadership, employee, and contractor competence. Yara's ambition is zero harm, and the company continues to set challenging KPI targets for occupational and process safety. Our Safe by Choice is the umbrella for all HSE activities with the aim of reducing exposure to incidents, to developing strong HSE leadership, to ensuring safe and healthy workplaces, to driving operational discipline, and to training and encouraging staff to always act and react in accordance with our safety standards. Yara has a strong Process Safety program in place to ensure local and central competencies and proper processes. The units HSSEQ performance is regularly audited, and Yara has a global ISO certificate.	S1 Health and safety

Risk factors	Risk responses	Material topics
Security Yara's global activity may be exposed to threats from criminals, activists, local population, competitors, terrorists, and States which could harm our operations, supply chain, and offices, and pose security risks to our personnel, the environment we work in, our assets, and our reputation. The physical security risk exposure has been negatively impacted by the economic slowdown and political and social unrest/wars, which have increased the likelihood of theft, robbery, and violence impacting the security of our operations, employees, and executives. Furthermore, the instability caused by developments in the geo-political situation and inflation, combined with the effects of changes in the climate, is increasing the risk of activist rallies and threaten Yara's operations and reputation. Yara is exposed to personnel security risks such as the threat from hostile actors that may exploit Yara staff and employees in order to gain unlawful access to valuables and information. The exposure is driven by several factors such as economic slowdown, increased industrial digitalization, and global strategic positioning of major powers.	We continuously monitor security risk exposures globally and assess and manage regional and local threats to our personnel and sites. The HESQ Security function is responsible for developing and maintaining corporate guidelines on security, for the methods for assessing security risks, and for initiating appropriate mitigation actions in response to potential threats. The company has ongoing training programs to increase awareness of current security protocols. Risk exposures are mitigated through security measures as an embedded part of the recruitment process, through training processes increasing employee security awareness, and through the continuous monitoring of risk exposure development.	S1 Health and safety
Employee misconduct Failure to comply with the Yara Code of Conduct and international standards will have a damaging effect on our brand and reputation. It can also negatively affect our relationship with current and future business partners, resulting in both legal sanctions and financial loss. In positive terms, demonstrating a commitment to ethical business conduct and social responsibility can create competitive advantage and value for business partners, employees, and society at large.	Yara has high standards for ethical and compliant business conduct and reporting. Our Compliance Program has been developed in accordance with internationally recognized and endorsed standards in key areas, such as anti-corruption and human rights. We have implemented a wide range of measures to build and uphold an organizational culture where ethical behavior and decision making are integral to the way we act, operate, and do business. The Ethics and Compliance Department monitors risk exposure and, in cooperation with the business units, implements internal controls, processes and awareness raising based on root cause analysis of internal investigations, compliance risk assessments and employee surveys. Measures to maintain a low risk exposure are continuously being developed, implemented, and evaluated.	G1 Corporate culture and anti-corruption
Human rights Yara is exposed to human rights risks through its presence in high-risk countries throughout the value chain, from sourcing and production to markets. Yara's operation may have a negative impact on individual rightsholders' human rights, such as employees, workers in our value chain, or affected community members. The risk of exposure to human rights violations is driven by a complex landscape with stringent regulatory requirements globally, regionally, and on a country level. Possible negative impact from our operations may affect Yara's reputation as a responsible business and our relationships with business partners. Negative impacts in the upstream or downstream value chain may also lead to disrupted supplies or access to raw materials.	Yara's human rights policy is set out in the Code of Conduct and is integrated in the Compliance Program and key business processes. Yara follows the United Nations Guiding Principles on Business and Human Rights, and we aim to continuously improve our work in this area. Geopolitical risk assessments, including specific human rights considerations, allow us to proactively monitor exposure to human rights risks wherever we operate. It also guides us in prioritizing locations for human rights impact assessments to safeguard the human rights of all affected rightsholders. Measures to maintain a low-risk exposure are continuously being developed, implemented, and evaluated.	S1 Other work-related rights S2 Workers in the value chain S3 Local social impacts S3 Rights of indigenous peoples

Planet risks

We commit to excellence in our HESQ performance, which is imperative to protect our employees and contractors, and uphold reliability and performance. We have adopted a systematic approach to monitoring and reviewing the quality and handling of all our products, ensuring that proper care is taken throughout the entire value chain.

Risk factors	Risk responses	Material topics
Climate Climate change poses both up- and downside risks for the company, exposing our markets, assets, operations, and the supply chain. Climate change leads to societal processes which may pose transition risks such as market preferences, legislation, and technology. The transition to a climate-neutral society is both an urgent challenge and an opportunity, with a potential downside market risk and risk for stranded assets. The heterogeneity of climate regulations may distort competition. The US Inflation Reduction Act (IRA) makes a strong investment case for low-emission ammonia, not least through tax incentives. Meanwhile in the EU, the climate transition is more linked to levying an increasing carbon price on emissions, with the Carbon Border Adjustment Mechanism (CBAM) intended to ensure a level playing field. While a technology-neutral approach represents the fastest and most cost-effective decarbonization of industry, such an approach is unlikely to be followed by governments, posing technological and financial risk. Furthermore, as GHG emissions are reduced in industry and transport, the regulatory focus on agricultural GHG emissions will increase, including on the in-field GHG emissions resulting from fertilizer application.	Yara's investments are evaluated in the context of climate risk scenarios, including extreme weather risk. Yara is well positioned to respond to transition risks, i.e., through promoting low-carbon solutions, life-cycle perspectives, and resource-efficient solutions through stakeholder dialogues. Climate is one of the key focus areas of Yara's business development and strategy processes, where we aim to provide knowledge-based solutions. Efforts include reducing carbon footprints in agriculture, reducing GHG emissions in our production system by implementing energy efficiency and N_2O abatement projects, sourcing renewable electricity, and enabling the hydrogen economy by way of low-emission ammonia projects, and digital solutions, which are well-suited to support EU ambitions for reduced emissions. Yara has taken a transparent position on the EU Fit for 55 package, voicing concern that the Carbon Border Mechanism (CBAM) could fail to support export-oriented industry. Yara also advocates for the possible introduction of more instruments, which should provide certainty for low-carbon investments, keep all decarbonization routes, including carbon capture and sequestration, open, incentivize the use of recycled, renewable, and low-carbon farming inputs, and avoid market distortions. There is low visibility to the potential speed and scale of low-emission US ammonia capacity, ramp-up of new demand for ammonia as an energy carrier, and EU responses to the IRA. Yara is analyzing how to be positioned while closely monitoring the supply/demand balance and government actions. Reference is also made to the climate scenario description on page 132.	E1 Climate change
Natural disasters and extreme weather Yara's global value chain from sourcing to markets, including production, logistics operations, and warehouses could be directly or indirectly negatively affected by extreme weather conditions and natural disasters.	We have, to a certain extent, implemented specific precautionary measures for operations located in areas more likely to be affected by extreme weather conditions and natural disasters. Significant efforts are also put into risk assessments, business continuity planning, emergency preparedness, crisis management training, and scenario planning, to minimize potential threats to security, health, and safety of our operational assets. Global warming is changing the climate, and Yara is undertaking a more detailed assessment of the expected changes in physical climate risk exposure for all key assets. Reference is also made to the climate scenario description on page 132.	E1 Climate change

Risk factors	Risk responses	Material topics
Regulatory framework for production, handling, and application of our products There is an increasing trend of stricter governmental regulation impacting the whole value chain, hereunder production, distribution, storage, and application of fertilizer, related to both the environmental aspects and the safety of handling and applying fertilizer. These regulations could have a substantial impact on Yara's earnings, in addition to Yara's license to operate.	Yara continuously discusses and participates in relevant arenas to understand and influence existing and new regulations affecting our business. The risk is primarily mitigated by contact with governmental bodies to ensure that balanced information is available to reach optimal solutions. Yara continuously discusses the future CO_2 emissions structure for the fertilizer industry with the EU, arguing that the European ammonia industry is the most efficient globally, which needs to be reflected when policies are developed. In the context of policies fostering the development of renewable and low-carbon hydrogen, Yara argues for a specific focus on ammonia production, trade, and novel application, because of the decarbonization potential for various sectors and because it can reduce energy and fertilizer import dependencies. Yara has established comprehensive management systems, policies, and processes for the timely identification of forthcoming requirements, to assess their impacts, and to implement feasible solutions, managing the environmental impacts of our operations and products while also reducing the risk exposure. A key focus for Yara is to allocate resources to develop new technologies and business models to meet regulatory requirements and expected environmental and climate requirements.	E1 Climate change E2 Pollution E3 Water and marine resources E4 Biodiversity and ecosystems S4 Personal safety of consumers and end-users G1 Political engagement
Nature impacts and dependencies Yara's operations as well as its upstream and downstream value chain are potentially exposed to multiple nature and ecosystem related risks. Yara impacts and depends on nature in different ways, from availability and quality of water, land, and soil to industrial and agricultural impacts to air, water, and soil and land use via consumption and potential pollution. It is crucial to be aware of the drivers that change nature, biodiversity, and ecosystems, also in order to manage and determine actions where nature change could impact negatively on Yara's performance and operations.	Yara's ambition is Zero Harm to the environment. Yara assesses and monitors nature impacts and risks systematically, taking into account the value chain, local state of nature, and company's dependency on the ecosystems. Guided by Yara's mission to protect the planet, nature impacts and risks are integrated into Yara's global steering system and decision-making processes. Yara applies global certified environmental, Product Stewardship and chemicals management system covering all operations. Environmental performance is continuously monitored, potential and actual incidents and non-conformities are investigated, and preventive and corrective actions initiated where necessary.	E4 Biodiversity and ecosystems

Profit risks

Yara's business is closely interlinked with the major global challenges of resource scarcity, food insecurity, and global warming. The execution of our strategy for sustainable, profitable growth depends on our ability to manage strategically important risks and opportunities relevant to our industry. Yara is also exposed to various financial risks due to our global operations. Yara has implemented, and is constantly developing, comprehensive policies, procedures, and tools to manage these risks. In some cases, Yara may utilize derivative instruments, such as forward contracts, options, and swaps, to reduce financial risk exposures.

Risk factors	Risk responses	Material topics
Market dynamics – nitrogen commodity fertilizer prices A large part of our business consists of sales of fertilizer products used in agriculture. While a growing world population, economic growth, and changing dietary patterns are driving overall demand for food and fertilizer, fluctuations in agricultural prices along with changes in global and regional fertilizer production capacity could significantly impact our profitability.	Yara's business model, with a mix of own-produced products and third-party products marketed by our global commercial organization, offers flexibility to adjust to supply and demand fluctuations. We increasingly focus on expanding sales of differentiated products where pricing and demand is less volatile. Yara invests in developing farmer centric solutions that integrate knowledge, digital tools, and services with our product portfolio to further differentiate our offerings to the farmer. Yara also conducts global optimization with risk reduction in mind, e.g., prioritizing a global presence, counter-seasonality, and market flexibility in addition to short-term profitability. Third-party products exposure limits have been established and are closely monitored for the most third-party products-intensive countries.	S4 Impacts of products and services for end-users
Market dynamics – natural gas prices Due to natural gas being a key raw material in the production of nitrogen-based chemicals and fertilizer products, the pricing and availability of natural gas across regions is a strategic factor for Yara. Securing access to and stable supplies of favorably priced natural gas is fundamental to our operations and competitiveness. The price on natural gas may be impacted by sudden changes in the supply and demand balance. Sudden changes could be caused by e.g. changes in geopolitical landscape, polarization and protectionism, and changes in weather and climate patterns.	Yara's risk exposure towards energy sourcing is minimized through global purchasing activities, based on our energy strategy. Executing this strategy, we are continuously monitoring options for additional and alternative sources of favorably priced natural gas in existing and new areas of production. All our European gas contracts are hub-based, and we are well positioned to cover the risk of spot exposure. In some of our plants we have the operational flexibility to reduce gas purchases and import ammonia for fertilizer production if gas prices peak, and we benefit from a natural hedge in the correlation between nitrogen fertilizer prices and global energy prices.	E1 Climate change E5 Resource use and circular economy

Risk factors	Risk responses	Material topics
Raw materials availability The sourcing of raw materials for production, blending, and distribution is inherently one of the largest operational risks Yara faces, and Yara is dependent on several raw materials where there are few or limited alternatives. Yara plants rely on several critical raw materials such as phosphate rock (apatite), energy, chemicals, ammonia, and potash from third-party suppliers where there are various challenges to ensure sufficient supply security. Terminations, material change, political/sanction risk, or failure of delivery in these arrangements can have a negative impact on Yara's operations.	Yara benefits from scale advantages in the sourcing of several of the key raw materials needed for production, blending, and distribution, and keeps close and long-term relationships with a wide network of suppliers. Furthermore, Yara continuously assesses and monitors sourcing risks to initiate mitigating actions and reduce the risk of supply disruptions secure longer-term supply security. Evaluation and development of supply alternatives and back-up solutions (incl. increased internal operational flexibility) are other enablers to ensure business continuity.	E5 Resource use and circular economy
Inventory and orderbook exposure The management of inventory and orderbook positions is a core part of Yara's commercial operations. Changes in feedstock and commodity prices may result in exposure losses associated with the respective product positions Yara has at any given time. Building unsold inventory produced at high costs may be a concern if there is a risk of falling selling prices, while having built an orderbook (without associated inventories) may be a concern if production costs are on the rise.	Yara has established processes for monitoring relevant markets to identify market trends. Commercial strategies are continuously adjusted to adapt to market circumstances. Furthermore, there is a tight follow-up of orderbook and inventories to manage potential negative exposures.	E5 Resource use and circular economy
Investments and integration Yara has an ambition to grow profitably, through broadening our core business model and enabling the hydrogen economy, while driving sustainable performance. The profitability of future strategic initiatives relies on long-term price assumptions and future operational and financial performance. Investments in new business areas and the integration of new companies poses a risk of not being able to capture operational and financial benefits and synergies.	Yara has a well-defined Capital Value Process that ensures projects are properly evaluated, verified, and matured at specific decision gates. A comprehensive annual strategy update process secures a regular review of ongoing initiatives and potential gaps in delivering on our long-term strategy. This includes updates of key information such as energy and global pricing, as well as strategic assessments of specific opportunities or concerns. Large capital projects and the integration of new businesses are managed and monitored based on accumulated learnings from several similar projects completed in the past. Yara maintains a strong focus on capital discipline, with growth investments focusing on key strategic priorities.	E1 Climate change
Geo-political exposure Coming out of the Covid pandemic we are experiencing an extraordinary convergence of events that have deepened geo-political trends, creating a volatile, uncertain, complex and ambiguous world. Conflicts with global reach, soaring costs of living and operating, widespread political and social unrest, extreme weather and technological quantum leaps challenge the way we operate, impacting our value and supply chains. From a world order promoting cooperation, globalization, and collective efforts, we are heading into a world of fragmentation, protectionism, and regressive globalization, where liberal democratic values are losing ground to authoritarianism. Underlying trends like demographic shifts, climate change and emerging disruptive technologies further drive international cooperation towards an era of disruptive strategic competition and power politics, with the Sino-American power rift as the most dominant factor. As a global company with a courageous vision and far-reaching mission, Yara is increasingly exposed to geopolitics.	Yara has established an effective cross-functional network of key expert functions globally for identifying, assessing, monitoring, and reporting geopolitical risk exposure. A summary of assessed geopolitical exposure is published internally in the annual Global Outlook. In addition to strengthening both internal intelligence and response capabilities, Yara is using external providers of security and geopolitical assessments. This provides additional confidence in assessments that are inherently complex with far-reaching consequences. Threat intelligence and geopolitical assessments are systematically and regularly/habitually forwarded to the central decision-making bodies in Yara, for their contextual understanding and risk awareness in operational, strategic, and long-term investment decisions. Furthermore, the Integrity Due Diligence (IDD) process in Yara ensures a baseline screening of all business partners. Based on risk assessments, certain business partners are selected for additional due diligence. Business partners and transactions are continuously monitored through screening against sanctions and compliance databases.	E1 Climate change G1 Political engagement

Risk factors	Risk responses	Material topics
Sanctions Yara has to comply with all applicable sanctions' regulations in force from time to time in Norway and its various countries of operation. Breaching sanctions may result in severe penalties (fines and imprisonment) and could also damage Yara's reputation. Current geopolitical conflicts, in particular Russia's invasion of Ukraine, have created additional sanctions compliance risks for Yara with its highly global and diverse business. See also note 5.6 Provisions and contingencies.	Yara has established sanctions compliance and integrity due diligence procedures intended to ensure that Yara complies with applicable sanctions regulations.	G1 Culture and anti-corruption
Information and cyber security New and increasingly sophisticated computer viruses and new digital crime models combined with the increased internet exposure of our industrial control systems may result in safety and reliability risks at any of our production and product handling sites. New digital crime models include targeting both OT and IT systems for ransomware. Furthermore, leakage of confidential data, legal and regulatory compliance violations, loss or malicious modification of business-critical data can negatively impact any and all of our business processes.	In order to address exposure to cyber incidents, Yara has invested in the ability to detect and respond to cyber incidents, to manage and minimize relevant vulnerabilities, and to minimize the time needed to recover in case of incidents. Yara proactively monitors threats, vulnerabilities, and effectiveness of security controls in order to continuously improve. Campaigns and training sessions are held regularly for employees globally to raise awareness of cyber risks and threats, and to ensure preparedness in case of cyber incidents.	S1 Privacy
Corruption risk Corruption may appear in many forms throughout the world, usually in the form of "improper advantages" or facilitation payments. With operations in over 60 countries, Yara is exposed to countries, markets, and business partners with varying ethical standards and business conduct. Corruption poses both compliance and reputational risks to Yara and our business partners.	Yara has zero tolerance for fraud and corruption, acknowledging that fraud is how other irregularities, including corruption, are perpetrated. Our zero-tolerance stance is systematically implemented and communicated throughout our organization and to business partners in policy commitments, trainings, and awareness raising. The Ethics and Compliance function coordinates and oversees Yara's work in this area through Yara's Compliance Program. Our Integrity Due Diligence process is defined to identify and mitigate risks of corruption, and human- and labor rights related to business partners. Yara's expectations of business partners are stated in the Code of Conduct for Yara's Business Partners. Our whistle-blowing channels allow employees, consultants, and third parties to raise concerns anonymously.	G1 Culture and anti-corruption
Production reliability Production unreliability and irregularities represent a downside risk for Yara and may result in lost volumes and earnings. Examples of risk drivers are insufficient competence to advance operational excellence, inability to meet targets on major turnarounds, ageing plants, and ineffective working practices. Plant reliability is a key driver of organic growth in our production system.	We actively seek to increase plant reliability and minimize irregularities by refining and implementing company-wide technical and operational standards along with best practices for operations, maintenance, and turnarounds. Through continuous investments in process safety reliability and debottlenecking, we safeguard and improve the assets. Employees undergo extensive training and risk awareness programs, and process safety and productivity are subject to frequent audits. Yara's global Improvement Program focuses on improving cost, competence, production reliability, and operational excellence.	E1 Climate change S1 Health and safety
Supply chain disruptions Yara's ability to produce and supply markets with products can be impacted negatively by disruptions in our in- and outbound supply chain.	Yara has centralized functions as well as local operations for management of in- and outbound supply chains securing raw materials to our production units and supply of products to the markets. Yara is a global company and we have flexibility and measures built into our business model to adjust for potential irregularities.	E5 Resource use and circular economy

Risk factors	Risk responses	Material topics
Financing risk Refinancing of maturing loans or establishment of new financing may be difficult or costly to arrange. Adverse financial market conditions, including ESG profile requirements with too little time for transition, could lead to higher funding costs and postponement of projects.	Yara's strategy for mitigating financing risk is focused on maintaining a solid financial position with BBB/Baa2 credit rating and strong ESG ratings. Yara reduces the refinancing risk by using different funding sources, and by timing loan maturity dates to avoid them falling due at the same time. Committed liquidity reserves are maintained to cater for market volatility and to meet unforeseen outflow. Yara has access to sufficient sources of funding to meet currently foreseeable requirements.	All ESG topics
Credit risk Credit risk represents exposure to potential financial losses deriving from non-performance of counterparties.	Credit risk is monitored and managed by the business units and expert organizations on the basis of standard Yara policy, procedures, and regular reporting. Yara has a well-established system for credit management, with defined exposure limits at customer, financial institution and country level. A number of instruments, such as credit insurance, letters of credit and bank guarantees, are deployed to mitigate credit risk. Yara's geographically diversified portfolio reduces the overall credit risk of the group.	
Currency risk As the fertilizer business is essentially a US dollar business, prices of Yara's most important products and raw materials are either directly denominated or determined in US dollars. In markets outside the US, local prices will generally adjust to fluctuations in the US dollar exchange rate, with some time lag. Large and unexpected movements in non-USD currencies could have a negative impact in Yara's results	Yara's strategy to mitigate currency risk is to keep a major part of its debt in US dollars to reduce overall economic currency exposure. Yara also utilizes derivative instruments to manage non-USD currency risks. A well-established system for currency risk management is in place, with defined currency exposure limits and standardized exposure measurement tools. Yara's geographically diversified portfolio reduces the company's overall currency risk.	
Interest rate risk Yara is exposed to changes in interest rates primarily as a result of financing its business operations and managing its liquidity and will influence Yara's funding cost over time. However, the overall financial exposure to interest rate fluctuations is considered low.	Interest rate risk is managed in relation to the expected impact an interest rate change will have on Yara's financial performance. As a risk mitigation measure, Yara keeps part of the long-term debt portfolio in fixed interest rate agreements. Yara also utilizes derivative instruments to manage interest rate risks.	

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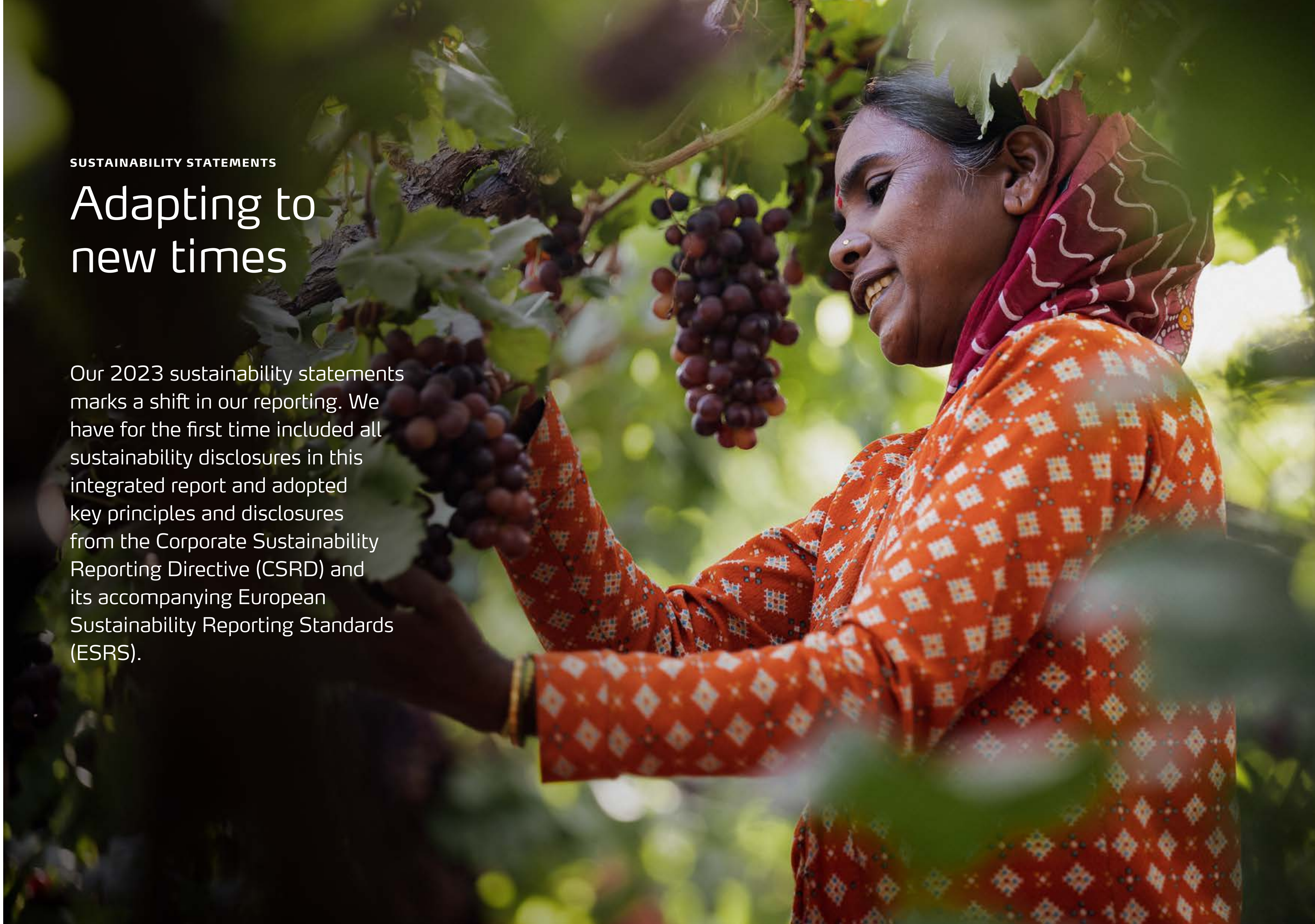

SUSTAINABILITY STATEMENTS

Adapting to new times

Our 2023 sustainability statements marks a shift in our reporting. We have for the first time included all sustainability disclosures in this integrated report and adopted key principles and disclosures from the Corporate Sustainability Reporting Directive (CSRD) and its accompanying European Sustainability Reporting Standards (ESRS).

General information

Sustainability is a key principle in our operations and business relationships. We are striving for higher standards of performance across environmental, social and governance topics to ensure that our value creation is aligned with the principle of sustainable development for people and the planet.

In 2023, we saw regulations and demand from stakeholders driving and expanding our sustainability disclosures. Our 2023 sustainability statements have been prepared to meet requirements in the Global Reporting Initiative (GRI) reporting framework. At the same time, we have adopted key principles and introduced several new disclosures from the Corporate Sustainability Reporting Directive (CSRD) and its accompanying European Sustainability Reporting Standards (ESRS). The CSRD will enter into force in 2024, and we used our 2023 reporting process to prepare for the implementation of the new reporting requirements for the financial year 2024. The changes we have implemented include:

- Basing our double materiality assessment (DMA) process on the ESRS approach, see page 112
- Ensuring a higher degree of governing body involvement in the DMA process and in the preparation of the sustainability statements
- Embedding the sustainability statements in the management report
- Applying the ESRS sustainability statements structure and disclosure requirements where feasible

This gradual implementation of ESRS requirements has also served as a learning opportunity ahead of our 2024 reporting. CSRD, the ESRS and other relevant regulations will continue to shape the way we work and report on sustainability.

Other key developments:

- **Norwegian Transparency Act**
  We continue to report on the requirements in the Norwegian “Act relating to enterprises’ transparency and work on fundamental human rights and decent working conditions” (Transparency Act), see page 99.
- **EU taxonomy**
  We report on alignment with the EU Taxonomy Regulation, see page 114.
- **Climate risks**
  We updated our climate risk scenario analysis in the course of 2023, see page 132.
- **Production curtailments**
  Due to market conditions, we curtailed production at several of our production plants in 2023. These production curtailments affected our overall use of energy and resources, production volumes, and emissions. Hence, a number of our People and Planet performance metrics for 2023 have been impacted by this.
- **Restatements**
  Notifications of restatements of information from previous reports are provided where relevant in this report.

Basis for preparation

The scope of our sustainability statements follows the operational management approach. We define operational management as a Yara employee holding the position of a CEO (or plant manager, or similar) within a company or plant.

Consolidated data within this report covers the reporting year 2023, and reporting boundaries mainly reflect IFRS® Accounting Standards as adopted by the EU, unless otherwise noted. For a full account of entities included in Yara’s consolidated financial statements, please refer to page 303.

Readers should take note of the following changes and limitations to the scope and boundaries of the reporting:

- In 2023, Yara decided to divest our position in Cameroon after a thorough analysis of its operations. The process was concluded at the end of November 2023. However, due to employee accounts still being active in our HR system at year-end, Yara Cameroon is still considered as a location in our 2023 reporting. No jobs were lost due to this decision.
- Environmental performance data covers Yara’s major chemical production and mining sites.
- Joint operations are included where Yara is the operator, according to the above-mentioned operational management approach. For the 2023 statements, this includes

List of companies that represent special cases as of end of year 2023

Company/plant	Operational management	Covered by HESQ Policy	Covered by Code of Conduct	Reported in labor performance	Reported in E&C performance	Reported in HESQ performance	Classification
Hull	No	No	No	No	No	No	Wholly-owned subsidiary
Freeport	No	No	No	No	No	No	Joint operation
Pilbara Nitrates (TAN)	Yes	Yes	Yes	Yes	Yes	Yes	Joint operation
Tringen	Yes	Yes	Yes	Yes	Yes	Yes	Joint operation

Yara's joint operations in Trinidad and Pilbara, Australia.

- Labor indicators cover Yara sites with five employees or more, with the exception of cases filed through the Ethics and Compliance Department, which cover the entire organization, see page 201.
- 2023 materiality assessments and sustainability statements considered the data and impacts identified through our existing processes from our upstream and downstream value chain.

External assurance
Yara has sought a limited level of assurance of our reporting to the GRI reporting framework and a reasonable level of assurance on our GHG intensity reporting. The review has been conducted by an independent third party, Deloitte AS. For the auditors' report, see page 340.

Contact point
Queries about Yara's sustainability performance or reporting can be directed to:
sustainability.disclosures@yara.com

Sustainability governance at Yara

Sustainability is embedded and integrated into Yara's strategy and decision-making processes. We firmly believe that our knowledge and purpose give us a competitive advantage in a market that values sustainability.

The Board and the CEO's procedures include responsibility for both financial and sustainability topics of material importance, including material sustainability matters. The Board's Audit and Sustainability Committee oversees sustainability risks, governance, and disclosures. In 2023, the conclusions of the double materiality assessment were presented for and approved by the Board, see page 112.

Integrating sustainability
While the Board of Directors has the overarching responsibility for the management of the company, and the CEO is responsible for the day-to-day management, the CEO appoints management to assist in stewardship duties.

At Yara, the responsibility for financial and sustainability performance management has been delegated to the CFO area, in line with the objectives of integrated performance management and reporting. Our VP Sustainability Governance reports to the CFO and supervises the integrated and sustainability reporting processes. This work is closely aligned with the Corporate Performance and Risk functions, which oversee key parameters on strategy implementation, risk processes, and other core processes such as the business planning. The VP Sustainability Governance is also responsible for embedding ESG topics into core business processes, such as the Capital Value Process (CVP).

Sustainability Network
Our Sustainability Network ensures that Yara has clearly established accountability, processes, and systems in place for our ESG policies and sustainability performance indicators. The network includes representatives from our corporate functions: Sustainability Governance, Health, Environment, Safety and Quality (HESQ), Global People, Ethics and Compliance, Corporate Affairs, Communications and Brand, Global Climate & Energy, Enterprise Risk Management, and Procurement.

Read more about the roles of governing bodies and integration of sustainability in Corporate governance, page 53–62.

Yara Steering System
The CEO's further delegation of authority is defined in the Yara Steering System (YSS), which is one of the pillars of our internal governance system. It serves as a repository for all global mandatory requirements, supporting our organization in fulfilling the tasks required to achieve strategic goals and business objectives. All of our corporate codes, policies, procedures, processes, and guidelines are published on our intranet and in the Yara Steering System.

Risk management and internal control
Yara's global Enterprise Risk Management Process aims to identify, assess, and manage risk factors that could affect the performance of any parts of the company's operation. This includes sustainability-related risks. The Board oversees the risk management process and carries out annual reviews of the company's most important risk categories and internal control arrangements. For an overview of risk appetites and description of key People, Planet and Profit risks, see page 83–84.

Yara has implemented clear ownership to indicators published in the sustainability statement, with Board oversight of material topics. Expert functions are responsible for their respective topics and the related data capturing processes. Internal control activities are developed for the topics of material importance to Yara and our external stakeholders. It is an ongoing maturity journey, where data are gathered quarterly or annually depending on topic importance. Data quality is ensured through the 'three lines model', where line management, Internal Control, and Yara Internal Risk and Audit represent the three lines. External auditors, reporting to the Board Audit and Sustainability Committee, provide external assurance. Internal Control and Internal Audit also report to Board Audit and Sustainability Committee (BASC) on regular basis.

Capital Value Process (CVP)
The objective of the Capital Value Process (CVP) is to maximize value creation and manage risk by ensuring better decision-making and management of new projects. HESQ and compliance requirements, the latter particularly related to anti-corruption and human rights, are integral parts of the decision-making process. Investments above USD 25 million also require the involvement of the Sustainability Governance function. Furthermore, all projects that may have an impact of over 1,000 tonnes CO_2, shall be verified by Global Climate & Energy. The CVP applies to all projects that imply evident changes to Yara's long-term commitments or resources and consequently require formal authorization to proceed. The CVP is approved by Yara's Chief Financial Officer.

Governance model

Yara has established integrated and holistic performance management and governance. The Board Audit and Sustainability Committee reinforces Board oversight. Executives' short-term incentives plan is tied to performance on People, Planet, and Profit indicators. The risk management process incorporates material sustainability issues, and lastly, the Sustainability Network connects corporate and operational functions all together. This model below illustrates the sustainability workflows.

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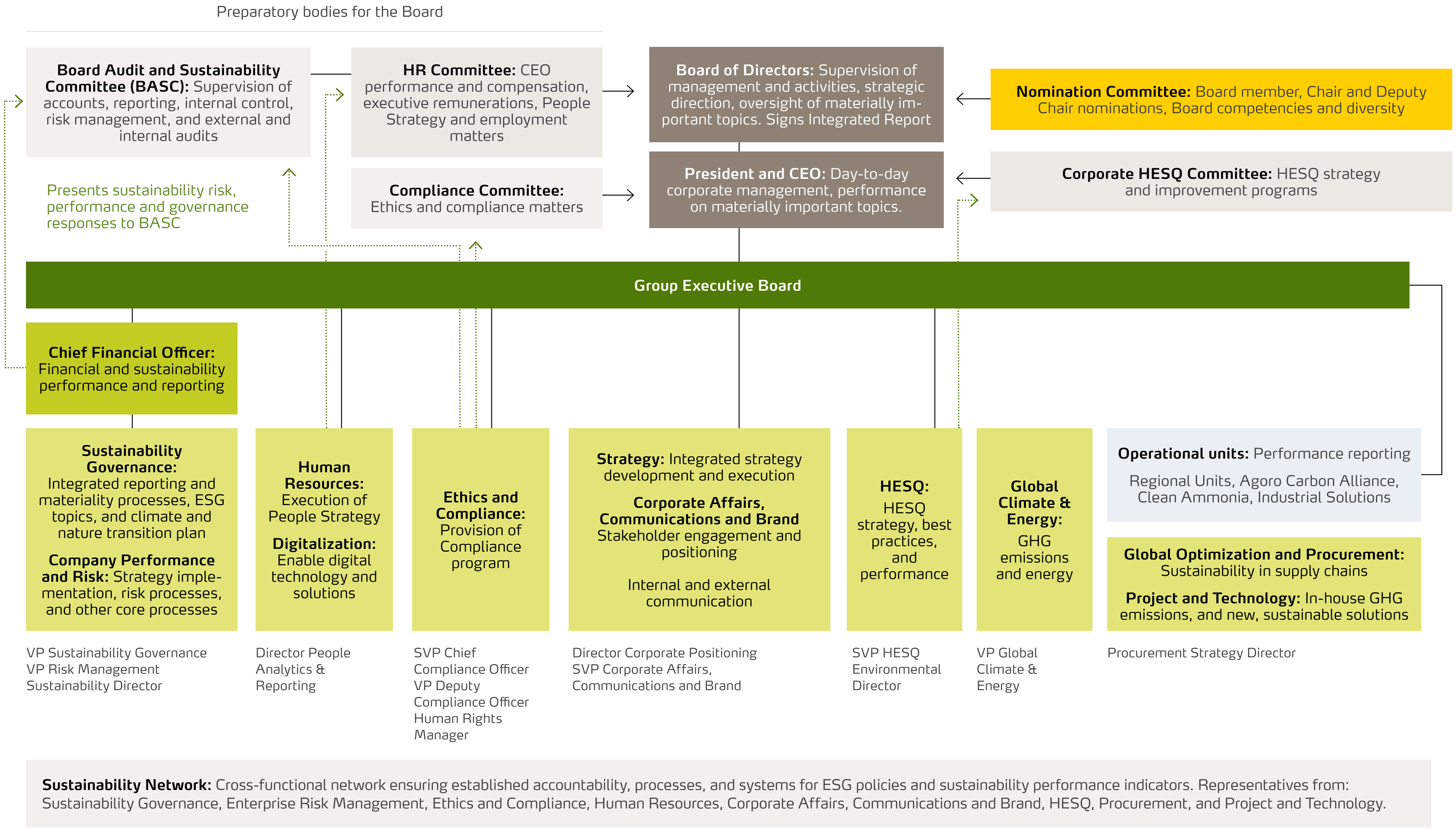


CONTENT

Sustainability due diligence

Sustainability due diligence refers to the ongoing process of identifying, preventing, mitigating, accounting for, and addressing actual and potential adverse impacts that our activities may have on the people and environment.

We adhere to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and seek to base our sustainability due diligence process on the OECD's six-step due diligence framework.

In 2023, we conducted internal workshops to assess existing governance frameworks, policies, and procedures related to responsible business conduct issues. Our goal was to calibrate and better align our approach with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and prepare for other relevant and expected regulations.

In 2024, our focus remains on reinforcing alignment with the OECD and UN frameworks while meeting regulatory requirements. Assessing the effectiveness of our actions, policies, and procedures pertaining to the sustainability due diligence process will have high priority.

Read more about our approach to human rights due diligence on page 99, and in the topical disclosures related to own employees, page 152, workers in the value chain, page 178, and affected communities, page 182.

Yara's approach to sustainability due diligence

1. Embed responsible business conduct

We incorporate international standards and principles into our policies and management systems to promote responsible business conduct. Topical disclosures detail these policies and processes.

2. Identify & assess adverse impacts

We identify and assess adverse impacts through ongoing processes, early warning systems, grievance mechanisms, stakeholder engagement, and environmental and social risk and impact assessments. Impacts and related matters are assessed during materiality assessment. Read more about how we identify and assess impacts under topical disclosures.

3. Cease, prevent or mitigate

We seek to take appropriate action to identify adverse impacts. Responses take the form of projects, actions and remediation efforts that we employ to cease, prevent, mitigate and remedy the said impact. The efforts differ based on what type of leverage we hold to influence positive outcomes. Topical disclosures describe our efforts to stop, prevent, mitigate, and remediate negative effects.

4. Track implementation & results

We track the implementation of measures and results through our progress follow-ups, internal audits, and other efforts.

5. Communicate

We communicate how impacts are addressed in our integrated reporting and on our website

6. Remediation

Negative impacts are remediated as far as reasonably possible, given our level of impact and influence.

Key policies and procedures

As a global company, Yara is committed to respecting and protecting people and the planet. Our key policy documents clearly state our commitment to living up to internationally respected policies and principles.

Yara's Code of Conduct

The Code of Conduct outlines Yara's commitment to ethical and compliant business practices, including human rights, and it is valid for all employees, whether full-time, part-time, permanent, or temporary, the Group Executive Board, and the Board of Directors. It gives us the framework for upholding Yara's core values in our daily work. It is reviewed and published on an annual basis and available in 18 languages. Consultants and contractors are considered business partners for the purposes of Yara's Code of Conduct. Yara expects all its business partners to abide by similar principles in their own operations to those outlined in the Code of Conduct. They are also expected to abide by the principles set forth in the Code of Conduct for Yara's Business Partners.

Code of Conduct for Yara's Business Partners

The Code of Conduct for Yara's Business Partners outlines the legal obligations and the integrity standards we expect our business partners to uphold. This code considers the same internationally recognized and endorsed standards for human rights, business ethics, and labor conditions as our Code of Conduct. It applies to all individuals and companies with which Yara has business relationships, regardless of their nature, type of transactions or duration. This includes companies of all legal types, ownership structures, and jurisdictions in which they are incorporated. The Code of Conduct for Yara's Business Partners is reviewed periodically and communicated to all business partners, which includes both suppliers and customers. It shall be included in all agreements and contracts. The code has two distinct parts; the obligations comprise non-negotiable standards and regulations and the expectations outline desired standards Yara expects its business partners to implement. The Code of Conduct for Yara's Business Partners is available in 23 languages on our website.

HESQ Policy

Yara published a revised Health, Environment, Safety, Security and Quality (HESQ) Policy in January 2022 in alignment with the nature-positive ambition. Through the HESQ Policy we commit to excellent HESQ performance, thus safeguarding our license to operate. The policy outlines Yara's direction and provides a framework for HESQ objectives and targets and is complemented by a comprehensive suite of procedures and guidelines governing our work to protect people and the planet. The HESQ Policy applies to all employees and contractors and all activities. It has been adopted by the Group Executive Board, is communicated internally via the Yara Steering System and is publicly available at our website.

Key international policies and principles	Embedded in	Approved by	Last updated
▪ UN Guiding Principles on Business and Human Rights ▪ OECD Guidelines for Multinational Enterprises ▪ International Bill of Human Rights ▪ Core ILO Conventions	Code of Conduct	CEO and Board of Directors	January 2024
	Code of Conduct for Yara's Business Partners	Group Executive Board	January 2024
▪ Precautionary approach	Health, Environment, Safety, Security and Quality (HESQ) Policy	CEO	January 2024

Sustainable Procurement Policy

Yara's Sustainable Procurement Policy was launched in June 2022. This policy outlines how we intend to deliver sustainable value by promoting transparency and a higher standard of our suppliers' sustainability performance. It sets out a specific expectation on Yara's part that suppliers respect the United Nations Guiding Principles on Business and Human Rights and details how Yara plans to follow up on supplier sustainability compliance and performance management. The Sustainable Procurement Policy guides our global procurement organization and the implementation of our Sustainable Procurement Program.

Integrity Due Diligence

Integrity Due Diligence (IDD) is our procedure for ensuring and monitoring the integrity of potential, new, and existing business partners. The procedure requires an initial assessment of all potential new business partners against established risk factors. If a risk is identified, the business partner is required to complete a self-assessment and declaration covering key business information and topics such as anti-corruption, human rights, labor rights, health and safety, and the environment. If said risk factors remain unacceptable, we may require an in-depth IDD, training, or other efforts. As part of the IDD procedure, we continuously monitor compliance in our supply chain by screening business partners against sanctions, watchlists, and compliance databases. On a risk-basis, certain business partners are selected for additional follow-up, including in-depth due diligence work, training and other communication efforts. Depending on the matter, this is conducted by either the Ethics and Compliance Department, other expert functions, or the business line.

The Norwegian Transparency Act

The Norwegian Transparency Act (Åpenhetsloven) addresses enterprises' transparency and work on fundamental human rights and decent working conditions. Its reporting requirements are based on the principles set forth in the OECD Due Diligence Guidance for Responsible Business Conduct. The table on page 207 provides an overview of the reporting requirements pursuant to the Transparency Act and where these are addressed in this report.

The information is valid for Yara International ASA and its subsidiaries and is also available on www.yara.com

Human rights due diligence

Yara is committed to respecting internationally recognized human and labor rights in our own operations and throughout the value chain. Respecting human rights is fundamental to sound risk management and Yara's value creation.

Our overall aim is to ensure that success is achieved in the right way. We recognize that our operations and value chain are exposed to adverse human rights impacts and are committed to continuously improving our due diligence approach. We value our good relations with employees, suppliers, and business partners, and engage with them frequently.

Governance and policies
The Code of Conduct outlines Yara's commitment to ethical and compliant business practices, including human rights. It has a particular focus on community engagement and grievances, indigenous peoples and use of resources, child labor, modern slavery, equal pay and working hours, and freedom of association and collective bargaining. See Code of Conduct, page 98, and Human rights training and awareness, page 101.

Our expectations for responsible business conduct and respect for human rights go beyond our operations and apply to the full value chain through our Code of Conduct for Business Partners and Sustainable Procurement Policy which set out basic human rights requirements and expectations for our business partners in the upstream and downstream value chain. See Code of Conduct for Yara's Business Partners and Sustainable Procurement Policy, page 98.

Stakeholder engagement
Our Stakeholder Management Procedure provides a structured approach to the way we consult, involve, and collaborate with stakeholders. Read more about the procedure and 2023 outcomes on page 106.

Processes
Respecting human rights is integrated in key policies and procedures, as well as in our Compliance Program and risk management processes. See Corporate culture and anti-corruption, page 198, Managing impacts in our supply chain, page 104, and Workers in the value chain, page 178.

Impact identification
We assess adverse impacts through human rights impact assessments (HRIAs), Integrity Due Diligence (IDD), the Supplier Compliance Management Process and Supplier Audit Procedure, as well as through Yara's grievance channels, see page 198.

Human rights impact assessments
Conducting targeted human rights impact assessments (HRIAs) is an integral part of meeting our due diligence obligations. Each HRIA we have conducted to date has proven highly valuable in identifying human rights impacts from Yara's operations, and in evaluating how our human rights policies are implemented on the ground. Findings, action plans and implemented measures are presented to the Group Executive Board and the Board of Directors on a regular basis. Mitigating actions and providing remedy remain a local management responsibility. The Ethics and Compliance Department monitors implementation and reports on progress.

We conduct human rights and geopolitical risk assessments to rank our countries of operation and the countries we source raw materials from in terms of human rights risk exposure. The 2023 assessment identified 24 high-risk countries, up from 17 in 2022. The findings guide our priorities for targeted HRIAs.

In addition, HRIA findings have improved our understanding of the main human rights at risk of adverse impact in Yara's value chain. These are presented in our Code of Conduct and in the section below outlining identified impacts. We recognize that this landscape may change, and that we need to continuously monitor the potential impacts from our operations and value

In 2023, our focus was on mitigating salient risks of negative impacts consistently identified in HRIA's performed to date and performing internal audits to verify the implementation and effectiveness of agreed actions from previously conducted HRIAs in India, Colombia and Brazil. Read more about Monitoring on page 101.

In 2024, we will perform a HRIA on our operations in Mexico. Certain high-risk countries are not suitable for HRIAs due to Yara's presence in the market, our size of operations or security-related matters. These jurisdictions are monitored through other activities.

Identified human rights at risk of adverse impact

Yara's use of contracted labor is a core driver of adverse human rights impacts for workers at our sites and in our supply chain at, for example, third party-run warehouses and logistics providers. Our ability to secure individual workers' labor rights, including fair wages, working hours, benefits, annual leave, work predictability, and a safe and healthy workplace free from discrimination is reduced when using contracted labor. Performing heavy manual labor is an additional health and safety risk when combined with high temperatures and humidity.

Findings of potential and actual adverse human rights impacts have been fairly consistent across the countries where HRIAs have been performed to date, but the degree of negative impact varies. The table on the right provides an overview of the key rights-holders affected and which human rights have been identified to be at risk of adverse impact across the jurisdictions assessed.

Mitigation of impacts

We recognize that we have better control and improvement opportunities for impacts related to our own employees than for sites operated by third parties, contracted labor, and in the supply chain. It is, however, important to address adverse impacts and implement mitigation plans for all areas, both to comply with Yara's Code of Conduct, and obligations and expectations in legislation and recognized international standards.

In 2023, we continued the implementation of company-wide policies and projects that were initiated on the basis of previous HRIA findings. This includes a global policy on physical requirements to the work environment, which we will continue to implement at all Yara sites in 2024, see page 175. The living wage project for Yara employees ended its global roll-out analysis in 2023, see page 157. As of 2024, the living wage thresholds will be maintained and updated during the first quarter of the year, to monitor and analyze the gaps and take the necessary actions. Accessibility to grievance channels in local languages has been improved. We continue our work to raise the general awareness of grievance processes and will initiate an evaluation of our grievance channels against the effectiveness criteria under the UN Guiding Principles on Business and Human Rights in 2024.

Findings related to discrimination have, in many instances, been perceived risks and have been mitigated by clarifying communication and transparency of internal processes. Initiatives related to Diversity, Equity, and Inclusion are instrumental in the continuous efforts of eliminating discrimination and harassment in Yara, see page 164.

Main human rights identified to be at risk across sites assessed, per rights-holder group

Yara employees

- Harassment or discrimination based on gender and race
- Occupational health and safety; exposure to dust, noise, heat, and manual labor
- Mental health risks due to stress from excess workload
- Lack of guaranteed living wage
- Access to adequate grievance mechanisms in local language

Contracted workers at Yara sites

- Conditions of employment
- Working conditions; heat stress exposure, access to water and sanitation, excessive working hours and overtime
- Lack of guaranteed living wage and use of piece-rate pay
- Occupational health and safety, including manual labor
- Restrictions on freedom of association
- Lack of effective grievance mechanisms

Workers in supply and value chain (including third-party warehouses)

- Health, safety, and labor rights risks due to low standards and high use of casual workers at third-party warehouses
- Labor rights and working conditions for truck drivers
- Child labor and labor rights violations in the agricultural sector

Local communities and wider society

- Livelihood affected by emissions, dust, and water usage
- Lack of effective grievance mechanisms and stakeholder engagement through meaningful engagement between Yara and local communities

Other actions implemented to reduce the identified exposure to risks within the contracted workforce continued in 2023. These include:

- Influence contractors to provide workers decent employment conditions and predictable working hours according to the expectations set in the Code of Conduct for Yara's Business Partners.
- Extend Yara's requirements to the physical work environment to include contracted labor at Yara sites.
- All Yara sites have a dedicated go-to person, and physical "suggestion boxes" are available at sites where the online grievance channel is deemed not to be adequately accessible.
- Yara encourages contractors providing workforce to our sites to provide workers freedom of association where this right may be limited, emphasized through our Code of Conduct for Yara's Business Partners.
- Environmental assessments are performed, and possible complaints addressed according to established procedures. Stakeholder engagement is a priority at our plants, warehouses, and other operational units.
- Yara does not source from the Chinese region of Xinjiang, nor do we sell directly to the region. Monitoring of the situation is continued by the Yara China management.

See more on actions related to the value chain in Workers in the value chain, page 178, and Local social impacts, page 186.

Raising human rights awareness

Human rights are included in all Code of Conduct trainings, including mandatory e-learning for new hires and face-to-face training programs. A specific Business and Human Rights e-learning course is also available to all employees, as well as additional e-learning modules covering topics such as ethical conduct and reporting concerns. These include specific sections on human rights, harassment, discrimination, and gender bias.

All employees receive regular training on the Code of Conduct. In 2023, 711 employees received specific human rights training, and the Business and Human Rights e-learning launched in 2022 had been completed by 224 employees. Human rights training for the Procurement function will be prioritized in 2024.

Exploring the topic of "Doing the right thing – making the right choices", human rights was one of the main topics for discussion during Yara's Ethics Day in 2023, see page 199, For more information on security and human rights, see Workers in the value chain, page 178.

Monitoring

Where the risk of negative human rights impacts from our operations has been identified, action plans are developed and regularly followed up until completion.
In 2023 we conducted internal audits to verify the implementation of agreed actions from previously conducted HRIAs in India, Colombia and Brazil. The aim was to assess whether implemented actions have led to intended results. The audits showed that while most of the agreed actions have been implemented, some lack in effectiveness and some new issues were identified. Findings from the internal audits will be followed up and monitored until closure. This highlights the importance of continued focus on measuring results and impacts from actions implemented to ensure actual improvements on human rights. A process to ensure continuous monitoring and adequacy of actions following HRIAs will be developed in 2024.

We will also continue our focus on salient risks of negative impacts consistently identified in HRIAs. Global initiatives to eliminate or minimize possible negative impact from our operations on affected rights-holders' human rights are our main priority. These initiatives include the implementation of all requirements set forth in our policy on physical working environment and continuing the rollout of the living wage project to contracted labor. We also continue to monitor the overall human rights risk exposure as part of our geopolitical risk assessment.

We will continue to improve our work on raising awareness on human rights in our organization through trainings, e-learnings, communication, and knowledge sharing. Raising awareness of human rights risk exposure and knowledge of human rights due diligence within the procurement function continues to be a priority in 2024. Ongoing activities, such as integrity due diligence and maintenance of grievance channels, will continue as usual.

Communicating outcomes

The sections on General Information (page 94), Corporate culture and anti-corruption (page 198), Other work-related rights (page 175), Workers in the value chain (page 178), Local social impacts (page 186), and Rights of Indigenous Peoples

Human Rights Impact Assessments

HRIAs have been performed by independent external subject matter experts for a representative number of high-risk countries where Yara operates.

- 2018: Myanmar and Ethiopia (desk-top)
- 2019: India, Colombia, Philippines
- 2021: Brazil (seven sites)
- 2022: China, Zambia, Tanzania, South Africa

Target

By 2025, conduct human rights impact assessments (HRIAs) and address findings in all countries where we consider that our operations have the highest impact on human rights, focusing on Mexico in 2024

✓ **On track**

(page 188), of this report constitutes Yara's legally required disclosures under Norwegian Transparency Act for 2023. Further information is available on our dedicated webpage, including how to submit requests for information in accordance with §6 of the Transparency Act.

Remediation

Yara provides for or cooperates in the remediation of negative impacts from our activities as far as reasonably possible, given our level of impact and influence. With communities in close proximity to our operations, we aim to proactively engage in early dialogue in order to provide them with opportunity to voice their views and concerns to prevent or mitigate potential or adverse impacts. We seek to establish two-way dialogue with our stakeholders and address third-party feedback or relevant findings thoroughly and to the greatest extent possible. Our grievance mechanisms are described in topical chapters throughout this report. Anyone who wishes to raise a concern can follow the procedures communicated there.

Health, Environment, Safety, Security and Quality (HESQ) management

Yara is committed to ensuring that fertilizers and their raw materials, additives, and intermediate products are processed and manufactured, handled, distributed, stored, and used in a safe and secure way with regards to occupational health and safety, the environment, security, and quality.

Policy and commitments

Yara's HESQ policy outlines our direction and intentions for HESQ performance and governance and provides a framework for HESQ objectives and targets, see page 98.

More specifically, this includes:

- **Health and safety:** Yara has a responsibility to keep our employees and contractors safe and believes that all accidents are preventable. We have embarked on a journey toward zero accidents and have created a safety program that matches this ambition.
- **Process safety:** We consider good process safety performance a requisite for our license to operate, with the final objective of safeguarding – for all workers and neighboring communities – minimum exposure to the risks generated by our processes.
- **Environment:** We are committed to continuously work to improve environmental performance and to implement new environmental standards in our value chain. We use a precautionary approach to identify risks and take preventive measures to mitigate any potential harm to people or the environment.
- **Product stewardship and compliance:** We take responsibility for regulatory compliance and product integrity in the full value chain of our products. Our product stewardship approach ensures systematic monitoring of the quality and safety of all our products, and we are fully committed to complying with all relevant chemical and product related regulations.
- **Security and emergency response:** We are committed to protecting life and health, infrastructure, the environment we work in, information, and our reputation by understanding security risks and proactively implementing mitigating measures.

We explore these topics in more detail further in the topical disclosures.

HESQ management

Yara holds a company-wide multisite Management System Certificate (MSC) for the three management standards ISO 9001 (Quality management), ISO 14001 (Environmental management), and ISO 45001 (Occupational Health & Safety management) covering Yara units in all regions.

» Umbrella certificates at www.yara.com

Furthermore, we are implementing ISO 50001 (Energy management) at large production sites. We have implemented third-party certified product stewardship systems at all our fertilizer operations, covering the value chain from product development to sourcing, production, supply chain, and sales globally.

Corporate HESQ oversees the global Yara-wide management system certification process, defines processes and standards, and runs frequent internal audits to all units to ensure compliance and continuous improvement.

Each region and production unit have dedicated HESQ resources supporting the management and monitoring of HESQ performance. They report through the line organization, with Corporate HESQ being ultimately responsible for providing transparent and timely information internally and externally. All production sites have a mandatory health and safety committee that covers all of the employees working on the site.

Impact identification and mitigation

Yara uses a precautionary approach to identify risks and take preventive measures to mitigate the potential harm to people and the environment. Risk assessments are consistent across the corporation, and major HESQ risks are included in the Enterprise Risk Management process as a part of the business planning and strategy development.

Yara's large chemical manufacturing sites are classified as industrial activities with potential major accident hazards. Their activities are covered by local permits and regulations, and they are required to operate in accordance with strict procedures and management controls to prevent major process safety related accidents. Yara has a well-established process safety management system, including detailed technical standards and an extensive audit and inspection program. The systematic monitoring of environmental performance and process safety measures is in place, including process safety tools such as HAZOP (Hazard and Operability studies).

Evaluation

The effectiveness of Yara's HESQ management is evaluated frequently both internally (e.g., by Yara Internal Risk and Audit unit and Corporate HESQ) and by third parties (e.g., management system certification, GRI verification). Improvement actions are taken based on the feedback.

The certification audits document good progress in the implementation of management systems and identify room for improvement in environmental performance monitoring, compliance status and target setting across all regions.

Each year, Yara reports to numerous sustainability rating schemes, such as CDP Climate and CDP Water, along with several investor analysts' rating systems, such as Sustainalytics. We utilize these processes to improve our performance and best practices.

Managing impacts in our supply chain

Our global operations and extensive value chain entail the existence of a high number of sustainability risks and impacts. We apply a risk-based approach and direct our resources to the most material and pressing challenges while ensuring value creation and resource optimization.

We cannot eradicate every risk or impact in our value chain with the resources at hand, and therefore employ targeted measures based on the nature of the impact, strategic priorities and our influence over the matter. With regulatory requirements for value chain sustainability expanding, we are scaling up our efforts to account for the full range of negative and positive impacts in our value chain.

Priorities at the first stage of this ongoing work include:

- Enhancing our sustainable procurement organization, capabilities and resources
- Developing a base approach to sustainability due diligence for our value chain impacts
- Utilizing our existing processes to meet increasing expectations where feasible and initiate new workstreams for advancing the sustainable value chain approach
- Leveraging external regulatory pressures to raise the priority of sustainable and responsible business conduct with our business partners
- Preparing for the full application of the disclosure requirements to the value chain

Policies and processes

We are committed to identify, assess and address impacts in our supply chain. These commitments are reflected in our policies and processes. They guide how we engage with our suppliers and other business partners in the value chain, what standards we set for them, and how we monitor and account for their compliance.

Read more about our Code of Conduct for Business Partners, Sustainable Procurement Policy, and Integrity Due Diligence on page 98.

Actions and resources

In February 2023, Yara became a member of Together for Sustainability (TfS), a chemical sector initiative to set global standards for the environmental, social, and governance performance of chemical supply chains. Chemical supply chains are integrated worldwide, and the 51 TfS-members and their suppliers span the globe. Industry-wide collaboration and continuous improvement of chemical supply chain sustainability require an international perspective combined with regional know-how.

The TfS principles are entirely in line with our own, and we sincerely believe our journey together will be to our mutual benefit:

- In 2023 we continued our work on assessing our suppliers' sustainability performance, using EcoVadis, now in cooperation with TfS, where we contributed to, and benefited from, the principle of sharing evaluations. The table below shows how we have utilized EcoVadis assessments for our supply chain sustainability progress and provides data on the proportion of our spend and the number of suppliers covered by EcoVadis, improvement of our business partners over the years.
- We started to contribute to TfS working groups and regional teams and aim to increase this collaboration during 2024.
- We have committed to conduct audits as part of our TfS membership and will implement the first wave in 2024.
- To improve how we account for and address scope 3 upstream emissions, in 2024 we plan to engage with the TfS Scope 3 GHG Emissions Programme, the TfS solution for the chemical industry to monitor, manage, and take steps to reduce its scope 3 GHG emissions.
- In 2023, we started using the TfS capability building and training program, including the TfS Academy. In 2024, we plan to introduce it to our procurement specialists.

Building capacity

Yara's Procurement function has a long-established experience in addressing the sustainability issues in our supply chain. In 2023, we restructured the procurement strategy workstream and related initiatives to refocus on the increasing demand for sustainability in our supply chain stemming from international and national regulatory standards and stakeholder expectations.

As part of the new approach, we created a dedicated Sustainable Procurement Program, led by the Sustainable Procurement Director. The team will continue working on advancing sustainable procurement in our supply chain based on upcoming disclosure requirements in the EU Corporate Sustainability Reporting Directive, CBAM, the EU Corporate Sustainability Due Diligence Directive, and other regulations. The new strategy also entails enhancing cross-function cooperation within Yara, as well as leveraging partnerships such as TfS for optimal outcomes in the context of limited resources.

EcoVadis achievements in 2023

Topic	2023	2022
Spend coverage %	47%	35%
Improvement % (vs. previous assessment)	61%	70%
Improvement % (vs. first assessment)	90%	88%
# of rated suppliers	706	281

Sustainability in Yara's strategy

Sustainability is embedded in our ambition, which headlines our strategy. To operationalize our ambition of Growing a Nature-Positive Food Future, we aim to create tangible, positive impacts on each of the three pillars of our ambition:

- Climate neutrality
- Regenerative farming
- Prosperity

Read more about our business model, strategy and priorities on page 17–42.

Our value chain

Yara's value chain stretches across the globe with approximately 30,000 tier 1 suppliers upstream and sales in 140 countries in the downstream value chain. Our sustainability work targets the full value chain – from the procurement of raw materials to the application of our products in food production and industrial applications.

Mineral fertilizers are made from naturally occurring raw materials. In addition to air and natural gas, we use rock phosphate and potassium salts, as well as other crop nutrients that are sourced in smaller volumes. Natural gas is used as a feedstock to produce ammonia and, to a lesser extent, to provide process heat and energy.

Natural gas

We source natural gas, and in some cases other forms of hydrocarbons, to produce nitrogen fertilizers and industrial products. Our largest suppliers are Engie (France), Shell (the UK), Equinor (Norway), Gail (India), The National Gas Company of Trinidad and Tobago (Trinidad).

Phosphate

Phosphorus (P) occurs in natural geological deposits as phosphate rock, which is mined from the earth's crust. We source phosphate rock and phosphoric acid to produce granular and feed phosphates and NPK fertilizers. The largest suppliers are Foskor (South Africa), Mosaic (Peru), OCP (Morocco) and JPMC (Jordan). We also mine phosphate rock in one fully owned site, Siilinjärvi, in Finland.

Potash

We source two types of potash (K): muriate of potash (MOP) and sulphate of potash (SOP). MOP is mined from naturally occurring ore bodies that have been formed over thousands of years. SOP is primarily produced by reacting MOP with sulfuric acid, while a lesser share of world SOP is mined from naturally occurring ore bodies. In 2023, MOP and SOP were mainly sourced from four suppliers: Canpotex (Canada), K+S (Germany), ICL (Israel) and The Arab Potash Company (Jordan). We also produce SOP at our own site in Kokkola, Finland.

See Resource use and circular economy, page 147 for more on raw materials.

The majority of these raw materials come from non-renewable sources and include environmentally and socially high-risk industries such as mining and fossil fuel. Furthermore, according to ILO's 2022 report, the agriculture industry is one of the worst affected industries in terms of forced labor exploitation and forced child labor. Agriculture can also be a major source of adverse environmental impacts such as freshwater withdrawals, soil degradation, deforestation, the depletion of biodiversity and GHG emissions.

This underlines the importance of our sustainability due diligence processes and continuous efforts to support the agricultural community in achieving higher yields and improving profitability and social inclusion while minimizing environmental impacts.

Value generation and distribution

The table below has been prepared to meet GRI 201-1 reporting requirements.

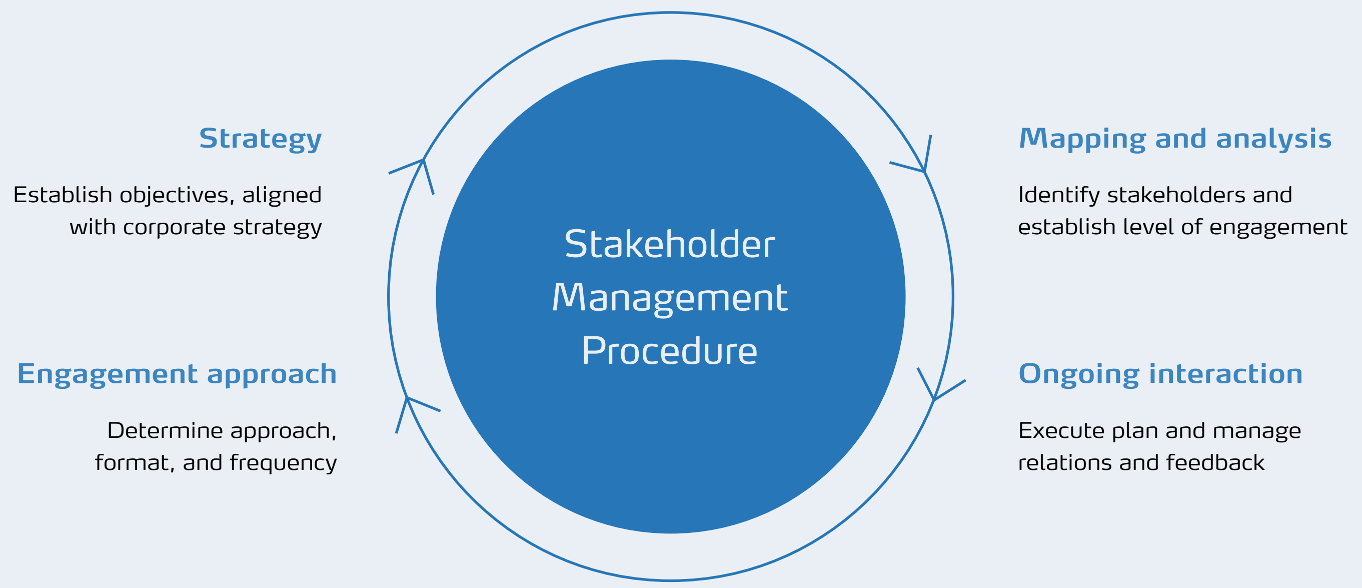
USD millions	2023	2022
Revenues and other income	15,547	24,051
Interests and other financial income	159	108
Dividend/repayment of capital from equity-accounted investees	(16)	(8)
Total economic value creation	15,690	24,151
Operating costs	12,590	17,928
Employees (wages and benefits)	1,399	1,284
Banks (interest)	260	227
Shareholders (dividend)	1,319	1,054
Governments (tax paid)	479	627
Communities (donations and sponsoring)	11	18
Authorities (fines paid)	1	1
Total economic value distributed	16,059	21,139
Economic value retained	(368)	3,012

Stakeholder engagement in 2023

We engage with stakeholders globally and locally to build trusting relationships and bring better business intelligence that can spur ideas for products and services.

Stakeholder engagement is a continuous process at Yara, both at a strategic and local level. Our Stakeholder Management Procedure provides a structured approach to the way we consult, involve, and collaborate with stakeholders. It is complemented by the stakeholder engagement guidelines that provides practical guidance for all Yara teams engaging with different stakeholders.

All business units and project teams worldwide conduct regular stakeholder analyses and establish arenas for dialogue with important groups as part of their business planning, or in the case of specific events or initiatives. Each year, we collate reports from these units and teams to document our interactions with stakeholders, identify recurring concerns, and share learnings.



Here is a summary of dialogues with key stakeholder groups in 2023.

For more on our strategic engagement activities and key memberships and alliances, see page 46.

Stakeholder group: Employees

How we engage	Key topics in 2023	Actions
▪ Global and local townhalls with Q&A sessions ▪ Intranet ▪ Frequent employee surveys ▪ Regular engagement with unions ▪ Regular job appraisals ▪ Training, coaching and mentorships ▪ HESQ training and awareness raising ▪ Ethics and Compliance training and awareness raising ▪ Diversity, Equity, and Inclusion (DEI) network and local teams ▪ Global awareness days ▪ Shop floor meetings and safety talks ▪ Networks for underrepresented groups	▪ Safety, health, and well-being at work ▪ Remuneration and cost of living ▪ Production curtailments and turn-arounds ▪ Diversity, Equity, and Inclusion ▪ Flexible and hybrid working ▪ Career paths, learning, and development ▪ Recognition at work ▪ Ethical conduct and value of speaking up ▪ Developing a culture of entrepreneurship ▪ Freedom of association	▪ Established networks and groups for underrepresented groups, page 165 ▪ Reinforced our Safe by Choice program to support safety and well-being at work, page 160 ▪ Continued investments in employees' physical and mental health, page 160 ▪ Assessed living wage and established threshold for all locations. page 157 ▪ Continued Black Leadership Development program, page 173. ▪ Updated gender pay gap analysis, page 167 ▪ Continued the Women in Agronomy and Women in Maintenance programs, page 167 ▪ Launched the People Connect process and Global Mentoring Program to support individual development, page 172

Stakeholder group: Workers in the value chain

How we engage	Key topics in 2023	Actions
▪ Training for select business partners and groups of workers ▪ Grievance channels and Ethics Hotline ▪ Targeted communication activities in the workplace	▪ Yara's Code of Conduct for Business Partners ▪ Human rights and ethical conduct ▪ Health and safety ▪ Due diligence and expectations in events of involving third parties and subcontractors ▪ Norwegian Transparency Act	▪ Continued to integrate sustainability into our procurement page 104 ▪ Followed up findings from previous human rights impact assessments, page 99 ▪ Established industry risk assessment, page 179 ▪ Conducted social audits of local suppliers, page 178 ▪ Joined Together for Sustainability (TfS), page 104

Stakeholder group: Distributors and retailers

How we engage	Key topics in 2023	Actions
▪ On-the-ground agronomists, crop and product specialists ▪ Customer satisfaction surveys and feedback ▪ Meetings and events ▪ Social media ▪ Participation in retail associations	▪ Fertilizer and crop prices ▪ Product properties (quality, safety, security) ▪ Crop nutrition programs ▪ Sustainable farm management ▪ Regulatory changes, trade restrictions and sanctions ▪ Substitute and fake products	▪ Ensured stable supplies of fertilizers, page 31. ▪ Continued on-the-ground support to distributors, retailers, and farmers, page 181 ▪ Developed our portfolio of digital solutions, page 191 ▪ Addressed the issue of copycat products page 189

Stakeholder group: Farmers

How we engage	Key topics in 2023	Actions
▪ On-the-ground agronomists, crop and product specialists ▪ Customer satisfaction surveys and feedback ▪ Marketing activities and campaigns ▪ Farmer meetings, clinics and field days ▪ Digital engagement and marketplaces	▪ Product affordability and availability ▪ Return on investment ▪ Product properties (quality, safety, security) ▪ Best practices for fertilizer application and plant nutrition ▪ Market access ▪ Sustainable farm management ▪ New digital solutions ▪ Packaging from recycled materials ▪ Women's role in agriculture	▪ Introduced new concepts and fertilizer products, page 30. ▪ Increased digital and on-farm presence, page 30 ▪ Expanded our offering for regenerative agriculture, page 30. ▪ Documented product carbon footprints and traceability, page 132. ▪ Supported farmers in authenticating Yara products, page 189

Stakeholder group: Investors and lenders

How we engage	Key topics in 2023	Actions
▪ Stock exchange and press releases ▪ Quarterly and annual reports and presentations ▪ Roadshows, conferences, and meetings ▪ Individual investor calls ▪ Capital Markets Day ▪ Iinvestor seminars ▪ Annual shareholder´s meeting ▪ Email and phone calls ▪ Meetings with banks	▪ Financial performance and outlook ▪ Commodity prices and market dynamics ▪ Future competitiveness of European assets ▪ Yara Clean Ammonia strategy and IPO status ▪ Decarbonization approach and projects ▪ ESG topics and performance ▪ Regulatory topics, including CBAM, EU ETS, and IRA subsidies in the US ▪ Yara capital allocation policy ▪ Dividend payments	▪ Timely, accurate and comprehensive communication, page 43 ▪ Highlighted and explained our ambition of Growing a Nature-Positive Food Future at the Capital Markets Day, page 10 ▪ Distributed dividend and evaluated additional dividend or share buybacks, page 45. ▪ Advanced our climate risk assessment, page 132 ▪ Assessed and reported EU taxonomy alignment, page 114

Stakeholder group: Suppliers

How we engage	Key topics in 2023	Actions
▪ Regular, direct dialogue and evaluation meetings ▪ On-site meetings ▪ Strategic collaborations and alliances ▪ Integrity Due Diligence process ▪ Participation in industry forums ▪ EcoVadis self-assessments ▪ HESQ and social audits ▪ Grievance channels and Ethics Hotline	▪ Impacts of war and compliance with sanctions ▪ EcoVadis implementation ▪ Decarbonization of the value chain ▪ ESG practices and ethical conduct ▪ Future business needs and deliveries ▪ Accuracy in orders and timely payments ▪ Circularity and sustainable packaging ▪ Use of third parties and sub-contractors	▪ Continued roll-out of Sustainable Procurement Policy, page 104 ▪ Engaged suppliers in program to promote more sustainable packaging, page 147 ▪ Followed up findings from human rights impacts assessments, page 99 ▪ Conducted training in ethics and human rights for select business partners, page 178 ▪ Ran supplier audits, page 178 ▪ Followed up underperforming suppliers for improvement and corrective actions, page 104

Stakeholder group: Regulators and policymakers

How we engage	Key topics in 2023	Actions
▪ Engagement in policy-making processes ▪ Provision of analyses and studies ▪ Dedicated advocacy resources in Oslo (Norway), Brussels (EU), Washington DC (USA), and Ottawa (Canada) ▪ Core Teams and Expert Networks on key policy issues ▪ Engagement through industry associations ▪ Visits, meetings, social events, and conferences	▪ Impact of war, trade restrictions and sanctions ▪ Low-emission ammonia production and products ▪ Industry's need for more renewable energy ▪ Climate and environmental policies ▪ Food security, and sustainable food systems, including precision farming, regenerative agriculture, soil health, nature-positive solutions and biodiversity ▪ Contributions towards local and national climate goals	▪ Continued to build company awareness in market, page 46. ▪ Raised concerns publicly regarding impacts on global food security, page 46 ▪ Engaged in policy processes to support and accelerate change, page 47.

Stakeholder group: Food industry

How we engage	Key topics in 2023	Actions
▪ Key processor discussions ▪ Partnerships with food companies and growers ▪ Participation in crop specific associations ▪ Marketing, meetings, events, and field days	▪ Decarbonization of food systems ▪ Regenerative agriculture ▪ Soil health ▪ Carbon footprints ▪ Carbon credits and marketplaces ▪ Nutrient use efficiency ▪ Farmer incentives and prosperity ▪ Green fertilizer ▪ Food prices	▪ Continued work on carbon footprint calculations, page 130 ▪ Engaged in meetings with leading food companies, page 47. ▪ Partnered with companies in the food value chain, page 47. ▪ Participated in the development of carbon farming, page 30. ▪ Expanded product portfolio with more organic compound fertilizers, page 189.

Stakeholder group: Local communities

How we engage

- Dialogue and meetings with local representatives and authorities
- Communication activities
- Partnerships
- Community groups and councils
- Social and environmental protection projects
- Educational projects
- Internships and scholarships
- Donations
- Green lines and other grievance channels

Key topics in 2023

- Food security
- Inclusive agriculture
- Local development and value generation
- Human rights
- Diversity, Equity, and Inclusion
- Health and safety
- Environmental and traffic impacts
- Security and emergency response
- Education for children and youth
- Humanitarian aid
- Women representation in agriculture and industry

Actions

- Continued the Environmental Roadmap Program to reduce the environmental footprint of our plants, page 141
- Shared best practices with local farmers, page 191
- Supported efforts to preserve the cultural heritage of the Murujuga area, page 188
- Continued the Yara Leadership Academy, page 195
- Engaged in community projects, page 195
- Addressed findings from human rights impact assessments, page 99
- Improved accessibility of grievance mechanisms, page 198

Stakeholder group: Academia

How we engage

- Specific projects
- Result sharing
- Training
- Conferences
- Scientific papers when relevant

Key topics in 2023

- Ongoing research projects and demo trials
- Low carbon food
- Soil health
- Nutrient use efficiency
- Digital solutions
- Regenerative agriculture
- Biostimulants
- Crop resilience to abiotic and biotic stress
- Crop quality

Actions

- Expanded R&D capabilities, particularly in novel technologies such as low-emission fertilizer, page 189.
- Invested in trials at own R&D centers and in collaboration with institutions and universities worldwide, page 190.
- Promoted sustainable farm practices, including regenerative agriculture and nutrient use efficiency, page 145

CONTENT

Yara's material topics

Environmental topics
Our ambition is to become nature positive and climate neutral by 2050. Decarbonizing our own operations is critical, but we also want to contribute to reducing environmental impacts throughout the value chain. We are working continously to address pollution and impacts on water and biodiversity and to reach higher levels of circularity in our operations and the value chain.

- Climate change
- Pollution
- Water and marine resources
- Biodiversity and ecosystems
- Resource use and circular economy

Social topics
Our success in achieving strategic objectives depends on our employees and farmers world-wide. We also depend on the communities and workers further in the value chain who may be affected by our operations. We strive to prevent and mitigate negative impacts, and promote positive effects on our stakeholders' rights and livelihoods.

- Own workers
  - Health, safety, and security
  - Employment
  - Equal treatment and opportunities
  - Training and skills development
  - Other work-related rights
  - Privacy
- Workers in the value chain – working conditions
- Affected communities
  - Local social impacts
  - Local impacts from production
  - Rights of indigenous peoples
- Consumers and End-Users
  - Social inclusion
  - Personal safety
  - Information-related impacts
  - Impacts from products and services

Governance topics
As an ethical and responsible company, we pay close attention to anti-corruption and ethics in corporate culture. Our objective is to ensure that our our presence and conduct bring positive impacts to affected stakeholders.

- Corporate culture and anti-corruption
- Political engagement
- Animal welfare
- Tax policy

Sustainability priorities
The three pillars of our ambition – climate neutrality, regenerative agriculture, and prosperity – guide our prioritization of sustainability topics. While we consider all material topics to be priorities, the three pillars, and most notably climate neutrality, will be at the center of our attention and resource allocation in the next few years. At the same time, we consider many of our material environmental and social topics to be key enablers of our strategy, ensuring that we build the culture and skills we need for the future and retain our license to operate. Other topics are carefully monitored and managed through our sustainability due diligence to minimize adverse impacts and identify improvement projects.

Sustainability priorities

Area	Strategic topics and key enablers
Environment	Climate change
	Pollution
	Biodiversity and ecosystems
Social – Own workforce	Employment
	Training and skills development
	Privacy
	Equal treatment and opportunities for all
	Other work-related rights
	Health, safety, and security
Social – Consumers and end-users	Impacts of products and services
	Social inclusion
Governance	Corporate culture and anti-corruption

Monitor, manage and improve	Area
Water and marine resources	Environment
Resource use and circular economy	
Working conditions	Social – Value chain workers
Local social impacts	Social – Affected communities
Local impacts from production	
Rights of indigenous peoples	
Information-related impacts	Social – Consumers and end-users
Personal safety	
Political engagement	Governance
Animal welfare	
Tax policy	

Impact, risks and opportunity management

Double materiality assessment

In 2023, we applied the principles of the ESRS to conduct the double materiality assessment. We used the same four-step approach that we applied in 2022 but made significant adjustments to implement the ESRS approach along with lessons learned in previous years. The materiality assessment process was facilitated by the Sustainability Governance function.

Step 1: Identification of impacts

The starting point for the 2023 materiality assessment was the ESRS 1 longlist of sustainability topics, which we complemented with company-specific topics.

The ESRS 1 longlist served as the starting point for our materiality assessment. We drew on the 2022 materiality update and sustainability report as well as other sources to complement the list with Yara-specific topics. This included data on identified impacts, due diligence findings, internal and external stakeholder expectations, past salient issues, regulatory requirements and Yara's strategy and priorities.

Step 2: Assessment of topics

We involved subject matter experts from around the organization to assess the materiality of the identified topics on the environment, society and governance, as well as on Yara's value creation.

Building on our 2022 materiality update, we applied the double materiality concept described in ESRS 1 and assessed the topic in the longlist for impact and financial materiality. For impact materiality, we assigned responsibility for topics to internal subject matter experts to apply the ESRS criteria for significance:

- Severity of negative and significance of positive impact (scale, scope and irremediability)
- Likelihood of potential impacts' materializing
- Where in the value chain the impact occurs
- When the impact is expected to occur (for potential impact), in the short- (0-1 years), medium- (2-5), or long-term (6-30 years)

The topic owners used available sources and data and their overall expertise and judgment to assess each topic. Several calibration meetings were held to align interpretations of the criteria and scales used and to develop a shortlist of impact material topics.

For financial materiality, we drew on the well-established system for Enterprise Risk Management (ERM), which includes processes for risk assessments, defined risk appetites, assessment criteria and a universe of risk factors that are regularly considered by the regional units and global expert functions.

We mapped the longlist topics against the risk universe to assess whether the sustainability matters in the list were part of the regular risk assessments conducted by the regional units and global expert functions. Furthermore, we conducted a top-down exercise to identify Yara's major sustainability-related dependencies and associated risks and opportunities.

While the vast majority of the sustainability matters in the longlist were covered in the risk universe, nature impacts and dependencies were identified as a new risk. The financial materiality also led to updates in the descriptions of several People and Planet risk, see Risk management, page 88.

For 2023, we only present financial materiality in the way of qualitative analyses, see Risk management, page 88. We will, however, prepare for the quantification of potential, financial impacts to meet the reporting requirements when they come into effect.

The decision-making process for topic materiality was based on guidance in the ESRS and from EFRAG. Accordingly, severity criteria for negative impacts were given more weight in the decision-making process, which also factored in stakeholder expectations for our reporting. The process included several workshops and sessions to calibrate and align topic assessments and the understanding of thresholds.

The outcome of the double materiality assessment was a shortlist of more than 70 material topics, each deemed either impact or financially material, or both. For reporting purposes and reader accessibility, we grouped topics based on similarities, internal governance structures and, in some cases, stakeholder feedback and insights. The result is the list of 23 sustainability topics that form the body of these sustainability statements. For the full list, see page 111.

Step 3: Validation and approval

The final list of material topics was approved by Yara's Group Executive Board, supported by the Board Audit and Sustainability Committee (BASC) and approved by the Board of Directors.

We report on each of the topics in these sustainability statements, which form part of the Report of the Board of Directors for 2023.

Step 4: Implementation

The double materiality process dictates the content for our sustainability disclosures and guides our priorities on sustainability issues. In many areas identified as material, we have defined specific KPIs and responses to measure our performance and disclose these metrics and targets in our sustainability statements. In the areas where our processes are less mature, we are working continuously to devise strategies, define action plans and implement change.

We review and update the materiality assessment annually at a minimum. Sudden changes in our business environment can trigger more frequent updates. For the reporting year 2024, we intend to further align our double materiality assessment with ESRS requirements, due diligence processes and activities to capture the interests and views of stakeholders.

Changes from 2022

Given the changes in methodology, the outcome of the 2023 materiality assessment represents a full restructuring of the list of material topics presented in the 2022 Sustainability Report. The new list of material topics captures the full range of impacts addressed in the 2022 report, but go further and consider more impacts and risks.

CONTENT

Where and when impacts are likely to occur

How we manage and monitor material topics depends on where and when they are likely to have an impact. We have considered the significance of each impact along our value chain. Acknowledging the fact that many impacts are expected to play out over the coming years and decades, we applied time horizons longer than normal business planning.

Time frame

●●● Short term: Impacts exist or can arise expectedly or unexpectedly within 0–1 year

○●● Medium term: Impacts are expected to arise or increase in significance within 2–5 years

○○● Long term: Impacts are expected to arise or increase in significance within 6–30 years

How we define the value chain:

- Sourcing: Selection and engagement with suppliers providing Yara with raw materials, products, and services.
- Production: All stages of the manufacturing of Yara's nitrogen fertilizers and industrial products to factory gate.
- Distribution: Logistics operations and transport of products from factory gate to delivery and sales through local distributors and retailers or directly to end users.
- Use of products: Use of our products and services in industrial applications or in the field to grow crops.

Level of negative impact:

High ● Medium ● Low ● N/A

Level of positive impact:

High ● Medium ● Low ● N/A

	Impact in our value chain	Sourcing (negative)	Sourcing (positive)	Production (negative)	Production (positive)	Distribution (negative)	Distribution (positive)	Use of products (negative)	Use of products (positive)	Time frame (negative)	Time frame (positive)
Environment	E1 - Climate change	High	High	High	High	Medium	Medium	High	Medium	○●●	○●●
	E2 - Pollution	Medium	Low	Medium	Low	Low	Low	High	Medium	●●●	●●●
	E3 - Water and marine resources	Medium	Medium	Low	Low	Low	Low	Medium	Medium	●●●	○○●
	E4 - Biodiversity and ecosystems	High	Low	High	Low	Low	Low	High	Medium	●●●	○●●
	E5 - Resource use and circular economy	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	●●●	●●●
Social	S1 - Health, safety, and security	N/A	N/A	High	Low	High	Low	N/A	N/A	●●●	○●●
	S1 - Equal treatment and opportunities	N/A	N/A	High	High	High	High	N/A	N/A	●●●	○●●
	S1 - Employment	N/A	N/A	High	High	High	High	N/A	N/A	●●●	○●●
	S1 - Other work-related rights	N/A	N/A	High	Medium	High	Low	N/A	N/A	●●●	○●●
	S1 - Privacy	N/A	N/A	High	Low	High	Low	Low	Low	●●●	●●●
	S1 - Training and skills development	N/A	N/A	Medium	High	Medium	High	N/A	N/A	○●●	●●●
	S2 - Value chain workers - working conditions	Medium	Low	Medium	Medium	High	Medium	High	High	●●●	●●●
	S3 - Local social impacts	Medium	Low	Medium	Low	Medium	Low	Medium	Low	●●●	○●●
	S3 - Rights of indigenous peoples	Low	Low	Medium	Low	Low	Low	Medium	Low	●●●	●●●
	S3 - Local impacts from production	High	Low	High	Low	Low	Low	N/A	N/A	●●●	○●●
	S4 - Impacts of products and services for end-users	N/A	N/A	N/A	N/A	N/A	N/A	Medium	High	●●●	●●●
	S4 - Information-related impacts for consumers and/or end-users	N/A	N/A	N/A	N/A	Medium	Low	Medium	High	●●●	●●●
	S4 - Personal safety of consumers and/or end-users	N/A	N/A	N/A	N/A	High	Low	Low	Low	●●●	●●●
	S4 - Social inclusion of consumers and/or end-users	N/A	N/A	N/A	N/A	N/A	N/A	Low	Medium	○●●	○●●
Governance	G1 - Corporate culture and anti-corruption	Low	Low	Low	High	Low	High	Low	Low	●●●	●●●
	G1 - Political engagement	Low	Low	Medium	Medium	Low	Low	Medium	Medium	○●●	○●●
	G1 - Animal Welfare	Low	Low	Low	Low	Low	Low	Low	Low	●●●	●●●
	G1 - Tax policy	Low	Low	Low	Low	Low	Low	Low	Low	●●●	●●●

EU taxonomy

Yara's EU taxonomy disclosure for the annual reporting period of 2023 has been prepared in accordance with the Taxonomy Regulation EU (2020/852) and its supplementing delegated acts[1].

The EU taxonomy disclosure covers the taxonomy-eligible and taxonomy-aligned economic activities and their financial KPIs as a proportion of the Group's turnover, capital expenditure (CapEx), and operational expenditure (OpEx) in 2023. This pertains to the climate objectives[2] of the EU taxonomy. For the remaining four environmental objectives[3], only taxonomy-eligible economic activities and their respective financial KPIs have been disclosed. Yara reports 0.1% of turnover (see page 120), 5.6% of CapEx (see page 123), and 2.6% of OpEx (see page 126) out of the Groups' total as taxonomy-aligned for the annual reporting period 2023.

In 2023, the EU taxonomy became a mandatory disclosure for Norwegian companies[4]. However, the Environmental Delegated Act was not yet adopted by Norway as of year-end 2023[5]. Yara voluntarily discloses information related to the Environmental Delegated Act for the annual reporting period 2023, driven by expected interest and a commitment to transparency.

[1] Climate Delegated Act (2021/2139), Disclosure Delegated Act (2021/178), Complementary Delegated Act (2022/1214) and Environmental Delegated Act (2023/2486). Yara does not disclose according to the Complementary Delegated Act, amending the scope of Climate Delegated Act to certain energy sectors, as none of the additional economic activities are applicable to Yara.

[2] Climate objectives are climate change mitigation and climate change adaptation.

[3] The four remaining environmental objectives are sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

[4] On January 1, 2023, the new Sustainable Finance Act (Lov om bærekraftig finans) implementing the Taxonomy Regulation into Norwegian legislation came into effect.

[5] The Environmental Delegated Act was incorporated into Norwegian law through regulation effective as of 05.02.2024.

Basis of preparation

The EU taxonomy is a classification system establishing a list of 'environmentally sustainable' economic activities. Economic activities of Yara are considered regardless of their geographical location, whether inside or outside of the European Union.

Reporting principles

Financial data in this report is based on International Financial Reporting Standards® (IFRS) Accounting Standards as adopted by the EU and refers to Yara's consolidated financial statements. The information is prepared on a Group consolidated level and presented in US dollars (USD). All values in this disclosure are rounded to the nearest USD million, unless otherwise stated. Due to rounding differences, figures or percentages may not add up to the total.

Figures are translated into USD from Group entities' functional currencies using monthly average exchange rates for the turnover KPI and yearly average exchange rates for the capital expenditure (CapEx) and operating expenditure (OpEx) KPIs. There is a difference in foreign exchange effect between the EU taxonomy KPIs for CapEx and OpEx and the 2023 consolidated financial statements, as the figures for the EU taxonomy were gathered at year-end.

Yara notes that the EU taxonomy is still under development. The current disclosures have been prepared based on existing legally binding guidance in the EU as of year-end 2023. Yara follows the development of the Taxonomy Regulation closely. Accordingly, any further changes or clarification to the regulation with a material impact on current disclosures will be adopted and explained.

For 2023, Yara reports taxonomy alignment and eligibility for applicable economic activities defined in the Climate Delegated Act, with comparatives, and taxonomy eligibility for economic activities defined in the Environmental Delegated Act.

Yara's taxonomy-eligible economic activities

For the derivation of the financial KPIs, Yara assessed its economic activities portfolio against the economic activities of the EU taxonomy. Yara considers economic activities taxonomy-eligible if they match Yara's corresponding activity, can be evaluated against the technical screening criteria, and exceed a specified materiality threshold.

Yara employs a materiality approach for its EU taxonomy disclosures[6], enhancing the reporting process and ensuring that information on Yara's most business critical or strategically important economic activities is presented accessibly. For an economic activity to qualify as material, and be included in the EU taxonomy reporting scope, it must meet the following conditions:

- There is revenue generated from the economic activity now or in the future; and/or,
- The economic activity is strategically important and/or business critical to Yara.

Yara notes that some of our material economic activities, such as manufacturing of fertilizer and nitrogen compounds, are not defined as taxonomy-eligible within the Taxonomy Regulation and, thus, reported as non-eligible for 2023.

As a result of the eligibility assessment, the following economic activities were identified as relevant, within the scope of climate objectives of the EU taxonomy, as of year-end 2023:

(3.15.) Manufacture of anhydrous ammonia

(3.16.) Manufacture of nitric acid

(6.10.) Sea and coastal freight water transport, vessels for port operations, and auxiliary activities

Yara's taxonomy-eligible manufacturing of ammonia and nitric acid refers to the Group's own production of ammonia (OPP ammonia) and nitric acid (OPP nitric acid). Yara's manufacturing process requires certain supporting activities which may be separately defined in the Taxonomy Regulation as a standalone economic activities to be assessed and reported. As the purpose of these economic activities are to solely support the manufacturing process of ammonia and/or nitric acid, Yara has assessed these economic activities within the Taxonomy Regulation's manufacturing economic activity requirements.

Economic activity 6.10. refers to Yara's fleet of owned and leased vessels. Yara owns six vessels[7], with set maintenance schedules, and supplements its fleet through leased vessels.

For the remaining four environmental objectives, Yara has identified the following economic activity as relevant under the transition to a circular economy objective:

(4.1.) Provision of IT/OT data-driven solutions

Economic activity 4.1. refers to the following activities within Yara's Digital Core Solutions department:

- Condition monitoring / predictive maintenance solutions
- Product traceability solutions

Definitions of KPIs may deviate from those expressed in Yara's consolidated financial statements and Alternative performance measures. Yara has defined taxonomy-eligible turnover, CapEx, and OpEx as follows:

- **Yara's taxonomy-eligible turnover**

Yara's taxonomy-eligible turnover refers to IFRS 15[8] revenues from external sales of OPP ammonia and OPP nitric acid, as well as freight revenues derived from external sales using Yara's fleet of own and leased vessels.

[6] The EU Commission has clarified that no assessment is needed from undertakings for activities that are not material to their business, see Commission work programme 2024

[7] Five of the vessels are ammonia carriers and one is a container vessel Yara Birkeland.

[8] See note 2.1 Revenue from contracts with customers in Yara's consolidated financial statements for further information.

- **Yara's taxonomy-eligible CapEx**

Yara's taxonomy-eligible CapEx refers to additions to capitalized property, plant and equipment[9], intangible assets[10], and right-of-use assets[11]. This constitutes OPP ammonia and OPP nitric acid production assets and other assets which directly affect such production assets, as well as CapEx related to Yara's fleet of own and leased vessels and IT/OT data-driven solutions. Investments shared with other assets are not included.

Taxonomy-eligible CapEx is reported net of government grants received for applicable assets; however, information relating to significant government grants within the financial KPIs is continuously disclosed in footnotes to the mandatory KPI templates.

- **Yara's taxonomy-eligible OpEx**

Yara's taxonomy-eligible OpEx refers to non-capitalized, direct expenditures relating to the day-to-day servicing of assets that are necessary to ensure the continued and effective functioning of OPP ammonia and OPP nitric acid production assets, as well as Yara's fleet of own and leased vessels. The taxonomy-eligible OpEx is defined by Yara as capacity-related costs (CRC) of operating these production assets and vessels, including but not limited to maintenance, repair, insurance and employee benefits. Any product variable costs (e.g., raw materials, change in inventory etc.), as well as any selling, general and administrative costs (SG&A) are excluded together with any depreciation, amortization and impairment. If costs are split to define direct expenditures relating to ammonia- and nitric acid-production assets and other assets, a best-estimate approach is applied.

Joint operations are included in the reported taxonomy KPIs, to the extent of Yara's ownership share, if they hold ammonia and/or nitric acid production assets. The following joint operations are considered in the EU taxonomy disclosure: Yara Pilbara Nitrates Pty Ltd., Trinidad Nitrogen Co. Ltd. (Tringen), and Yara Freeport LLC DBA Texas Ammonia. For further information, see note 4.4 Joint operations in Yara's consolidated financial statements.

9) Refers to IAS 16 Property, plant and equipment. See note 4.1 Property, plant and equipment in Yara's consolidated financial statements for further information.

10) Refers to IAS 38 Intangible assets. See note 4.2 Intangible assets in Yara's consolidated financial statements for further information.

11) Refers to IFRS 16 Leases. See note 4.5 Leases in Yara's consolidated financial statements for further information.

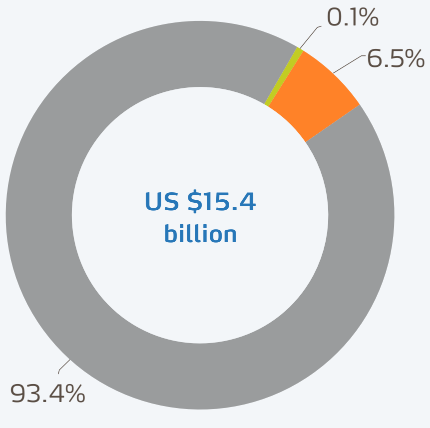
Yara's taxonomy-aligned economic activities

Yara has assessed taxonomy alignment in accordance with the technical screening criteria (TSC)[12)] in the Climate Delegated Act[13)]. The alignment assessment was performed on Yara's taxonomy-eligible economic activities 3.15., 3.16. and 6.10. The methodology used and key assumptions taken in the alignment assessment are explained per economic activity on page 118. Taxonomy-eligible economic activity 4.1. is yet to be evaluated and will be disclosed in the EU taxonomy disclosure for 2024 as per the Environmental Delegated Act.

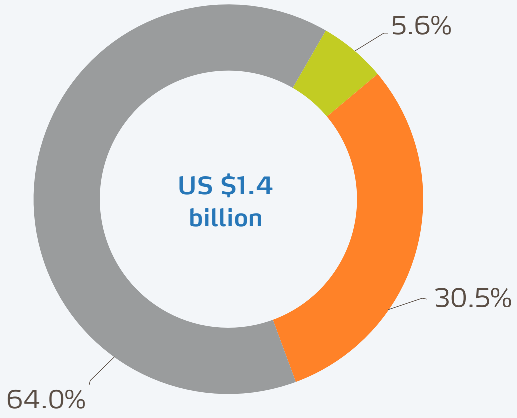
For Yara in 2023, Climate change mitigation (CCM) was the primary objective for substantial contribution (SC). This was due to SC to Climate change adaptation (CCA) requiring implementation of physical climate change adaptation solutions as a response to the identified material physical climate risks. SC to CCA cannot be claimed where material physical climate risks have not been identified or if the assets have been already adapted to climate change in the past. Where material physical climate risks have been identified, Yara is working on implementing the adaptation solutions.

KPI reporting for taxonomy alignment follows the same definitions as defined in the chapter Yara's taxonomy-eligible economic activities. For 2023, Yara reports taxonomy-aligned CapEx for economic activity 3.15., taxonomy-aligned Turnover, CapEx, and OpEx for economic activity 3.16., as well as taxonomy-aligned CapEx and OpEx for economic activity 6.10.

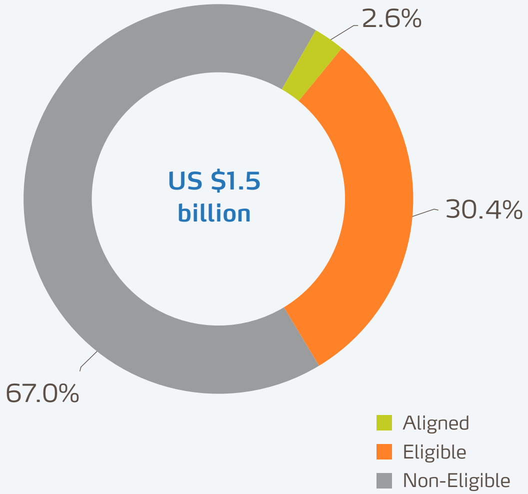
Turnover KPI



CapEx KPI



OpEx KPI



12) The TSC consists of the Substantial Contribution (SC), Do No Significant Harm (DNSH) and Minimum safeguards (MS) criteria. SC and DNSH are economic activity specific criteria, whereas MS is a company-level policy requirement.

13) The Climate Delegated Act has SC criteria for Climate change mitigation (CCM) and Climate change adaptation (CCA) objectives.

3.15. Manufacture of anhydrous ammonia

For economic activity 3.15., SC and Do No Significant Harm (DNSH) have been assessed on a production asset level, using relevant measured data. Yearly aggregated GHG emissions data from 2023 have been used for the evaluation of the SC criteria.

A transitioning ammonia production asset may yield a mix of low-emission[14)] and conventional conventional ammonia. Where a portion of the production is dedicated to low-emission ammonia, and the TSC for economic activity 3.15. is met, Yara will disclose the corresponding share of low-emission ammonia production as taxonomy-aligned.

Yara's DNSH alignment assessment was performed on the production assets that were expected to meet the SC criteria in five years based on forecasted emissions and environmental project pipeline. Based on the alignment assessment described above, it was found that no production assets were aligned in 2023. This was primarily due to ammonia production assets not meeting the required SC GHG emission threshold in 2023[15)]. The renewable ammonia pilot project in Porsgrunn was, by year-end 2023, in the commissioning phase and during this period volumes of renewable ammonia where produced. Yara does not report taxonomy-aligned turnover, nor OpEx, in 2023 for economic activity 3.15.

CapEx for project enabling the partial production of renewable ammonia[16)] within 5-year time, is expected to meet the TSC and was included as taxonomy-aligned for the economic activity. Taxonomy-aligned CapEx refers to actual costs at the production asset level for 2023 and was collected from the taxonomy-eligible reporting units. See the CapEx plan chapter for further considerations.

3.16. Manufacture of nitric acid

For the economic activity 3.16., SC and DNSH have been assessed on a production asset level, using relevant measured data. Yearly aggregated GHG emissions data from 2023 have been used for the evaluation of the SC criteria.

Yara's DNSH alignment assessment was performed on the production assets that were expected to meet the SC criteria within five years based on forecasted emissions and environmental project pipeline. To assess alignment with DNSH 2, data from Yara's physical climate risk assessment was used. Where no material physical climate risks were identified on a site level, alignment with DNSH 2 has been assumed. Adaptation plans are being developed for the production assets where material physical climate risks have been identified. The vulnerability and climate risk assessment focuses on Yara's direct operations.

Regarding DNSH 5, for units potentially meeting SC criteria, water discharge and air emissions of process-relevant pollutants were checked against typical emission levels presented in the BREF-LVIC AAF[17)] and BATC-CWW associated emission levels (AEL). In those cases where specific emissions were not relevant for evaluation against BATC-AEL[18)] (e.g., nitrogen emissions to water for units where no biological wastewater treatment is applied), they were still considered under DNSH 3 and DNSH 6 if integral to the production process of the site under evaluation and considered as such under environmental impact assessments performed to meet local regulatory requirements. For DNSH 3, DNSH 5 Appendix C and DNSH 6, alignment with the criteria was assessed on an economic activity level.

Based on the alignment assessment described above, Yara has taxonomy-aligned nitric acid production assets in 2023, and CapEx related to production assets expected to be aligned within five years, see the CapEx plan chapter for further considerations. Turnover was collected centrally by product groups and allocated to the taxonomy-aligned nitric acid production assets on a pro rata basis, meaning that if a production site has multiple production assets but not all of them are taxonomy-aligned, the turnover from the site was allocated to the taxonomy-aligned assets based on their production quantity in relation to the entire site. Taxonomy-aligned CapEx and OpEx figures are actual costs at the production asset level for 2023, collected from the taxonomy-eligible reporting units.

6.10. Sea and coastal freight water transport

For economic activity 6.10., SC has been assessed by vessel. The majority of Yara's fleet do not meet the SC criteria of zero tailpipe CO_2e emissions at year-end. An exception to this is the Yara Birkeland vessel, a fully electric container vessel that operates with zero emissions. For Yara Birkeland, SC and DNSH assessment has been completed for 2023, concluding that Yara Birkeland meets the economic activity's alignment criteria. Yara will report taxonomy-aligned CapEx and OpEx related to the vessel in 2023. To date, Yara Birkeland has no taxonomy-eligible turnover to report, as its operations have solely been to transport inventory amongst Yara entities. This may change in future years.

14) Low-emission ammonia comprises both low-carbon and renewable ammonia. Low-carbon ammonia is derived from low-carbon hydrogen, produced based on natural gas, with the CO_2 stored in permanent reservoirs after a carbon capture and storage process (CCS). Renewable ammonia is produced by using renewable hydrogen produced based on renewable energy.

15) As an illustration, the Yara's Sluiskil CCS represents a significant milestone in Yara's efforts to reduce carbon emissions. It is expected to decrease Yara's annual CO_2 emissions by 800,000 tonnes. However, it is unlikely that the project will easily align with the criteria specified in Taxonomy SC1.

16) Renewable ammonia is generated by using 100% renewable energy and feedstock sources, resulting in zero or minimal GHG emissions. One example is using hydrogen from water electrolysis based on renewable energy, and nitrogen separated from the air.

17) Large Volume Inorganic Chemicals – ammonia, acids and fertilisers

18) Common Waste Water and Waste Gas Treatment/Management systems in the chemical sector

Minimum safeguards criteria

Yara's alignment assessment with the minimum safeguards is currently based on the guidelines presented in the Final Report on Minimum Safeguards[19] by the Platform on Sustainable Finance. Based on the criteria for non-compliances defined in the report[20], none of these apply to Yara in 2023, and thus, Yara defines itself as aligned with the minimum safeguards.

Yara is committed to respecting and protecting the rights of stakeholders that may be impacted by our business operations and is committed to conducting human rights due diligence in line with the UN Guiding Principles, OECD guidelines for Multinational Enterprises and the Norwegian Transparency Act[21]. See more on our human rights commitments and performance in our General Information chapter on page 93 and on yara.com.

19) Final report on minimum safeguards

20) Alignment criteria with the Minimum safeguards are divided into four categories: Human rights, Corruption, Taxation and Fair Competition. For each category, there are two criteria, and an undertaking is considered non-compliant if one of the two criteria apply. The report is not legally binding, but the most comprehensive existing guideline for compliance with Minimum safeguards.

21) Norwegian Transparency Act

CONTENT

Proportion of turnover from products or services associated with taxonomy-aligned economic activities

Financial year N	Year			Substantial contribution criteria Y; N; N/EL						DNSH criteria ("Does Not Significantly Harm") Y/N									
Economic activities	Code	Turnover MUSD	Proportion (%) of Turnover, year N	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion (%) of Taxonomy-aligned (A.1.) or eligilbe (A.2.) Turnover, year N-1	Category enabling activity E	Category transitional actvitiy T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of nitric acid	CCM 3.16.	23	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	0.1%		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		23	0.1%														0.1%		
Of which enabling		-	0.0%														0.0%	E	
Of which transitional		23	0.1%														0.1%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of anhydrous ammonia	CCM 3.15.	830	5.4%														9.1%		
Manufacture of nitric acid	CCM 3.16.	111	0.7%														0.9%		
Sea and coastal freight water transport	CCM 6.10.	55	0.4%														0.3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		997	6.5%														10.3%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		1,020	6.6%														10.4%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)		14,411	93.4%																
Total (A + B)[1)]		15,431	100.0%																

[1)] Yara's Revenue from contracts with customers as specified in Yara's consolidated statement of income (page 216).

Yara's taxonomy-eligible turnover refers mainly to the external sales of ammonia and nitric acid, and therefore, may vary year over year based on factors such as fluctuation of commodity prices and the Group's strategic decision of using ammonia/nitric acid as an input to produce fertilizers versus selling them externally.

Contextual information about taxonomy non-eligible and non-aligned revenue[22] related to economic activities 3.15. and 3.16.

Yara notes that several of its core economic activities, such as manufacturing of fertilizer and nitrogen compounds, are not described in the supplementing delegated acts, and therefore are excluded from the scope of the EU taxonomy disclosures. As a result, reported taxonomy-eligible and aligned turnover refers only to external sales of ammonia and nitric acid and represents a limited share of Yara's reported revenues in the Group's consolidated financial statements. On this basis, Yara sees a need to provide information on how the Group's ammonia and nitric acid production assets contribute to the generation of revenues from an overall Group perspective.

Ammonia is the main input factor in most fertilizer produced by Yara. Yara manufactures its own ammonia (OPP ammonia). In addition, Yara purchases ammonia from third party suppliers (TPP ammonia). The balance of the use of OPP and TPP ammonia in the various products depends on regional location of production facilities, accessibility, as well as Yara's internal optimization and utilization through Yara's global Ammonia Sales and Logistics (ASL) activity[23]. To a large extent, OPP and TPP ammonia are used as input factors in Yara's manufacturing of OPP nitric acid to derive the products ammonium nitrate (AN), calcium nitrate (CN), calcium ammonium nitrate (CAN) and nitrogen phosphorus potassium (NPK). OPP and TPP ammonia are also used directly in the production of Urea and combined with AN to produce urea ammonium nitrate (UAN).

Yara, consequently, generates significant revenue through the value chain based on the Group's own production of ammonia and nitric acid. This includes Yara's purchase of TPP ammonia when used in the Group's nitric acid production. To provide useful information on non-eligible revenue derived from the Group's internal use of OPP ammonia and OPP nitric acid, and revenue related to final products produced by using ammonia or nitric acid that would be taxonomy-aligned if sold as such externally, non-eligible and non-aligned revenues are specified in the table on page 122.

The table specifies estimated IFRS 15 revenues derived from external sales of Urea, UAN, AN, CAN, technical ammonium nitrate (TAN), CN and NPK when these products are derived from OPP ammonia and/or OPP nitric acid. Internal sales data from Yara's ASL activity is used to separate revenues derived from OPP and TPP ammonia, respectively. The share of revenue referring to the calcium part of CN together with the phosphate (P) and potash (K) part of NPK is excluded as they are not associated with Yara's own production of ammonia and nitric acid. For simplicity, local on-site inventory levels are not considered when calculating the estimated revenue. NPK and CN premium above spot prices for N, P and K is allocated to the N part on a pro rata basis.

[22] Clarifying Group's internal consumption, in accordance with the point b) of 1.2.3.1. of the Annex 1 on 'Disclosures Delegated Act'

[23] Yara's ASL activity plays a vital role in Yara's production system as it allocates excess volume from producer plants and delivers to consumer plants in a timely manner in order to ensure full production capacity utilization. Besides significant intra-group purchases and sales, Yara ASL purchases ammonia from third parties predominantly to supply its European production region.

Specification of taxonomy non-eligible and non-aligned economic activities in Yara's revenue in 2023

	Revenue from finished products using eligible but not aligned ammonia/nitric acid			Revenue from finished products using aligned ammonia/nitric acid		
USD millions, except percentages	Absolute	Proportion, year N[1]	Proportion, year N-1	Absolute	Proportion, year N	Proportion, year N-1
Products based on Yara manufactured ammonia/nitric acid						
Urea	2,126	13.8%	14.9%	–	–	–
UAN	198	1.3%	1.5%	31	0.2%	–
AN	1,643	10.6%	12.4%	229	1.5%	0.4%
CN	314	2.0%	1.8%	333	2.2%	1.3%
NPK	663	4.3%	4.7%	635	4.1%	2.2%
Others	73	0.5%	0.6%	1	–	–
Sum products based on Yara OPP ammonia/nitric acid	5,017	32.5%	35.9%	1,228	8.0%	3.9%
Other non eligible	8,166	52.9%	49.9%			
Total taxonomy non-eligible activities	14,411	93.4%	89.7%			
Total taxonomy-aligned activities	23	0.1%	0.1%			
Total taxonomy-eligible but non-aligned activities	997	6.5%	10.2%			
Total taxonomy-eligible, aligned and non-eligible activities	15,431	100%				

[1] Yara's Revenue from contracts with customers as specified in Yara's consolidated statement of income (page 216).

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities

Financial year N: Economic activities	Code	Year: CapEx MUSD	Year: Proportion (%) of CapEx, year N	Substantial contribution criteria Y; N; N/EL: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	DNSH criteria ("Does Not Significantly Harm") Y/N: Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion (%) of Taxonomy-aligned (A.1.) or eligilbe (A.2.) CapEx, year N-1	Category enabling activity E	Category transitional actvitiy T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of anhydrous ammonia[1]	CCM 3.15.	23	1.7%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	1.9%		
Manufacture of nitric acid	CCM 3.16.	51	3.8%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	4.6%		T
Sea and coastal freight water transport	CCM 6.10.	1	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	0.0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		76	5.6%														6.5%		
Of which enabling		-	0.0%														0.0%	E	
Of which transitional		51	3.8%														4.6%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of anhydrous ammonia	CCM 3.15.	285	21.0%														23.9%		
Manufacture of nitric acid	CCM 3.16.	81	6.0%														6.6%		
Provision of IT/OT data-driven solutions	CE 4.1.	3	0.2%														0.0%		
Sea and coastal freight water transport	CCM 6.10.	45	3.3%														3.1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		414	30.5%														33.6%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		489	36.0%														40.1%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities (B)		869	64.0%																
Total (A + B)[2]		1,358	100.0%																

[1] Yara was awarded grants by Enova SF in relation to this aligned, economic activity, a portion of which has not yet been received nor recognized in Yara's consolidated financial statements. See Note 4.9 Government grants, sub-section Climate change, for further details.

[2] Amount includes USD 10 million in changes to decommissioning assets. Difference of USD 7 million between total amount reported and total CapEx additions reported in Yara's consolidated financial statements (see note 4.1, 4.2 and 4.5) relates to foreign exchange differences. See Basis of preparation for further information.

Contextual Information about CapEx KPI

The figures in the CapEx KPI include additions to property, plant and equipment, intangible assets and right-of-use assets, as well as CapEx associated with Yara's CapEx plan, as illustrated below.

	A.1. Environmentally sustainable activities (taxonomy-aligned)					
	3.15. Manufacture of anhydrous ammonia		3.16. Manufacture of nitric acid		6.10. Sea and coastal freight water transport	
	Absolute CapEx MUSD	Proportion of CapEx	Absolute CapEx MUSD	Proportion of CapEx	Absolute CapEx MUSD	Proportion of CapEx
CapEx additions to property, plant and equipment, intangible assets, and right-of-use assets	-	0.0%	35	2.6%	1	0.1%
CapEx related to Yara's CapEx Plan	23	1.7%	16	1.2%	-	0.0%
Total CapEx reported (Taxonomy-aligned)	23	1.7%	51	3.8%	1	0.1%

No CapEx additions reported in the KPI relate to assets acquired through an acquisition or business combination for 2023.

CapEx plan (5-year alignment plan)

A project is included in Yara's CapEx plan if it is approved by management and there is current year economic activity to either expand Yara's taxonomy-aligned economic activities or to upgrade taxonomy-eligible economic activities to taxonomy-aligned within five years. Environmental objectives CCM and CCA are pursued, but alignment is only found with CCM given that identified adaptation solutions have not yet been implemented, nor are there plans that have reached the financial investment decision (FID) to do so. Production assets and CapEx related to their respective projects were included in Yara's CapEx plan based on forecasted emissions, environmental project pipeline and the outcome of the DNSH assessment.

Measures upgrading a production asset to taxonomy-aligned within five years include GHG projects, as well as OCO-SHE[24] projects. Yara's fleet currently does not include CapEx plan -qualifying projects. However, Yara Clean Ammonia has undertaken various environmental initiatives across its fleet, which are not classified as taxonomy-aligned projects.

Yara notes that the CapEx plan disclosure is formulated based on the most accurate estimations and data available at year-end. In the manufacturing sector, operational challenges may arise also post successful project execution. Therefore, the disclosed plan should be interpreted with an understanding of this potential variability and uncertainty.

3.15. Manufacture of anhydrous ammonia
Yara's 2023 CapEx plan includes CapEx relating to a pilot renewable ammonia project in Porsgrunn, Norway.

3.16. Manufacture of nitric acid
Yara's 2023 CapEx plan also includes CapEx relating to projects bringing nitric acid production assets to taxonomy alignment within five years. The main lever bringing nitric acid production assets to the required performance level is the installment of catalyst technology, which improves the N_2O abatement in nitric acid production assets.

[24] Operational Continuity - Safe, Health and Environment -projects include all projects required to maintain/secure the process/production asset performance, capital spare parts and comply with the safety, health, and performance level of the production assets.

CapEx plan overview

Projects included in the CapEx plan are approved by management, have surpassed the FID and are in the execution phase. Therefore, there are no major milestones to be followed nor reported. The expected alignment timeline for Yara's production assets included in the CapEx plan is presented in the table on this page, including the expected year of alignment.

CapEx plan aligned economic activities, including expected year of alignment

Economic activity	Production asset	Expected year of alignment
3.15. Manufacture of anhydrous ammonia	Porsgrunn[1)]	2025
3.16. Manufacture of nitric acid	Rostock 202	2024
	Rostock 201	2025
	Porsgrunn SS1	2026
	Siilinjärvi	2026
	Köping Syra3	2027

1) Pilot renewable ammonia project, equivalent of 4% of the production capacity by 2025.

Revisited timeline of expected taxonomy-alignment

Yara has revised the expected timeline of taxonomy alignment for certain production assets reported in its CapEx plan last year. The revisions were a result of several contributing factors, as outlined below.

3.15. Manufacture of anhydrous ammonia

- The pilot renewable ammonia project in Porsgrunn was by year-end 2023 in the commissioning phase and during this annual reporting period, the first volumes of renewable ammonia were produced. The expected year of alignment when the production asset will produce in its full capacity, and when the investments will then be capitalized, is estimated for 2024-2025 (initially reported 2023 as year of alignment).

3.16. Manufacture of nitric acid

- For Rostock 202 (initially reported 2023 as year of alignment) the expected year of alignment has been delayed to 2024, due to internal processes and interpretation of the TSC maturing. Catalyst project was completed in Rostock 202 in 2023 as planned, and the production asset is currently performing below the required GHG emission threshold[25)]. However, as the catalyst was replaced mid-year, this was not enough to bring the annual average GHG emission performance[26)] below the required threshold. Similarly for Rostock 201 (initially reported 2024 as year of alignment), the catalyst project will be delivered during 2024, resulting to the taxonomy-aligned 12 months rolling average during 2025.
- For Porsgrunn SS1 (initially reported 2023 as year of alignment) the expected year of alignment has been delayed to 2026. The asset's performance has not met expectations after project implementation, and a thorough analysis has identified the root cause. Corrective measures have been identified and a plan to address the issue is in place. Corrective measures can be installed at the next opportunity e.g., a planned maintenance stop. This will result in taxonomy-aligned GHG emission performance during 2026.
- For Siilinjärvi and Köping Syra3 (initially reported 2023 as year of alignment) the expected year of alignment has been delayed to 2026 for Siilinjärvi and 2027 for Köping Syra3. Despite project implementation, the assets have not performed as initially expected. Yara has a clear plan to address the issues and corrective measures can be installed at the next opportunity e.g., planned maintenance stops. Actions will first be tested with the Siilinjärvi production asset.

25) EU taxonomy criteria for SC to CCM is below 0.038 tCO_2e/tNA.

26) Calculated in accordance with the Regulation (EU) 2019/331.

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities

Financial year N	Year			Substantial contribution criteria Y; N; N/EL						DNSH criteria ("Does Not Significantly Harm") Y/N									
Economic activities	Code	OpEx MUSD	Proportion (%) of OpEx, year N	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion (%) of Taxonomy-aligned (A.1.) or eligibe (A.2.) CapEx, year N-1	Category enabling activity E	Category transitional actvitiy T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of nitric acid	CCM 3.16.	38	2.5%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	1.4%		T
Sea and coastal freight water transport	CCM 6.10.	1	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0.0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		40	2.6%														1.4%		
Of which enabling		-	0.0%														0.0%	E	
Of which transitional		38	2.5%														1.4%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of anhydrous ammonia	CCM 3.15.	303	19.8%														21.7%		
Manufacture of nitric acid	CCM 3.16.	80	5.2%														7.5%		
Sea and coastal freight water transport	CCM 6.10.	82	5.4%														5.8%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		464	30.4%														34.9%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		504	33.0%														36.4%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities (B)		1,022	67.0%																
Total (A + B)[1]		1,526	100.0%																

[1] Yara's total capacity related costs (CRC), a subset of expenses presented in Yara's consolidated statement of income 2023 (page 216), are mainly reported in the line items "Payroll and related costs" and "Other operating expenses".

Contextual information about the OpEx KPI

The OpEx figures reported have been further disaggregated into relevant categories. This disaggregation of OpEx may include estimations or prorations performed by reporting units and may not be consistent across these units. However, the below is considered to be a reasonable reflection of the economic activity composition of OpEx across its reported economic activities.

	A.1. Environmentally sustainable activities (Taxonomy-aligned)		A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		
USD, Millions	3.16. Manufacture of nitric acid	6.10. Sea and coastal freight water transport	3.15. Manufacture of anhydrous ammonia	3.16. Manufacture of nitric acid	6.10. Sea and coastal freight water transport
External maintenance	6	-	39	14	3
Personnel cost	24	-	122	37	9
Operations[1)]	6	1	112	22	70
Local taxes	1	-	8	2	-
Insurance	3	-	23	5	1
Total	38	1	303	80	82

[1)] Operations include operating expenses for plant site and/or vessel. Expenses relating to leased vessels are wholly classified under Operations.

CONTENT

Environmental information

Topics

Climate change

Climate change is one of the most daunting challenges of our time, introducing serious risks across sectors, economies, and ecosystems. The food and agriculture sector is standing at the forefront of this challenge, already experiencing the impacts of an increasingly unpredictable climate in various regions across the world.

As the food and agriculture sector itself is a significant contributor to global greenhouse gas (GHG) emissions, the sector is a clear representation of the duality of the crisis where it is both on the receiving end and a major contributor to the climate change at the same time.

When it comes to the risks of climate change, Yara faces both physical and transitional dimensions. Physical risks present themselves in the form of exposing our operations and customers to the increasing severity of climate change. Transitional risks heavily manifest in the form of challenges associated with transitioning away from fossil fuels used in Yara's operations. While representing a serious strategic risk, climate change also offers opportunities for Yara and is therefore heavily influencing our future strategy and decision-making processes. Yara is working systematically to devise and implement mitigation and adaptation strategies to make its operations more resilient and fit for future.

In this section:
- Climate change mitigation
- Climate change adaptation
- Energy

Our core processes, including the production of nitrogen fertilizers and industrial chemicals, rely heavily on natural gas as the primary energy source and feedstock. This is also the main source of GHG emissions from Yara's operations, accounting for almost 80 percent of its direct GHG emissions. Yara is committed to using natural resources in the most responsible manner and is therefore working continuously towards improving the energy usage and efficiency of its production processes. At the same time, Yara is positioning itself to play an increasingly larger role in the transition of agriculture and food systems to a low-carbon economy by focusing on solutions like renewable and low-carbon hydrogen and ammonia production.

All of these commitments and actions lead to reducing our product carbon footprints, developing sustainable solutions for farmers and food companies, supporting the development of equitable regulations and enabling the low-carbon economy.

Transition plan
In 2024, a company transition plan for climate change mitigation will be further matured, including the reduction of GHG emissions at time horizons past 2030 and towards 2050.

Policies

Yara has a policy of Zero Harm to the Environment, the modalities of which are described in the HESQ Policy, page 98. One key pillar in this policy is Yara's commitment to move towards climate neutrality, enabled by our roadmap of greenhouse gas emission reductions, improvement of energy efficiency, and implementation of low-carbon technologies.

Actions and resources

Climate change mitigation
Climate neutrality is one of the three main pillars defined under Yara's overarching ambition of Growing a Nature-Positive Food Future. The journey to climate neutrality will be enabled mainly by our roadmap(s) for GHG emission reductions and the implementation of low-carbon technologies

The road towards climate neutrality
Our ambition is to become climate-neutral by 2050. We have set the intermediate targets for carbon intensity and absolute GHG emission reductions to reach our main goal.

To reach the 2025 and 2030 KPIs, Yara has set up a centrally managed program to identify opportunities, manage project execution, and coordinate and track progress.

We have already taken significant steps towards reducing our GHG emissions, including the development and implementation of N_2O catalyst technology in our nitric acid plants. This technology has proven to be highly effective, removing up to 95 percent of N_2O emissions, and is available for use by third parties as well. Coupled with our energy efficiency initiatives, this has reduced our scope 1 emissions by about 44 percent since 2005.

Looking forward, we have set a target to reduce our carbon intensity by 2025 by ten percent compared to 2018, which corresponds to approximately 2 million tonnes of CO_2e (depending on production volumes). This target includes a large variety of projects, from reducing our N_2O emissions to the absolute minimum, increasing energy efficiency, the electrification of machinery, and replacing fossil-based feedstock with biobased sources.

In addition to these projects, our roadmap towards the 2030 target includes plans to substantially reduce emissions from ammonia production through step change projects such as carbon capture and storage (CCS) and electrolyzer projects. Yara will also explore sourcing renewable natural gas (RNG) as an alternative to fossil-based natural gas at locations where it can be sourced sustainably. Yara's GHG emissions reduction strategy at present does not utilize removals and/or offsetting credits.

Yara has introduced an internal carbon price to be used in business case calculations where no carbon tax or carbon emissions schemes

[1] Category 1, purchased ammonia]

are in place. For projects executed in production sites subject to the EU emissions trading scheme (EU ETS), carbon price forecasts based on EU Allowances (EUA) is utilized in the business cases.

Reducing our GHG emissions intensity (scope 1, 2 & 3[1)])

We remain on track to reach the 2025 goal of a GHG intensity of 2.7 tonnes CO_2e/tonne N. The reductions achieved from our GHG projects and the sourcing of ammonia with a lower carbon footprint have positively impacted emissions intensity. In 2023, compared to the baseline year 2018, we reduced our own production mainly due to market supply and demand volatility, resulting in an absolute emissions reduction. However, lower production in our most efficient plants has negatively impacted emissions intensity. To reach the 2025 GHG intensity target, we need to optimize production levels, reach energy efficiency targets, and successfully implement the remaining GHG projects.

Progress on the GHG 2025 target

We are committed to improving the reliability and energy efficiency of our production plants through continuous investment, as well as actively managing our project portfolio to reduce GHG emissions. The GHG portfolio is followed up continuously and has dedicated personnel and financial resources allocated to it. In addition, Yara applies a market-based accounting method for scope 2 emissions. This means that Yara needs to claim ownership of the green/low carbon electrons in the grid in order to reduce scope 2 emissions.

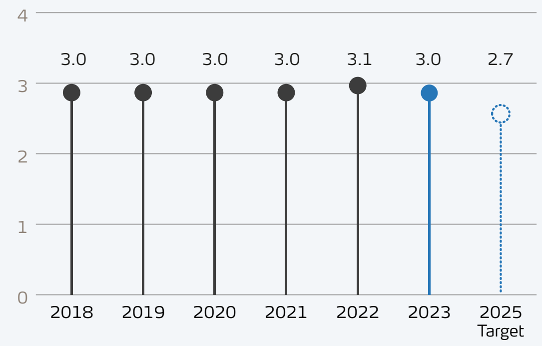
Our 2025 carbon intensity target will be achieved through the implementation of almost 90 projects across our plants and regions, at an estimated investment of over USD 200 million. The collective impact of these projects is expected to reduce GHG scope 1 emissions by approximately 1.7 million tonnes of CO_2e by 2025.

By end of 2023, 62 projects were completed, resulting in a reduction of 1.2 million tonnes of CO_2e emissions, including reductions of 270,000 tonnes CO_2e at the Cartagena nitric acid plants and 87,000 tonnes CO_2e at the Brunsbüttel ammonia plant. Another 22 projects were in the execution phase. We remain well-positioned to achieve our 2025 target, with completed and ongoing projects at year-end 2023 already yielding a reduction of 1.7 million tonnes of CO_2e emissions per year.

During 2023 a reduction of 522,000 tonnes was achieved for scope 1 from projects completed. In addition, 263,000 tonnes have been reduced from renewable energy sourcing.

GHG intensity

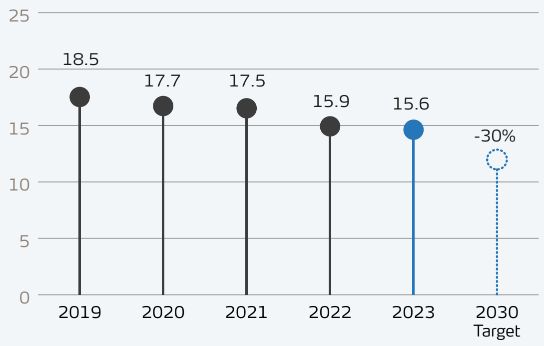
t CO_2e/t N



The GHG intensity KPI is defined as tonnes of CO_2e emissions per tonnes nitrogen in Yara's own produced products. The CO_2e emissions include scope 1, scope 2 (market based), and scope 3 category 1 (purchased ammonia consumed by Yara). The KPI is set to reduce the carbon intensity by 10% by 2025 from a baseline of 2018.

GHG emissions, scope 1+2 (market based)

Million tonnes CO_2e



In addition to the intensity KPI, Yara in 2020 established another climate KPI – to reduce the absolute scope 1 + 2 emissions by 30% by 2030 as compared to 2019 baseline.

GHG Projects completed in 2023

Number of projects	Mitigation lever	Tonnes mitigated (CO_2e)	2023 CapEx (MUSD)
8	N_2O catalyst systems	380,000	11
2	Electrification of equipment	100,000	15
10	Energy efficiency	42,300	6

CONTENT

Reducing our GHG absolute emissions (scope 1 & 2) - Road towards 2030
For more than a decade, we have made good progress in reducing GHG emissions from our operations. In 2023 our scope 1 and 2 (market-based) GHG emissions totaled 15.6 million tonnes of CO_2e, a 16 percent reduction from our 2019 baseline. While GHG project implementation has been responsible for the reduction in our scope 1 and 2, accounting for 1.2 million tonnes by end of 2023, the 16 percent decrease this year from our 2019 baseline is also a result of curtailment of production due to the energy crisis and market conditions.

A major step towards realizing the 2030 target is the carbon capture and storage (CCS) project in Sluiskil, Netherlands. In 2023, Yara made the final investment decision and is now entering the execution phase of the project. The project, once implemented, will reduce the CO_2 emissions from the Sluiskil plant by 800,000 tonnes of CO_2 per year. Yara and Northern Lights, a CO_2 transport and storage supplier, signed a binding commercial agreement in this regard, enabling the first cross-border transportation and storage of CO_2. Northern Lights will transport liquefied CO_2 from the capture site to an onshore receiving terminal in western Norway, before transporting it by pipeline for permanent storage in a reservoir 2,600 meters under the seabed. Operations are estimate to start in 2026 and continue for 15 years resulting in the total CO_2 reduction of 15 million tonnes of CO_2 over the course of 15 years. Yara's capex for the project is approximately EUR 200 million.

Yara is exploring further opportunities to reduce emissions with renewable and low-carbon hydrogen and other CCS projects.

New emission-saving nitrogen compressor implemented at Brunsbüttel plant

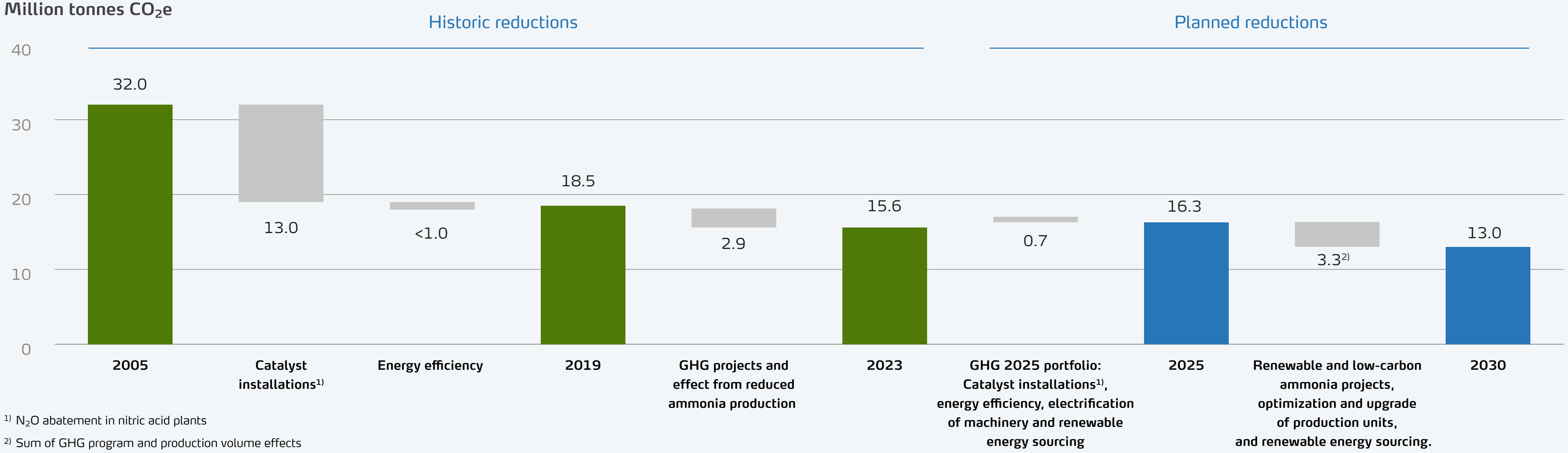
The new nitrogen compressor is powered by an electric motor and replaces an older compressor driven by a steam turbine. In addition to the high economic profitability of this project, the steam production of the two auxiliary steam boilers will be reduced by approximately 59 t/h and CO_2 savings of almost 90,000 tonnes per year will be achieved. This corresponds to the CO_2 emissions of about 80,000 combustion cars or six percent of the total emissions at the site.

GHG reduction by replacing old ammonia burners at Cartagena plant

We replaced an outdated ammonia burner in our nitric acid production plant in Cartagena. The new burner allows more N_2O abatement catalysts, and this single replacement will reduce GHG emissions by nearly 160,000 tonnes of CO_2e per year. We aim to replace one more burner and when all three are upgraded and operating at maximum capacity, the total reductions will amount to 450-500,000 tonnes of CO_2e, which is about 20 percent of Yara's 2025 target.

Our climate roadmap to 2030

Million tonnes CO_2e



1) N_2O abatement in nitric acid plants
2) Sum of GHG program and production volume effects

Indirect GHG emissions (scope 3)
The use phase accounts for 52 percent of all GHG emissions over the fertilizer life cycle, underlining the importance of developing and adopting sustainable practices in the farming part of the food value chain.

In 2023, we sold less fertilizer with high nitrogen content, resulting in a three percent decrease in scope 3 category 11 GHG emissions from 2022 to 2023. Emissions in category 11 have been calculated using the Global Warming Potential (GWP) factor 265 (from IPCC AR5 report) for N_2O emissions. This has led to restatements of historic figures, which in previous reports were calculated using a GWP factor of 298 (IPCC AR4).

Despite Yara's global supply chains, transport accounts for a modest 4 percent of GHG emissions over the fertilizer life cycle. Other scope 3 emissions from raw materials, fuel, and energy account for 17 percent.

European Emissions Trading System
Yara's European nitric acid and ammonia plants are covered by the EU Emissions Trading System (EU ETS). In 2023, Yara emitted approximately 7.0 million tonnes of CO_2e from our plants in Europe. Yara will receive approximately 7.3 million EUAs (EU Allowance unit, one tonne of CO_2 under the EU ETS) in total, creating a surplus in allowances of approximately 0.3 million tonnes CO_2 for 2023.

The primary reason for the surplus is the curtailment of production in Europe together with our N_2O catalyst technology, which was developed and introduced shortly after the EU ETS took effect. This technology has generated a surplus of EUAs from our nitric acid plants since 2008, balancing out the deficit of EUAs from our ammonia production. This strategy has so far enabled us to avoid purchasing EU ETS allowances externally, meaning that the net financial impact of the EU ETS (at the Yara consolidated level) is zero.

Enabling decarbonization of the food chain

Yara's end goal is to operate a network of low emission-intensive assets by 2050 and also to source low-emission raw materials in order to make low-carbon products available to our customers.

Yara Ammonia Transfer System
During the transition phase towards 2050, Yara will use hybrid plant[1)] concepts and intermediary solutions like permanent carbon capture and storage. Initially, low-carbon products will only be available in a few sites, which makes it challenging to supply such products to customers globally.

Yara's Ammonia Transfer System has been designed to enable the distribution of renewable and low-carbon ammonia during Yara's transition to full decarbonization. Using this mechanism, customers can purchase low emission-based products globally using a corporate mass balance mechanism. To facilitate the consumption of this ammonia, a virtual exchange mechanism is employed to transfer the ammonia from production plants to consumers. All these exchanges are accounted for within Yara's third-party verified carbon accounting system utilizing an in-house developed digital tool called Carbon Watch. This ensures that duplicate sales of available ammonia volumes does not take place and that Yara's global carbon balance is fully closed at all times.

Product carbon footprint
The "cradle to factory gate" carbon footprint of our products is calculated using Fertilizer Europe's product carbon footprint methodology and our own production data. We have set up a Carbon Footprint Management Program to continuously update our footprint calculations, taking into account any recent changes/improvements in our production units. We are using third-party auditors to verify the calculations and their results. Since 2020, we have updated the product carbon footprints (PCF) of more than 1,500 of Yara's existing finished products across our major sites. This effort is designed to provide verified and credible PCF information to our customers, who in turn can use this to document and reduce their scope 3 emissions, where possible. The use of factory-gate carbon footprint verification statements has been rolled out across our marketing organizations with support from internal experts to ensure the accuracy of all claims.

Meanwhile, we continue to collaborate with industry associations to harmonize our product carbon footprint calculation methodology with internationally recognized standards and certification schemes.

Climate change adaptation

From 2021 to 2023, Yara has been conducting analyses of risks and opportunities under different climate scenarios. The work has so far provided qualitative results. In 2023, the risk registry was reviewed and updated following the recent development.

Climate scenario analysis
The foundation for the exercise is three Representation Concentration Pathways (RCPs) from the Intergovernmental Panel on Climate Change (IPCC) fifth assessment: the stringent mitigation scenario (RCP2.6), an intermediate scenario (RCP4.5), and the very high emissions scenario (RCP8.5). These remain the basis for Yara's work on physical climate risks.

In 2023, we continued our work on physical and transitional risks for Yara's business operations. Yara considers the transition risks to be higher under the Net Zero 2050 and Current Policies scenarios, while such risks were not analyzed for a high-emissions scenario (RCP8.5). Similarly, Yara considers the physical risk exposure to be higher under the RCP4.5 and RCP8.5 scenarios. See note 1.4 Climate Change in Yara's consolidated financial statements for information on how climate risks are reflected in the accounts.

1) A hybrid ammonia plant is typically a plant where two technologies are used to produce H_2/NH_3 simultaneously e.g., electrolysis and steam methane reforming.

Physical risks

Yara's production asset base has a robust design. However, recognizing that the exposure is increasing, Yara has engaged with experts to collect detailed data on risk exposure for all production sites and Yara's own supply chain. Furthermore, public sector infrastructure investment to safeguard society will help mitigating physical risks for dedicated locations where Yara operates. For 2050 and beyond, the chronic changes in terms of weather patterns and growing seasons will impact crop distribution. Risks to smallholder farmers are increasing due to the year-to-year losses of crops, and the lack of financial security to handle said losses. Farmers located in the Northern Hemisphere will see an increase in growing season length. Generally, industrial farmers will be better financially positioned to handle crop variation due to extreme weather.

Physical risks for Yara's production were assessed for selected assets, based on expected potential material impacts and sensitivity towards climatic hazards.

Methodology

A structured methodology has been developed to assess the vulnerability of our critical assets to local physical risks. This approach systematically evaluates both their resiliency level and the ensuing impact on our business operations. Current exposure was defined by combining Yara's experience of past climate-related risks with historical data. Global and local climatic models (RCP4.5 and RCP8.5 scenarios) were used to forecast how the risks will develop towards the 2030 and 2050 horizons.

The process involves:

- analyzing past impacts (baselining),
- projecting future scenarios (with temperature increases for 2030 and 2050),
- factoring in local regulations and upcoming constraints due to resource scarcity, and,
- calculating operational limitations and potential product losses using global and local climate models.

The results of this process provide insights into the necessary adaptation or mitigation solutions to reduce the risk. Additionally, it enables the quantification of consequences and comprehension of their impact on revenue, CapEx/OpEx, productivity, and asset reliability.

In 2023, our Physical Climate Risk program was successfully launched with comprehensive assessments conducted on the Yara's sites that are the most exposed to climate-related risks.

Raising physical exposure awareness

Yara short to medium term risk exposures include water scarcity due to extreme drought leading to limited availability for cooling our processes and utilities production. Heat waves, flooding following heavy rains (whether linked to tropical cyclones or not) is also a major threat, sometimes at the same location. While RCP4.5 and RCP8.5 do not show significant difference by 2030, both risks will have more severe consequences in RCP8.5 scenario, particularly towards 2050 and beyond.

By 2050, a notable distinction will emerge between the two scenarios: the intermediate scenario predicts a 2.0°C warming, while the very high emissions scenario anticipates a 2.4°C warming. By 2050 and beyond, there will be a significant increase in extreme weather events, with higher impacts and frequency in the very high emissions scenario.

Additionally, a strategic collaboration was launched with our project department to enhance project design governance, reflecting our commitment to continual improvement and knowledge sharing in climate risk management. This work also includes looking at and assessing transitional risk for our entire business portfolio.

Transition risks

Towards 2030, transition risks entail the most significant climate risks for Yara in the Current Policies and Net Zero scenarios.

Methodology

The 2023 review was based on the Network for Greening the Financial System (NGFS) climate scenarios: 1) a current policies scenario assuming current climate policies are implemented globally, associated with a global temperature increase of around 3°C, and 2) a net zero scenario assuming full global transition to net zero associated with a 1.5/2°C global temperature increase.

The scope of the analyses covered the whole value chain of Yara, including suppliers, logistics, own operations, and the agricultural and industrial markets. The TCFD risk and opportunity categories were applied throughout the process.

Potential risks and opportunities

Carbon emission and border taxes are likely to impact Yara's production costs and competitiveness in both scenarios. The EU's Carbon Border Adjustment Mechanism (CBAM) is aimed at restoring parity on carbon costs between domestic production subject to EU ETS and imports, which is a positive outcome. In isolation this may increase production cost, however, CBAM together with rising ETS costs also represents an opportunity for fertilizers manufactured with low-emission ammonia. The flexibility of Yara's production system, being able to consume both low-emission ammonia from own site production or from imports is an additional edge, ensuring competitiveness over the assets without such flexibility to optimize.

Regulations on carbon pricing are being discussed in multiple jurisdictions, and schemes have been developed in, e.g., Australia and Canada, where Yara's Belle Plaine and Pilbara participate in carbon trading schemes. Such exposure is factored into the risk assessments.

New technologies alongside drivers to reduce emissions lead to shifts in how investors are allocating capital, while influencing upgrades and placements of assets. The stringent mitigation scenario gives the highest benefits to Yara's capacity to help farmers optimize emissions, while Yara's positioning gives opportunities linked to access to green capital in both scenarios.

Yara Clean Ammonia's strategic ambition

Yara Clean Ammonia's strategic ambition is to be a lead player in the new low-carbon, hydrogen-based segments of shipping fuel, power generation and hydrogen as an energy carrier. Low-emission ammonia demand will be driven by regulatory actions and markets driving demand, attracting new competition also to the production side. The inherent links between market prices on energy, fertilizers, and food also provide a natural hedge for such risk.

Fertilizer regulations and farmer subsidy schemes aimed at reducing emissions may negatively impact fertilizer demand. However, this is balanced against the increased demand for fertilizer produced with lower-carbon emissions as well as other products and services for climate optimization.

The stringent mitigation scenario has an increased focus on liabilities related to climate impacts and is likely to create high reputational and litigation risks. In an NGFS Net Zero scenario, regulations are expected to be better coordinated and science based, while the NGFS Current Policies scenario sees substantial deviations between jurisdictions in how regulations are developed. This represents transition challenges and regulatory risk for a company exposed to international markets.

Yara foresees that in both transition scenarios, the role of ammonia as an energy carrier will evolve and create new dynamics in the nitrogen products markets.

Dietary changes, particularly in high-income countries, may reduce fertilizer demand. Additionally, alterations in market demand and regulatory changes may result in impairments or adjustments to the useful life of existing assets Transition to low-carbon and climate-resilient economies will further require substantial changes in the use of energy and resources. Shifts in demand, production, and regulation might affect the price of natural gas, which is used both as a feedstock and as an energy source for fertilizer production.

Energy

Energy efficiency

Yara's energy consumption is largely driven by the production of ammonia, the key component in our fertilizers, accounting for almost 90 percent of our energy consumption. We focus on improving the energy efficiency of our ammonia units, which is also one of the main levers to reduce GHG emissions. To achieve this, we set specific energy and GHG reduction targets for each plant, benchmark our performance, conduct energy efficiency diagnostics and audits, and implement the resulting systematic improvement actions.

In 2023, we used 1 percent less energy per tonne produced ammonia than in 2022. Energy efficiency was 2 percent (0.5 GJ/t) above the target set for 2023, mainly due to production curtailment especially in the European plants as a consequence of high natural gas prices. Also, reliability issues in some of our production units impacted the overall energy consumption negatively.

In 2023, we reduced our production due to high natural gas prices resulting in an absolute energy reduction. Although the energy efficiency of ammonia plants in 2023 was slightly better than in 2022, it was still above the target set for 2025. To reach the 2025 target, we need to maintain normal operational levels at our plants (avoiding frequent start-up and shutdown), together with successfully implementing the remaining energy efficiency projects. In 2023, Yara's total energy consumption in production was 249 million GJ and 86 percent of the energy was consumed as feed or fuel in ammonia production. Natural gas is the main fuel source for Yara, with close to a 94 percent share of all fuel consumed.

Energy management

Yara aimed to have all major production sites certified to the ISO 50001 Energy Management standard by 2022. However, both Covid-19 restrictions and the curtailment of production due to the energy crisis and market conditions have slightly hampered progress on this goal. At year-end 2023, 17 of Yara's 20 major sites were ISO 50001 certified. The remaining three certifications are ongoing.

Yara completed the process of including ISO 50001 into its umbrella certificate in 2023, which ensures that energy management is driven centrally and figures as a predominant part of Yara culture.

Renewable and low-carbon energy use

We purchased about 3,066 GWh of electricity for use in production, of which about 19 percent was certified as low carbon.

Targets and metrics

Yara has set targets across scopes 1, 2, and 3 GHG emissions to align our climate targets with the commitments of the Paris Agreement.

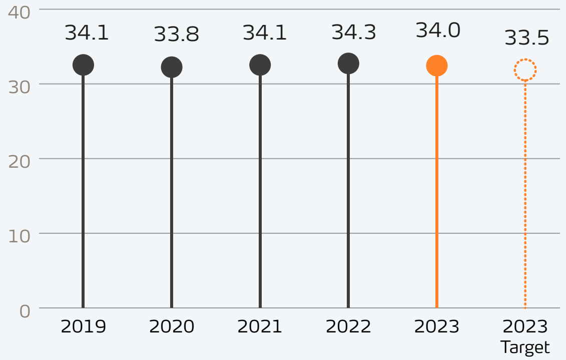
The following near-term targets have been submitted to the Science-Based Targets initiative:

- 30 percent absolute reduction in scope 1 and 2 emissions by 2030 from a 2019 baseline.
- 11.1 percent absolute reduction in scope 3 emissions from the use of sold products by 2030 from a 2021 baseline.

The submitted targets follow the absolute contraction approach. However, under the current disclosure methodologies, improved use-phase efficiency cannot be counted as a climate solution in Yara's GHG accounting. Yara is exploring the possibility of converting our scope 3 target into an intensity-based target in the future. Our commitment is to establish climate targets grounded in scientific evidence, with the ultimate goal of aligning the sector with the goals of the Paris Agreement. If external standard setters fail to acknowledge scientific facts, we will prioritize scientific evidence over established protocols.

Energy efficiency

GJ/t NH_3



Energy efficiency numbers refer to all ammonia plants under Yara's operational control, and is expressed as GJ consumed per tonne ammonia produced. The nominator of the energy efficiency indicator is all energy consumption of the ammonia plants, including feed and fuel energy, electricity, and steam. The denominator is all own-produced ammonia.

Energy consumption

Unit	2023	2022	2021	2020	2019
million GJ	249	246	273	279	285

Consumption of hydrocarbons, mostly natural gas, is both the main feedstock and the main energy source (fuel) used in the ammonia production process. The figure shows total energy consumption in production, including energy sources used as feed.

Our targets

Climate neutrality:

Our ambition is to become climate-neutral by 2050.

On track

GHG emissions intensity:

By 2025, reduce our carbon intensity (emissions in tonne CO_2e/tonne N) by 10% or more from a 2018 baseline

On track

GHG emissions, scope 1+2 (market based):

By 2030, reduce our absolute scope 1 and 2 emissions by 30% or more from a 2019 baseline

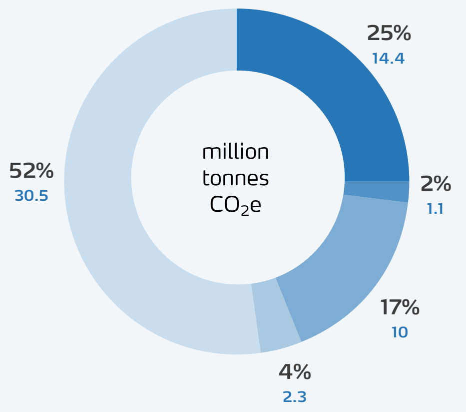
On track

Science-based targets:

Set science-based targets for our scope 1, 2, and 3 GHG emissions. The Sectoral Decarbonization Approach (SDA) process of the Science-Based Targets Initiative (SBTi) defining the GHG emissions reductions pathway for the chemical and fertilizer industry is still ongoing, and it is expected to be completed by the end of 2024. Yara participates by being a member of the Expert Advisory Group (EAG) to the process.

Ongoing

Yara's carbon footprint 2023



- Scope 1: Direct emissions from Yara production sites
- Scope 2: Indirect emissions from purchased electricity (market-based)
- Scope 3 Category 1 Purchased Goods, & Category 3 Fuel & Energy[1]
- Scope 3 Category 4&9 Transport
- Scope 3 Category 11 Use of Products[2]

[1] The extent of the data used to calculate the indirect emissions from purchased raw materials was widened during 2022 to include traded and third-party produced products (TPP) and also other materials and services on a spend-based analysis.

[2] The extent of the data used to calculate scope 3 indirect emissions from the use of fertilizer has been amended to also include CO_2e from traded and third-party produced products, assumed to be used for fertilizer.

GHG scope 1, 2, and 3 emissions

Million tonnes CO_2e

	2023	2022	Recalculated 2021[4]	2021	2020	2019
Scope 1[1][2][3]	14.4	14.9	16.5	16.5	16.6	17.1
Scope 2 (location based)[5]	0.6	0.8	0.8	0.8	0.8	0.9
Scope 2 (market based)[6]	1.1	1.0	1.0	1.0	1.1	1.4
Scope 1+2 (market based)	15.6	15.9	17.5	17.5	17.7	18.5
Scope 3 Category 1 & 3[7][8]	10.0[4]	8.8[4]	13.4[4]	8.6	8.5	9.0
Scope 3 Category 4 & 9[9]	2.3	2.7	2.6	2.6	2.6	2.9
Scope 3 Category 11[10]	30.5[4]	31.4[4]	39.2[4]	41.5[12]	37.7	39.0
Scope 3 Total	42.8[4]	42.9[4]	54.9[4]	52.7	48.8	50.9
Scope 1+2 (market based) +3	58.4[4]	62.7[4]	77.2[4]	75.4	71.1	74.2

[1] In 2017, in alignment with the European Emission Trading sector guidance, Yara included CO_2 used as feedstock in on-site chemical production processes, such as urea production, in scope 1 emissions.
[2] From 2018 onwards, scope 1 includes CO_2 emissions from the generation of own electricity.
[3] The greenhouse gases relevant to Yara's production plants are CO_2 from the use of fuels, N_2O from nitric acid and NPK production, and CO_2 generated in calcium carbonate processing. These are calculated as CO_2 equivalents using the following Global Warming Potentials (GWP) as per IPCC Fourth Assessment Report (2007), that is CO_2 to air: 1 and N_2O to air: 298. The 2023 numbers however are based on IPCC Fifth Assessment Report where N_2O GWP is changed to 265.
[4] No change in the methodology of calculating scope 1 and 2 emissions nor in the calculation of scope 3 category 3, 4 and 9. When calculating the scope 3 category 1 emissions, the extent of the data used to calculate the indirect emissions from purchased raw materials was widened during 2022 to include traded and third-party produced products (TPP) and also other materials & services on a spend-based analysis. The same widening of the scope, that is including traded and TPP products, was implemented when calculating the scope 3, category 11 emissions.
[5] Reference for the location-based factors used in calculations: SimaPro/ecoinvent, High voltage, kg CO_2e/MJ Location-based.
[6] Reference for the market-based factors used in calculations: 2022 Association of Issuing Bodies European Residual Mix. Location-based factors were used for calculation of non-European countries.
[7] Scope 3, category 1 – GHG emissions from purchased goods and services.
[8] Scope 3, category 3 – GHG emissions from fuel and energy related activities.
[9] Scope 3, category 4 and 9 – GHG emissions from upstream and downstream transportation and distribution.
[10] Scope 3, category 11 – GHG emissions from the use of sold products. In the IPCC Fifth Assessment Report, the Global Warming Potential (GWP) for N_2O emissions were updated from 298 to 265. Yara's Scope 3, Category 11 emissions are predominantly N_2O emissions. As the update is highly material to the resulting, calculated emissions, emissions from previous years have been recalculated on the basis of the updated GWP factor.
[11] Corrected values due to errors identified in 2019 during the development of the GHG intensity KPI.
[12] Scope 3, category 11 value for 2021 accidentally included some non-fertilizer volumes with fertilizer-use related emission factors. This was corrected in the recalculated 2021 figure.

Scope 3 emissions calculations

Our scope 3 emissions for the use of fertilizer are estimates based on emission factors in the IPCC 2006 Guidelines for National Greenhouse Gas Inventories and IPCC Fifth Assessment Report (2014). A template has been developed to calculate the carbon footprint of purchased raw materials. For the indirect emissions from upstream and downstream transport we use a calculation tool based on sales figures.

Pollution

Mineral nitrogen fertilizers play a pivotal role in meeting global food demand. However, the production and use of mineral fertilizer can contribute to pollution of air, water and soil. This chapter delves into the pollutants associated with the production of mineral nitrogen fertilizers and nitrogen compounds.

Mineral nitrogen fertilizers are made from naturally occurring raw materials in addition to air and natural gas, needed to synthesize ammonia. Ammonia is the base chemical from which nitrogen originates in mineral fertilizers. Urea is synthesized from ammonia and CO_2, while nitric acid is synthetized from ammonia and air, and ammonium nitrate and ammonium phosphate salts occur by reaction with ammonia. In the manufacturing process, Yara also uses rock phosphate, potassium salts, and other crop nutrients sourced in smaller volumes.

Key pollutants relevant for inorganic mineral fertilizer production are various nitrogen compounds, phosphorus from units producing or using phosphates, sulfur oxides (SO_x) from sulfuric acid, and fluorine from phosphoric acid manufacturing plants. Organic pollutants are typically not present in mineral fertilizers, while substances of concern or very high concern may be present and are, in some cases, irreplaceable. Soil health is a prerequisite for sustainable crop production and food security. However, plants require nutrients which in several cases fall under the definition of substances of concern (SoC) or substances of very high concern (SVHC).

In this section:
- Pollution of air, water, and soil
- Substances of concern and very high concern
- Pollution of living organisms and food resources

While micronutrients like zinc and copper salts are categorized as environmental hazards, borates are considered toxic for reproduction. Nonetheless, these elements play a crucial role in crop nutrition. The primary concern regarding potential food resource pollution is to ensure that fertilizers do not add to the concentration of impurities in the soil and that they are used appropriately at the farm. In addition, Yara manufactures a range of animal feed products, where compliance with feed safety standards is a critical aspect.

Yara also offers a range of environmental solutions to reduce the negative effects of pollution, including abatement of nitrogen oxides (NO_x), odor control connected to hydrogen sulfide (H_2S), water treatment, and corrosion prevention.

Policies

Yara's overarching Health, Environment, Safety, and Quality (HESQ) ambition is to achieve Zero Harm to both people and the planet. Yara's environmental and chemical policies are outlined in the HESQ Policy and the Code of Conduct, both endorsed by Yara's CEO and accessible at yara.com. One key pillar in the HESQ Policy is Yara's commitment to protect fresh air and clean water enabled by our best available technology-based environmental solutions and roadmaps to mitigate emissions to air and manage effluent effectively. See our Code of Conduct and HESQ Policy on page 98.

Yara enforces the HESQ Policy through a global management system. This system establishes performance standards, assesses environmental and chemical impacts, and prevents pollution. The Corporate HESQ function oversees processes, standards, and compliance, reporting to the top management, the Board Audit and Sustainability Committee and the Board of Directors. All managers are accountable for legal compliance and Yara's management system requirements.

Yara applies European criteria on classification and labelling of products sold globally. Yara aims to not sell products in countries outside the EU that would not sell in the EU territory, thus we set comparable standards for our products.

Yara holds a company-wide multisite certificate for the three management standards, ISO 9001 (Quality management), ISO 14001 (Environmental management), and ISO 45001 (Occupational Health & Safety) covering Yara units in all regions. Yara also implements externally certified product stewardship programs throughout operations. Certified feed safety management systems are implemented in animal feed business units.

All Yara site locations and economic activities are covered by an environmental impact, risk, and opportunity management process, covering both actual and potential impacts. Each unit is also required to assess impacts and risks related to its upstream and downstream value chain to the level that can be impacted. The methodologies used in the screening comply with the requirements of the ISO 14001 standard. Grievances, notifications, and other feedback from internal and external stakeholders (such as neighbors and communities, authorities, policy developers, and regulators) are collected, analyzed, and used as an input in the assessment. Key environmental risks are also considered in the Yara Enterprise Risk Management (ERM) process. Via the ERM process, the risks are consolidated in the organization up to the regional management, Group Executive Board, and Board of Directors.

Yara is currently implementing a corporate-wide Nature Baselining process in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP-methodology to ensure consistent materiality considerations as a basis for setting further nature-related targets and for initiating and prioritizing related projects.

Actions and resources

Our commitment remains focused on preventing and reducing emissions using the best available techniques (BATs). While decarbonizing our own operations is crucial, Yara also aims to minimize emissions beyond GHG emissions and their impact on nature across our supply chain and in collaboration with farmers and other customers.

Key pollution control, reduction and prevention actions

Action area	# of locations in scope	Pollution mitigation hierarchy	Anticipated financial effect	Enforcement driver
Environmental and chemicals management system	All Yara	Control	N/A	Yara strategy
Environmental permits in production units	27/27	Reduce	N/A	Legal obligation
Environmental roadmaps for current and future compliance	27	Eliminate/control/reduce	96 MUSD investment project portfolio to be executed until 2026[2)]	Legal or contractual liability BAT (current and foreseen) EU Taxonomy DNSH
Soil and groundwater remediation[1)]	5	Restore/regenerate ecosystems	93 MUSD environmental provisions at year-end 2023[3)]	Legal or contractual liability
SVHC phase out plan	10	Phase out		

1) This includes rehabilitation of contaminated sites, recultivating landfills, removal of environmental contamination at existing and legacy sites and similar measures
2) This only includes mature projects that have passed final investment decision (FID) at year end 2023, and expected to be executed during 2024-2026.
3) For more information, see note 5.6 Provisions and contingencies to Yara's consolidated financial statements 2023.

Environmental Roadmaps 2023 update

The Environmental Roadmap Program has played a crucial role in reducing environmental impacts through improvements in the environmental performance of our production plants. As part of the environmental portfolio management and follow-up, production sites completed 38 environmental projects and seven emission efficiency projects in 2023, at a total cost of 21.8 MUSD across the entire project lifetime. Many of these projects were related to improvement in air emissions, noise, water effluents, waste, soil, and groundwater, whilst others were aimed at improvements in the reliability of key environmental equipment and processes and the establishment of continuous monitoring.

Actions and resources related to pollution

Country	Actions	Environmental aspect	Impact
Colombia	Optimization system for dust collection capability	Air emissions	Reduction of dust emissions
Netherlands	Replacement dusting filter bags	Air emissions	Improved reliability of dedusting system
Finland	Installation of water and snow canons for dusting prevention	Air emissions	Reduction of dust emissions in tailings area
Norway	Improvement in conveyors and stations at raw material handling and loading	Air emissions	Reduction of dust emissions
Canada	Groundwater monitoring well installation	Groundwater/soil	Delineate contaminant plume for remediation and restoration
Belgium	Soil remediation	Groundwater/soil	Full regulatory / permit requirements for soil remediation
Belgium	Acoustic solution - Noise reduction	Noise	Continuous improvements in noise levels
Brazil	Construction of an impermeable basin for washer pumps and wastewater treatment plant	Water effluents	To reduce contamination from leaks
Colombia	Installation of collection system for sludge and washing waters for disposal	Water effluents	Elimination of contaminant potential
Finland	Segregation of process + rainwater drains	Water effluents	Reduction of water contamination
France	Improvement to the ammonia superheater	Water effluents	Reduction of nitrogen load in effluents
Netherlands	Improvements to infrastructure for treatment and reuse of processing CO_2 condensates	Water effluents	Reduction of nitrogen load in effluents

Maintaining compliance
Our production sites are subject to environmental permits and statutory requirements, and ensuring compliance is a fundamental commitment. The handling of discharges and emissions aligns with site-specific environmental permits, and diligent monitoring and reporting occur as required by local environmental authorities. In cases of any deviations or incidents related to non-compliance, thorough investigations are conducted, and corrective and preventive measures are implemented.

During 2023, almost 46 MUSD was spent on 45 environmental projects to address compliance concerns. This includes investments for both projects that have been completed and projects under execution. Nine of these projects, totaling 1 MUSD, were completed and overlap with the projects mentioned under the environmental roadmaps 2023 update. 36 projects are under execution with a 2023 spend of 45 MUSD. Additionally, Yara proactively identifies and addresses potential risks of non-compliance with anticipated future regulatory and permit standards, treating them as critical environmental issues that require diligent follow-up and resolution.

Environmental compliance indicators

Environmental compliance indicators, by number	2023	2022	2021
High severity environmental incidents	-	-	-
Legal claims for environmental breaches (open cases at year-end)	5	5	4
Sites receiving fines or sanctions for environmental issues	2	5	4
Sites reporting environmental compliance issues	18	20	19

Pollution of air, water and soil
All our production plants have environmental permits or legal requirements in place, which specify limits for emissions to air and discharges to water for relevant key parameters in accordance with applicable local legislation. In addition, because of upcoming EU regulatory changes where emission and discharge limits are expected to tighten, Yara continues to focus on investigations, research, development, and investment projects linked to these parameters.

Emissions to air and emissions to water are presented as measurement data, i.e., the volumes of pollutants emitted based on sampling and analysis at individual sites. Emission factors were not used.

Emissions to air

Tonnes	# of locations where material	2023	2022	2021	2020	2019	Mitigation approach
NO_x (as $NO + NO_2$)[1)]	23	7,300	7,600	8,700	8,300	8,500	Reduce
SO_x (as SO_2)	8	1,300[3)]	1,800	2,000	2,100	2,100	Reduce
NH_3	17	3,700	3,700	3,700	4,100	4,000	Reduce
Fluorides (as F)	3	17	16	16	20	30	Reduce
Dust[2)]	20	2,400	2,500	2,900	2,800	2,500	Reduce

1) Prior to 2022 NO_x from our production plants was reported as NO_2.
2) Fertilizer dust mainly consists of the constituents of the product itself, that being nitrates, phosphates and potassium salts.
3) Decrease in SO_x due to lower production volumes at our sulfuric acid plants.

Emissions to water

Tonnes	# of locations where material	2023	2022	2021	2020	2019	Mitigation approach
Nitrogen (as total N)	21	2,546	2,626	3,030	3,369	3,606	Reduce
Phosphorus (as P)	17	136	151	187	284	347	Reduce

Soil and groundwater pollution

Yara provides for or cooperates in the remediation of negative impacts from our activities as far as reasonably possible, given our level of impact and influence. The Environmental Roadmap Program portfolio includes projects to prevent any potential active soil or groundwater pollution caused by Yara's production operations. In addition, remediation actions are ongoing in three production plants where the loss of containment has the potential to impact the local environment. Treatment of closed phosphogypsum landfilling areas is ongoing in two sites which operated a phosphoric acid plant in the past: Uusikaupunki, Finland, and Landskrona, Sweden. Siilinjärvi, Finland, has a legal after-care liability to landscape the mining and landfilling areas. Remediation projects are ongoing in closed sites to clean them up to an acceptable condition.

Remediation efforts at Yara's Australian facility have achieved a major milestone, with the commissioning and start of operation of the groundwater containment system and evaporation ponds needed for treatment of the nitrate-contaminated groundwater. At two of Yara's Brazilian sites, efforts to eliminate contamination sources and to clean up the contaminated areas continue. Additionally, studies into the ecological impact are currently under way to understand the impact of contamination on the environment.

Substances of concern and very high concern

One substance manufactured by Yara and of very high concern is carbon monoxide (CO). It is generated as a byproduct in one production site. The substance is an intermediate and, under strictly controlled conditions, transferred via a pipeline and sold to customers who further process CO to manufacture other substances.

Yara has a well-defined process for phasing out substances of very high concern. If substitution of such chemicals is not feasible, the necessity of using them on an industrial scale is strictly assessed and subject to rigorous site management approval. All such substances are monitored and managed in our substance of concern list and in the Chemsoft tool for chemical management. Yara's strategy is to avoid procurement of chemicals classified as most hazardous such as carcinogenic, mutagenic, persistent, or bio-accumulative, whenever a substitute is feasible.

In 2023, Yara carried out an investigation of substances of concern (SoC) and substances of very high concern (SVHC) present in the products. The findings were the following:

- In the total product portfolio (including third-party products) 31 entries are related to SVHC and 25 with substances of concern (SoC)
- 10 of those substances have already been phased out with a baseline from 2022 and no longer used in 2023.
- 17 substances are related to micronutrients which have a wider, essential use. This includes both SVHC, (such as various boron and cobalt compounds) and SoC (such as zinc, copper and manganese salt). Most boron compounds are either classified as toxic for reproduction or foreseen to be classified as such. The EU has postponed the inclusion of borates recommended for authorization in REACH annex XIV due to its essential use in crop nutrition application. In addition, we are using another substance in urea manufacturing where a substitution is not currently technically available.

Pollution of living organisms and food resources

Crops depend on crop nutrition being available in the soil, and most of the nutrients are sourced from mines, such as phosphate rock and potassium salts. Mined materials can have background exposure of trace contaminants such as heavy metals where EU has put in place strict limits. Yara diligently monitors contamination levels to ensure product quality and compliance.

Our targets

Compliance:

Monitor and maintain compliance with environmental permits and statutory requirements at all production units.

✓ On track

Environmental Roadmap Program:

Build environmental roadmaps for the production sites to identify current and forthcoming challenges and implement improvement actions.

✓ On track

SoC/SVHC

Main hazard class	Total amount (tonnes)	SoC/SVHC	Upstream / downstream value chain engagement[2]
Repr.2	0.144	SoC	[2]
Repr.1B	14,980	SVHC	[2]
Repr. 1A	16,608	SVHC	[2]
Carc.1B	17.1	SVHC	[2]
Carc. 1A	0.075	SVHC	[2]

[1] SoCs/SVHCs Contained in finished products. Emissions to air or water are not typical and are not monitored.
[2] Yara does not produce any consumer products, which would contain SoCs/SVHCs

Target	# of locations where relevant	Target 2023	Achievement
Zero high severity environmental incidents	All Yara	0	Achieved
Reduce nitrogen emissions to air	23	N/A	N/A
Reduce pollution to water	21	N/A	N/A

Water and marine resources

Yara's production units are located across different continents, resulting in varying operating environments. Water is essential in our fertilizer production processes and primarily used for cooling purposes in our production units, with a smaller portion used for steam production and the manufacturing of liquid products.

As a result, almost all the water that we withdraw is returned to the water source without changing the composition. We recognize the significance of sustainable water management and closely monitor water withdrawal, discharges, and consumption.

In this section:

- Water consumption
- Water withdrawals
- Water discharges
- Water discharges in the oceans

The main wastewater discharges from our production units primarily consist of nitrogen and phosphate—both nutrients that can contribute to waterway eutrophication. Consequently, we are dedicated to ongoing enhancements and investments in our production facilities to prevent and mitigate environmental harm.

Policies

In our HESQ Policy we are committed to maintaining clean water enabled by our best available technology and environmental solutions. This includes the sustainable use and sourcing of water, and the preventive measures we take towards water pollution to mitigate the adverse effects more efficiently. Our current policies for water discharges cover water discharges to freshwater and to oceans. Through the nature baselining assessment, we will deepen our understanding of the impact on oceans in direct operations. For more policies see HESQ Policy, page 98.

Actions and resources

Yara is launching strategic initiatives to reduce the environmental impact of its production facilities. These initiatives serve as the environmental roadmaps created for each production site. These roadmaps are developed by assessing the performance of individual plants, not only against existing environmental regulations, but also anticipated ones related to water management and other environmental parameters. Based on these evaluations, local improvements are identified, including feasibility studies and the formulation of projects and targets concerning 2023 and beyond. All these initiatives are managed through an environmental portfolio that is continuously monitored and updated. In parallel, we are working to identify potential actions across the operations and whole value chain.

Water use efficiency

Yara engages with farmers and partners, actively shares knowledge, and collaborates on projects aimed at sustainably intensifying agricultural production, including through better water management. Our research and development efforts have revealed a significant correlation between crop nutrition and crop water productivity. In fact, our research has convincingly demonstrated the positive impact of proper crop nutrition on water use efficiency. Through ongoing agronomic trials, we continue to explore and quantify the effects of crop nutrition on water use efficiency, ensuring that this valuable knowledge reaches growers worldwide. Additionally, Yara offers innovative technologies to enhance water use efficiency and provides solutions for water-scarce agricultural regions. Furthermore, we have contributed to the development of methods that reduce emissions associated with mineral fertilizer use, including runoff into waterways. Our tools, such as the N-Sensor and N-Tester, play a crucial role in achieving these goals.

Environmental roadmaps

Our environmental roadmap process, considering regulatory developments and available technologies, revealed that many of these challenges necessitate investments in cutting-edge technologies beyond the mature, conventional ones. During 2023, five environmental projects focused on reductions to water withdrawals and elimination of discharge points were completed. Additional projects are ongoing and planned across several of our sites, driven by both regulatory requirements and an internal ambition to improve water use and consumption. The end goal will be to reduce raw water withdrawals and increase water recovery and reuse. Furthermore, upcoming EU regulatory changes are expected to tighten the emission limits and introduce a stricter focus on wastewater discharge issues.

Assessing water risks

As part of our environmental actions, all sites underwent an initial water risk assessment using the World Resources Institute's Aqueduct Water Risk Atlas. This comprehensive tool considers regulatory and reputational risks, evaluates various aspects of water risk, including physical risks such as water stress. This tool assesses both quantitative physical risks, such as water stress, and qualitative physical risks, including coastal eutrophication potential.

During 2023, the baseline water stress of our production sites was revised in keeping with the latest models of the Aqueduct Water Risk Atlas. The inclusion of one additional site brings the total of our production sites that are situated in areas with high or extremely high risk of baseline water stress to six. Two of these sites are actively collaborating with local authorities to decrease their freshwater withdrawal. Several other production sites, not facing very high-water stress, are also doing the same. During 2024, reduction targets will be followed up at all our production sites located in high to extremely high

Our targets

Six sites in areas of high-water stress are committed to reducing material water consumption and have established reduction targets for 2024 reporting.

On track

water-stressed areas. The identified projects and operational initiatives identified during this process will be followed up closely in the environmental roadmap program to ensure progress towards achieving the intended reductions.

Metrics and targets

Understanding that the ratio of total water withdrawals to available renewable surface and groundwater resources serves as a critical indicator of water stress, we acknowledge the substantial global challenges this poses to the environment, public health, and economy.

In 2023, our total water withdrawal amounted to 884,650 megaliters, of which 97 percent was discharged. The majority of these discharges are to brackish environments following once-through cooling. Subsequently, 30,141 megaliters, or three percent of total water withdrawn, was consumed in our operations, primarily in liquid products or for steam, and therefore not released back to water bodies. Ten of our production sites are recycling/reusing water, with 15,601 megaliters used more than once before discharge from the site. Furthermore, fourteen production sites treat their water before discharge from the site, at either a primary or secondary level of treatment, accounting for 10,699 megaliters of treated water at these sites in 2023.

When considering the six production sites located in areas with high or extremely high risk of baseline water stress, freshwater withdrawals in our sites located in water-stressed areas accounted for approximately two percent of all water withdrawals, consistent with previous years. However, the increase in the number of production sites that are located in areas of high water stress from five to six sites has resulted in an increase in the water consumption of water-stressed sites as a percentage of total water consumption from 25 to 39 percent.

Water and marine resources-related actions

Country	Production site water-stress risk	Actions taken	Environmental aspect	Impact
India	Extremely high	Upgrade to advanced sewage treatment plants to recycle treated effluent and reduce water withdrawals	Water intensity	Reduce groundwater withdrawals by 400 m³/day
India	Extremely high	Installation of rainwater harvesting and filtration system	Water intensity	Reduce groundwater withdrawals by 80,000 m³/year
India	Extremely high	Recovery of sewage water for purification and reuse	Water intensity	Reduce water consumption - Recover and reuse 150 m³/year
Colombia	Low	Recovery of process condensates for reuse within production process	Water effluents / intensity	Reduce water consumption – recover 21 tonnes/year of condensates for reuse
Trinidad	Low-Medium	Replacement of sewage treatment plant into zero discharge septic system	Water effluents	Eliminate water discharge to marine environment

Water withdrawal, discharge, and consumption

Total for Yara's production sites

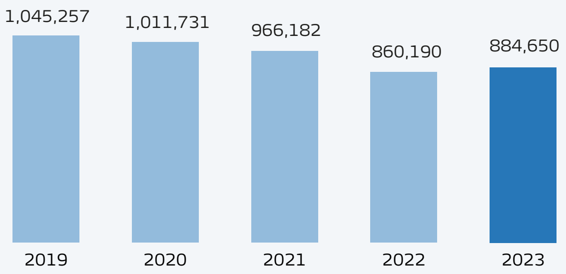
	Unit	2019	2020	2021	2022	2023
Total water withdrawal	ML	1,045,257	1,011,731	966,182	860,190	884,650
Fresh surface water	%	53%	39%	40%	41%	39%
Brackish surface water/seawater	%	45%	59%	58%	57%	59%
Groundwater	%	1%	1%	1%	2%	1%
Produced water[4)]	%	<1%	<1%	<1%	<1%	<1%
Third-party	%	1%	1%	1%	1%	1%
Total water discharge[1)]	ML	994,262	980,083	901,436	827,344	854,509
Fresh surface water	%	15%	17%	15%	15%	13%
Brackish surface water/seawater	%	84%	82%	84%	85%	87%
Groundwater	%	1%	1%	<1%	<1%	<1%
Third-party	%	<1%	<1%	<1%	<1%	<1%
Total water consumption[2)]	ML	50,995	31,648	64,746[6)]	32,846	30,141
Discharge as a percentage of withdrawal		95%	97%	93%	96%	97%
Consumption as a percentage of withdrawal		5%	3%	7%	4%	3%
Total freshwater withdrawal from high or extremely high baseline water-stress areas	ML	16,872	17,193	14,654	14,144	19,104
Percentage of total water withdrawn	%	2%	2%	2%	2%	2%
Total water consumption in high or extremely high baseline water-stress areas	ML	9,045	9,710	8,765	8,096	11,677
Percentage of total water consumption	%	18%	31%	14%	25%	39%
Water recycled[7)]	ML			54,025	16,301	15,601

1) Numbers adjusted from 2019-2022, as a cooling water stream discharged to brackish surface water at Yara Uusikaupunki was included in the reporting.
2) Corrections made due to adjustments in water discharge from 2019-2022.
3) Produced water is water that enters an organization's boundary as a result of the use of any raw material and has to consequently be managed by the organization (Source: CDP, CDP Water Security Reporting Guidance, 2018; modified). Note not all our production sites are able to monitor these volumes.
4) Previously reported as 0%.
5) Water consumption is calculated as total amount of water drawn into the boundaries of the undertaking (or facility) and not discharged back to the water environment
6) During 2021, the Salitre mine (sold in 2022) was under commissioning and consequently there was a higher water consumption that year.
7) Reduction in water recycling from 2022 onwards, following the sale of Salitre mine.

CONTENT

Water withdrawn in Yara's production sites

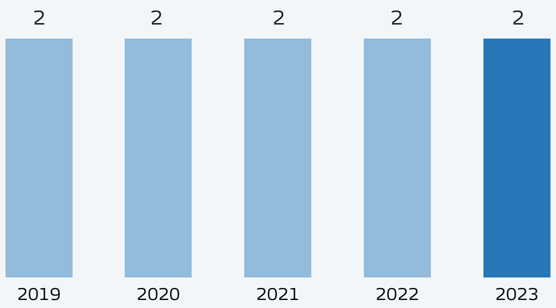
Megaliters



The total withdrawal figure is given here. In Yara's production, water is primarily used for cooling purposes. Thus, over 90 percent of the water withdrawn in 2023 was returned to the water course.

Fresh water withdrawal in water-stressed areas

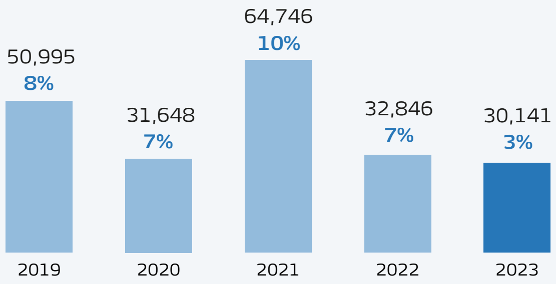
%



Yara's plants are located across several continents and operate under highly variable environments. Our sites undergo water risk screening using the WRI Aqueduct Water Risk Atlas Tool. The figure shows the percentage of freshwater withdrawals that occur in areas of high or extremely high baseline water stress.

Water consumption in Yara's production sites

Megaliters | Consumption as a percentage of withdrawal



Water consumption is the sum of all water withdrawn and used in our operations, primarily in liquid products or for steam, and therefore not released back to water bodies.

[1] Numbers adjusted from 2019-2022, as a cooling water stream discharged to brackish surface water at Yara Uusikaupunki was included in the reporting.

Biodiversity and ecosystems

The pursuit of our ambition of Growing a Nature-Positive Food Future necessitates a holistic understanding of our impact on nature. Biodiversity, a cornerstone of healthy ecosystems, plays a pivotal role in sustainable food production. As we expand our horizons, identifying relevant and material topics becomes paramount. In 2023, we continued our work to identify nature impact and opportunity across our value chain.

In this section:
Impact drivers related to:
- Land-use change
- Direct exploitation
- Climate change
- Pollution
- Invasive alien species

Universally approved methodologies for assessing impacts on nature have not yet been finalized for chemical companies, but frameworks such as TNFD and Science Based Targets Network (SBTN) are progressing and maturing. As reported in 2022, we are working with these frameworks and establishing workstreams for assessing impacts on nature accordingly. Currently, there are more existing guidelines for nature conversion industries, while guidelines for chemical industry are in the making. As an agrochemical company, Yara does not have an established approach on this alone but will establish an approach along the universally accepted guidelines, such as TNFD and SBTN.

Through third–party screening tools like SBTN Materiality Screening Tool, the impact drivers related to main economic activities were considered material for the 2023 annual reporting period. These are land-use change, direct exploitation, climate change, pollution, and invasive alien species. This materiality assessment will be refined in 2024.

At year-end 2023, Yara had one mining site in active operation: the phosphate rock mine in Siilinjärvi, Finland. At the corporate level, mining-specific topics are not assessed as material. However, due to the operational mine in Siilinjärvi, Finland we implement the GRI Mining and Metals Sector Supplement (supplement to the GRI G4 Guidelines) to report in accordance with the GRI Standards.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model
In 2023, a baselining exercise was initiated to evaluate nature impact and opportunity across Yara's value chain. In 2024, the baselining workstream aims to evaluate nature impacts at production assets, understand nature impacts for raw material extraction, and to define baseline and initiatives for farm-level impacts (nitrogen use efficiency, soil health, climate etc.). Based on this baselining exercise, reporting and priority actions will be identified. This will feed into how we consider biodiversity and nature in our strategy and business model.

Policies

Yara has a policy of Zero Harm to the Environment, the modalities of which are described in the HESQ Policy. One key pillar in this policy is Yara's commitment to protecting soil health and biodiversity by using water efficiently, preventing local pollution and efficiently using nutrients at the farm.

Mining policy and commitments
Yara applies the same set of policies and standards to mining operations as for any other type of operations, in compliance with our Code of Conduct and other policies. We are committed to complying with all applicable laws, rules, and regulations in the countries in which we operate. Our mine site is subject to the same policy implementation, internal audits, trainings, awareness building, and other procedures relating to the implementation and evaluation of performance, as all operational Yara sites. We monitor compliance and assess risks to fully adhere to changing and stricter laws and regulations and to engage with stakeholders to find new solutions that satisfy their needs. Furthermore, environmental and social impact assessments (ESIA) are conducted to evaluate the impact that mining operations have on local communities. Preferably, we recruit the management and personnel locally. The freedom of association and the right to collective bargaining applies to all our operations, including mining. Generic closure plans are in place as part of the sites' operational permits. To mitigate any negative impacts on local communities, we refine the closure plans for mines, where closure is pending.

Actions and resources

As the nature baselining workstream serves as a starting point in identifying biodiversity impact drivers and consequent required actions, this is a process Yara is still undergoing. However, actions related specifically to Climate change, Pollution, Water and marine resources, and Resource use and circular economy are described in the respective chapters.

Mining operations in Siilinjärvi, Finland
Yara's only active mine is in Finland. The resources needed to drive sustainable mining with a focus on safety, environment, cost through operational and capital efficiency, and contributing to the long-term security of mineral supply to Yara´s production facilities

and markets, are now centralized together with the remaining active mine.

Our mine in Siilinjärvi is not located near protected areas or areas of high biodiversity, and does not have an obligation to prepare a biodiversity management plan. We, nonetheless, prepared one voluntarily in 2021 as a part of the national Sustainable Mining initiative. The Siilinjärvi mine biodiversity plan describes the flora and fauna in the area, biodiversity aspects, risk management, and the site's goal with respect to biodiversity management, responsibilities, stakeholders/interested parties, actions, monitoring, and compensations. The mine applies operational and management principles necessary to protect the ecosystems, species, and habitats in the mining area, including, e.g.:

- No net loss-principle in planning and commissioning of new land areas
- Preservation of valuable biodiversity areas within the mining area
- Sustainable Forestry principles at the forest areas of the mine
- Combatting the threat of alien species

Yara started an environmental impact assessment (EIA) process in Siilinjärvi in 2022 to prepare for the potential expansion of the mine area for the time period of 2035-2065. After preparation and stakeholder consultation of the EIA plan in 2022, the assessment work started in 2023. The watershed modelling took more time than estimated, and the EIA report is now expected to be completed in May 2024, with conclusion of the assessment expected by the end of 2024. The stakeholders' consultation brought valuable feedback, among others from the neighborhood and impacted landowners.

The biggest concerns dealt with the expansion of deposits for overburden and rock. These issues will be addressed during the impact assessment process.

Monitoring of closed mine in Lagamar, Brazil

In addition to the active phosphate rock mine in Siiljinjarvi, Yara invested in regeneration and environmental recovery in the closed Lagamar phosphate mine, Brazil. Yara plans to keep the area closed and monitored until June 2028, with the aim of ensuring environmental recovery. Some work, such as revegetation of two waste piles, has started and other plans are awaiting approval from the environmental agency.

Metrics and targets

Metrics will be considered and developed based on impact identification of baselining, and actions related to Climate change, Pollution, Water and marine resources, and Resource use and circular economy are described in the respective chapters.

Biodiversity impacts of the Siilinjärvi mine

The total area of land disturbed and rehabilitated in the Siilinjärvi mine, Finland, is now 2,652 hectares, of which 201 have been rehabilitated. In 2023, no hectares were taken into use and six hectares were rehabilitated.

No significant, negative impacts on biodiversity, protected habitats, or endangered species have been identified nor reported as a consequence of our mining operations. On the contrary, the tailings areas are resting and nesting areas for birds, some of which are endangered species. Meadows, wetlands, and deadwood areas have been formed in the tailings areas, providing suitable living environments for various species. Some rare inland plants grow in the tailings area. Monitoring of biodiversity impacts and success of preservation actions continues in Siilinjärvi. It has been observed that the mining activities have weakened a small territory of flying squirrels. Lesser Butterfly-orchid (*Platanthera bifolia*) and Drummond's plagiomnium moss (*Plagiomnium drummondii*) grow next to a pit which was opened in 2022. Those plants are being moved to a new location, and the success of the move will be monitored.

Resource use and circular economy

In addition to nitrogen, Yara's key raw materials are rock phosphate and potassium salts extracted from mined rock, and other crop nutrients sourced in smaller volumes.

Several secondary materials (industrial byproducts) are used as raw materials, to the extent that those comply with the stringent safety and agronomical criteria set by the fertilizer regulations. Byproducts generated in the apatite mining and phosphate manufacturing are sold to various external users thus replacing virgin materials.

In this section:
- Resources inflows, including resource use
- Waste
- Resource outflows related to products and services

Consumption of the three main raw materials

	Units	2023	2022	2021	2020	2019
Natural gas[1]	MMBtu	243,697,851	249,357,687	269,788,077	276,343,747	280,202,282
Phosphate	tonnes P_2O_5	1,652,041[2]	1,652,736[2]	2,266,758[2]	2,046,221[2]	1,758,096
Potash	tonnes K_2O	1,683,281	1,499,684	2,256,135	2,356,358	2,057,282

[1] This figure reflects sites where we have operational control, Hull and Freeport are excluded, and 100% of the Tringen volumes are included.
[2] The scope of the indicator has been expanded to include third-party NPS and NPK products sourced by Yara. 2020, 2021, 2022 and 2023 figures are not directly comparable to previous years.

Several minerals listed as critical raw materials in the EU are key constituents of multi-nutrient fertilizers: Phosphate rock is one of the three main nutrients elementary for plant growth. Borates, magnesium, and copper salts are necessary to meet crop needs. In addition, Yara's production being based on chemical reactions, some critical raw materials are used as catalysts in reactions, such as platinum.

Key waste types generated in the fertilizer manufacturing value chain are:
- waste rock, overburden, tailings, and sludges from phosphate and potash mining
- phosphogypsum generated in phosphoric acid manufacturing
- potential residues from sulfuric acid manufacturing, especially iron oxide in the case of a pyrite-based process
- used catalysts and catalyst residues from the chemical processes

Other than that, typical wastes generated in Yara's operations are used packaging materials, construction and demolition materials, scrap, waste oils, and chemical residues from investment, maintenance, and demolition activities. Consequently, depending on the investment, divestment, and maintenance activities on Yara's production sites, the volume of those will vary from year to year.

Policies

Yara's HESQ Policy and Sustainable Procurement Policy define the company's ambition to move towards a circular economy by using materials efficiently and improving waste management. Recycling and circularity are prioritized in own operations as well as in sustainability considerations in sourcing, and Yara investigates and develops technologies to enable those. See our HESQ Policy and Sustainable Procurement Policy on page 98.

Ensuring food safety remains the top priority, which cannot be compromised even when considering opportunities in recycling and using circular materials. A significant number of secondary materials (industrial byproducts) are already used as raw materials, to the extent that those materials comply with the stringent safety and agronomical criteria set by the Fertilizing Products Regulation.

Resource inflows
Yara's three main raw materials are natural gas, phosphate, and potash. Natural gas is used as a feedstock to produce ammonia, and to a lesser extent, to provide process heat and energy. Phosphate and potash provide key nutrients. For more information on our sourcing of natural gas, phosphate rock and potash see General Information, page 104.

Yara has identified resource inflows as a material topic and is gathering information on the baseline impact on nature. Phosphate rock, borates, and magnesium from the Critical Raw Materials list are used in Yara's own operations. The analysis and identification of specific material inflows and their geographies is ongoing.

CONTENT

Nutrient management

Managing the nutrients within the planetary and regional boundaries requires high nutrient use efficiency. This is of critical importance for nitrogen and phosphorus, as they are at risk of exceeding the regional and planetary boundaries. Managing nutrients with high efficiency requires considering all available nutrient sources, so that every nutrient matters, be it circular, organic, or mineral. With the existing fertilizers, farming technologies, and knowledge, it is possible to achieve high yields with a high nutrient use efficiency, using only as much mineral fertilizer as needed to fill the nutrient gap. Therefore, mainstreaming best practice for crop nutrition management is high on the agenda of regenerative agriculture. Positive side effects of better nutrient management are increased crop yield, which optimizes land use efficiency, and higher water use efficiency, which reduces the stress on freshwater reserves.

More on Yara's views on nitrogen use efficiency and nutrient management can be found in our position paper at yara.com.

Resource outflows from Yara's operations
For more information on outflows and deliveries see the Profit section, page 38.

Yara's waste management strategy is to investigate and seek uses for byproducts generated in the mining and phosphoric acid manufacturing processes, thus preventing these materials ending up as waste. To recover metals, especially those listed as critical raw materials, used catalysts and catalyst residues are recycled to the extent compliant waste management operators are available in the region. For non-process specific wastes, these are collected separately, applying the waste hierarchy to the extent that recycling and recovery services are available in the location.

Actions and resources

Reducing plastic use and waste
Yara remains committed to promoting responsible plastic waste management and engaging in collaborative efforts with stakeholders to achieve this goal.

Yara's ongoing efforts involve collaborating with diverse stakeholders to collect and recycle agricultural plastics and our product packaging materials. In 2023, Yara published a position paper on Plastic Packaging Materials explaining our activities, plans, and targets. Reducing our plastic packaging carbon footprint by 40 percent by 2030 (vs. 2021) is a main goal. Two key initiatives towards that goal started in 2023. In Europe, all bags are now made with 30 percent recycled plastic, and in Brazil, a new type of big bag with an outer bag made with 100 percent recycled PET is introduced on the market. In 2024, these first improvements are expected to be fully implemented, reducing Yara's plastic packaging carbon footprint by more than ten percent. Additionally, similar initiatives are ongoing in several markets.

Key circular economy and resource efficiency actions

Type of action[1]	Action area / Yara offering	Scope	Value chain engagement
Secondary raw materials	Use of secondary raw materials in Yara production	Own operations, Upstream value chain	Suppliers: Safety and agronomical efficiency assessed in sourcing
Secondary raw materials	Expansion of organic fertilizers portfolio	Fertilizer value chain in Europe: Yara Nature Yara Suna Horus Yara Suna Borea	Farmers in Europe Organic fertilizer product and raw material suppliers in Europe
Resource efficiency	Improve nutrient use efficiency at farms: Yara agronomical advisory services Yara soil testing laboratory N-tester and N-sensor applications	Downstream value chain (fertilizer use)	Farmers globally
Circular business practises	Increase use of recycled plastic in packaging materials, and cooperate with collections schemes to improve collection of used packaging at farms	Product packaging	Packaging material suppliers, customers (farmers and other), agricultural plastic collection schemes
Circular business practises	Recycling of nitric acid catalysts to recover platinum group metals (such as Pt, Pd and Rh)	Yara global policy to recycle and recover catalysts and capture metals	
Prevention of waste generation	Byproducts delivered to customers from Yara production processes (gypsum iron oxide, other byproducts from apatite mining)		
Prevention of waste generation	Change of sulfuric acid raw material from pyrite to sulfur in Siilinjärvi, Finland		

[1] Yara's products are chemicals and fertilizers, and are typically fully consumed in use.

CONTENT

Metrics and targets

Waste by type and disposal method

Disposal methods are typically informed by the waste contractors unless default methods are known by the site. Data for Waste diverted from disposal and Waste directed to disposal in this table have been recalculated for the period 2019-2022 to align with waste categories set out in GRI 306.

Tonnes	2023	2022	2021	2020	2019
Non-hazardous waste generated					
Recovery operations[1)]	39,683	26,998	18,974	27,696	54,605
Storage onsite	16,324[2)]	7,997	5,149	5,985	34,569
Landfill	32,456	45,000	50,139	31,292	27,505
Incinerated (including energy recovery)	6,556[3)]	1,944	649	3,040	2,150
Total non-hazardous waste	95,019	81,939	74,911	68,013	118,830
Hazardous waste generated					
Recovery operations[1)]	6,626[4)]	2,112	1,691	2,399	3,522
Storage onsite	28	37	188	78	129
Landfill	24,726[5)]	19,610	18,641	15,885	1,878
Incinerated (including energy recovery)	764	1,288	2,645	2,001	2,031
Total hazardous waste	32,143	23,047	23,165	20,363	7,560
Total waste generated	127,162	104,986	98,076	88,376	126,390
Waste diverted from disposal					
Non-hazardous waste	39,683	26,998	18,974	27,696	54,605
Hazardous waste	6,626	2,112	1,691	2,399	3,522
Total waste diverted from disposal	46,308	29,110	20,665	30,095	58,127
Waste directed to disposal					
Non-hazardous waste	55,337	54,941	55,937	40,317	64,225
Hazardous waste	24,726	20,935	21,474	17,964	4,038
Total waste directed to disposal	80,854	75,876	77,411	58,281	68,263
Total non-recycled waste generated	80,854	75,876	77,411	58,281	68,263
Total percentage of non-recycled waste generated	64%	72%	79%	66%	54%

1) Recycled only.
2) Increase due to storage on-site for future use of non-contaminated soil from earthworks at a productions site.
3) Increase due to removal of an invasive weed around a production plant.
4) Recycled catalyst during ammonia plant turnarounds.
5) Increase due to storage on-site for future use of non-contaminated soil from earthworks at a production site and turnaround activities at a number of other production sites.

Waste generated in acid plants

There are two types of waste, specific to fertilizer manufacturing, that are generated in the production of phosphoric acid and sulfuric acid: phosphogypsum and iron oxide, respectively.

Tonnes	2023	2022	2021	2020	2019
Phosphogypsum sold to construction industry	564,000	580,000	268,000	602,000	361,000
Phosphogypsum directed to onsite deposit	1,521,000	1,630,000	1,784,000	1,686,000	1,605,000
Iron oxide sold to steel industry	332,000	344,000	478,000	395,000	89,000

Yara's mining operation dealt with approximately 25 million tonnes of materials from extractive activities, made up of waste rock, overburden, tailings, and sludges. These were stored onsite in tailing ponds and stockpiles.

Social information

Topics

OWN WORKFORCE

Employment

Yara's workforce is the foundation for our successful performance on the quest to meet the increasing agricultural needs and contribute to global sustainable development. Our workforce consists of Yara's employees throughout the world and non-employee workers supplying labor to us through contractual relationships as defined by ESRS. This section describes how we guarantee our workers have decent employment standards in the arenas material to Yara's business.

Policies

Compensation Policy/Total Rewards Policy
These policies govern employees' compensation and benefits matters within Yara and its subsidiaries, and states that all employees shall, at a minimum, be paid a living wage as defined by Yara for each market in which we operate. This applies to all Yara employees, and we have online training modules available for those responsible for operationalizing the policies. We assess the policy adoption through the ongoing living wage gap assessments, as well as monitoring compensation information through dashboards.

Work-life Balance and Well-being Framework
The framework clarifies our position on, among other things, flexible working hours and location, meeting times, frequent travelling, and family caregiver leave. It also includes a commitment to support mental health and well-being, a company-wide standard for parental leave, and for conversations to be had before, during, and after an employee goes on extended leave. The adoption of the suggested benefits in the framework is reported per location on a yearly basis.

Benefits Procedure
The procedure states our global standard of parental leave for Yara employees, which shall be provided in combination with any applicable benefit from national social security, personal insurance scheme, or equivalent. Other benefits for employees mentioned in the procedure are retirement pension, life and accident insurance, and health and business

In this section:
- Secure employment
- Adequate wages
- Work-life balance
- Collective bargaining, freedom of association, and social dialogue

Our commitments regarding employment

We are committed to paying employees fairly	To ensure that employees earn minimum a living wage, as defined by Yara for each market in which we operate, hence, give employees the possibility to access basic needs, and to participate in the society in line with what is considered a decent standard of living in the society at large. Achieving equal pay for equal work is also essential for advancing gender equality within Yara and in society, more broadly speaking, as it supports women's economic independence and security.
We work towards secure employment	To promote our employee's financial and mental well-being, we work to minimize the negative impact that unstable market conditions and related events, such as closures and restructuring, have on our employees.
We promote healthy work-life balance	To prevent and avoid negative impact on employees' health and well-being through stress, lack of work-life balance, and consequent unfair work conditions.
We respect the full realization of the rights to collective bargaining, freedom of association and social dialogue	To guarantee that employees exercise their basic labor rights and have a say in terms of their local working conditions through representation, unionization, and a healthy dialogue with us.

CONTENT

travel insurance. We track and report the number of employees covered by the benefits on a yearly basis.

Employee Travel Procedure

The procedure establishes that the main rule for Yara is that meetings, seminars etc. shall be held virtually where possible and appropriate, and all travel should be evaluated by the employees, in line with their work-life balance and the business requirements. The global Employee Travel Procedure applies to all Yara employees.

Yara's Code of Conduct

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.

Yara expects its business partners to respect and uphold their employees' right to freedom of association involving trade unions or similar external representative organizations. Where these rights are restricted, we expect our business partners to find alternative means for effective worker-employee collaboration. See our Code of Conduct and Code of Conduct for Business Partners in General Information, page 98.

All policies are available to our employees through Yara's Steering System, our internal communication channel Pulse and/or employee handbooks.

Processes

Yara Voice

Yara Voice is our annual global engagement and enablement survey that actively seeks employee feedback on our progress on topics like diversity and inclusion, career and training, strategy, and others. Feedback from the survey is used to prioritize actions that enhance our employees' experiences. 84 percent of employees participated in the 2023 survey.

Peakon

Peakon are frequent employee surveys that enable consistent feedback on matters such as autonomy, freedom of opinion, employee well-being, management, and organizational support. Line managers and People professionals can connect with anonymous responders, and feedback is followed up locally. In 2023, 80 percent of the 5,000 employees in scope answered one or more Peakon surveys. Employees not in scope are either covered by other local surveys or Yara Voice.

Actions

Secure employment

Secure employment for Yara's employees may be negatively impacted due to several factors, including restructures or closures, a risk that is managed through collaboration with unions, guidelines for restructures, and support to employees affected. We work on bringing about positive impacts by limiting non-permanent contracts and avoiding offering of part-time contracts, as well as ensuring termination of contracts is the last resort in restructuring or downsizing processes.

An important dimension of secure employment is the offering of stable jobs. In 2023, 312 employees on non-permanent contracts were employed on a permanent basis. Over the years, this practice has increased the share of permanent employees among the overall workforce, see table 1.

Table 1: Workforce breakdown

	Gender	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand total	2022	Evolution
Permanent	Female	132	543	1,194	1,959	409	142	4,379	4,113	6%
Permanent	Male	460	1,391	3,678	5,138	956	512	12,135	11,967	1%
Total permanent		592	1,934	4,872	7,097	1,365	654	16,514	16,080	3%
Non-permanent	Female	14	26	159	144	37	8	388	378	3%
Non-permanent	Male	29	33	277	357	68	17	781	762	2%
Total non-permanent		43	59	436	501	105	25	1,169	1,140	3%
Total permanent and non-permanent		635	1,993	5,308	7,598	1,470	679	17,683	17,220	3%
Positions contractor	Female	5	1	4	39	–	7	56	58	(3%)
Positions contractor	Male	27	3	5	157	–	26	218	228	(4%)
Total positions contractor		32	4	9	196	–	33	274	286	(4%)
Total permanent, non-permanent and position contractors		667	1,997	5,317	7,794	1,470	712	17,957	17,506	3%
External contractor		133	771	4,414	354	675	1	6,348	3,041	109%[1]

[1] The number of external contractors in Brazil increased by 3558 compared to 2022, attributed to improvements in the data collection processes.

At Yara, the decision to work part time is up to each individual employee. In 2023, 1.9 percent of our workforce worked part time, 180 of whom were women and 161 were men. None are working part time involuntarily.

Yara upholds international and national laws on hours of work and rest periods, as stated in our Code of Conduct. We track and report employees' standard weekly working hours (table 2) and report the number of locations that compensate employees for working additional hours/overtime. In 2023, 59 out of 60 countries compensated employees for working overtime, with monetary and/or social benefits. Employees in South Korea are not compensated for overtime due to not being required by local law.

Provision of health services and employee benefits

Yara's employee surveys have highlighted stress as a key challenge that negatively impacts employees' working conditions and work-life balance. Our efforts to improve working conditions and the provision of health services are an effort to improve employees' work-life balance through flexible working arrangements, global parental leave standards, and monitoring sick leave and working hours. These can have a positive impact on our employees' ability to thrive and perform their best at work and in their personal lives.

Our provision of health services, life insurance, pension plans, and disability coverage go hand in hand with our focus on the well-being of our employees. Our benefits schemes provision and governance are framed and guided by our Benefits Procedure. Table 3 shows the current share of employees eligible to receive the core benefits broken down by type of contract and/or gender. The types and value of benefits provided vary between geographies, depending on market practices, cost, and tax legislation.

Flexible working hours represent any kind of local system which does not restrict employees to a pre-established working shift, allowing employees and leaders to agree on working and compensatory hours.

Flexible working locations represent any kind of local system which does not restrict employees to a working shift, being able to decide, in accordance with local management, their working locations at least one day during the working week.

Health care facilities/subsidies cover medical assistance or treatment needed by our employees, according to prevalent local market practices, in countries where the public health service does not cover basic needs for required medical treatment or hospitalization. The benefit can either be provided by health insurance, subsidies, or a facility administered by Yara.

Retirement/pension plan are benefits for employees to use upon retirement and can be in the form of either a salary, a lump-sum payment, or a fund that the employee can access after certain retirement criteria are met (for example, a certain age, stop working etc.). This is usually not insurance, and will last through the employee's life, even after they leave the employer.

Life insurance refers to a risk insurance of any form of compensation in the case of the death of an employee, in an accident or otherwise. The benefit is only valid while the employees are working and usually below the retirement age. It will not carry over if they leave the company, retire, etc. It can be either provided by an insurance coverage, social security, or may be included in a pension plan in some jurisdictions but is a different benefit than life insurance and pension plan itself. The payout might be a one-time lump sum, an annuity, or monthly instalments.

Table 2: Distribution of employees per weekly working hours

Standard weekly working hours	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand Total
1-10 hours:	1	4	–	16	–	2	23
11-20 hours:	1	1	90	85	1	1	179
21-30 hours:	1	2	70	105	–	1	179
31-40 hours:	352	1,023	1,326	7,392	187	675	10,955
41-50 hours:	280	963	3,822	–	1,282	–	6,347
More than 50 hours:	–	–	–	–	–	–	–

Table 3: Benefits provided to employees

	Gender	Permanent	Non-permanent
Disability coverage		96%	73%
Healthcare facilities/subsidies		99%	78%
Life insurance		98%	78%
Retirement/pension plan		95%	66%
Flexible working hours	Female	91%	59%
	Male	75%	48%
	Total	79%	51%
Flexible working locations	Female	59%	27%
	Male	48%	19%
	Total	46%	21%

At a minimum, all Yara employees shall be covered with life and accident insurance, covering at least:

- Two years' salary including any social security, individual pension plans paid by the employee, and/ or company-paid pension plans.
- An additional minimum benefit of one year for related accidental death or disability.

Disability coverage refers to risk insurance of any form of income protection that the employee is eligible for in case they become temporary or permanently unable to work. The benefit is only valid while the employees are working and usually below the retirement age. It will not carry over if they leave the company, retire, etc. It can be either provided by insurance coverage, social security, pension plan paid by the company and/or the employee. The payout might be a one-time lump sum, an annuity, or monthly instalments.

Sickness rates and work-related diseases
We are determined to ensure a safe and healthy work environment for all our employees. Monitoring sickness rates and work-related diseases helps ensure compliance with relevant laws and regulations, as well as identifying issues that may be negatively impacting employee well-being. The sickness rate for Yara in 2023 was 3.2 percent, 82 percent of the sick leave hours came from male employees, a slightly higher proportion than the 73 percent of workforce constituted by men. The decrease in sickness rate in 2023 can be attributed to less Covid-19 cases in some countries.

There were 45 cases of occupational diseases, 26 in Brazil, 2 in Egypt, 4 in Guatemala, 3 in Mexico, 2 in Finland, 2 in Chile, 2 in Costa Rica, 1 in Colombia, 1 in Germany, 1 in France and 1 in Switzerland.

Read more about how Yara manages our employees' and contractors' health and safety, including mental health, in the chapter on Health, safety, and security page 160.

Collective bargaining, freedom of association, and social dialogue:
The realization of the right to collective bargaining, freedom of association, and social dialogue has a direct impact on workers' working conditions. Regulations and workers' representation help protect basic labor rights and keep a power balance between Yara and employees. Lack of representation or regulation could potentially generate poor and unsafe working conditions, lower wages, or exploitation.

Yara values its relationship with employees and their organizations and engages with them regularly. Each region and location have autonomy to establish relations with unions. In 2023, about 70 percent of permanent employees and 60 percent of non-permanent employees were covered by collective bargaining agreements. Yara does not consider any of its fully owned operations to be at significant risk of violating employees' right to freedom of association or the right to collective bargaining, and no specific concerns were identified in 2023.

For employees not covered by collective bargaining agreements, working conditions and terms of employment are determined by local laws and market practices. Yara also expects its business partners to respect and uphold their employees' freedom of association involving trade unions or similar external representative organizations. This expectation is clearly stated in the Code of Conduct for Yara's Business Partners.

When operating in countries where the right to freedom of association and collective bargaining is limited through local legislation, we seek to take mitigating actions in accordance with local conditions and regulations. One example of this is encouraging independent gatherings where employees can elect members to a representative committee that will discuss work-related matters with management.

Table 4: Employees covered by collective bargaining agreements per region

	Non-permanent 2023	Permanent 2023	2022	2021	2020	2019	2018
Africa	2%	26%	16%	23%	26%	27%	30%
Asia & Oceania	0%	3%	3%	12%	12%	14%	9%
Brazil	87%	100%	100%	92%	90%	91%	100%
Europe	56%	81%	82%	75%	82%	80%	79%
Latin America	42%	35%	35%	30%	6%	7%	6%
North America	0%	20%	21%	20%	27%	29%	30%
Yara overall	60%	70%	69%	66%	67%	70%	71%

Table 5: Topics covered in collective bargaining agreements

	% of permanent employees covered by topic	% of non-permanent employees covered by topic
Diversity, discrimination and/or harassment topics	32.8%	25.4%
Health and safety topics	65.0%	58.9%
Training and career management topics	31.1%	23.6%
Working conditions	68.6%	60.1%

In 2023, 79 percent of permanent employees and 64 percent of non-permanent employees were covered by workers representatives at a local level, broken down by EEA countries in table 8. On a regional level, the European Works Council of Yara (EWC) is a forum for elected employee representatives across European borders to meet for different kinds of discussions and collaboration. The EWC is responsible for significant business issues and European-level matters. In addition, we established the Brazilian Works Council of Yara (BWC) in 2021, Yara's first works council outside Europe. BWC is made up of 15 representatives from different parts of Yara Brazil and has a similar role as EWC.

Table 6: Employees covered by collective bargaining agreements per EEA countries[1]

Country	Total employees	Number of agreements	% of permanent employees	% of non-permanent employees
Belgium	615	More than one	100%	100%
Bulgaria	57	None	0%	0%
Finland	874	More than one	100%	93%
France	576	More than one	100%	50%
Germany	960	More than one	78%	29%
Italy	394	More than one	97%	100%
Lithuania	502	None	0%	0%
Netherlands	909	More than one	100%	89%
Norway	1,621	More than one	99%	93%
Poland	78	None	0%	0%
Spain	105	More than one	100%	100%
Sweden	432	More than one	69%	11%
Switzerland	54	None	0%	None
United Kingdom	273	None	0%	0%

[1] only accounting for countries of significant employment (more than 50 employees)

Table 7: Employees covered by workers representatives per region[1]

	% of permanent	% of non-permanent
Africa	55%	23%
Asia & Oceania	19%	31%
Brazil	100%	87%
Europe	90%	59%
Latin America	69%	42%
North America	20%	0%

[1] only accounting for locations that report number of employees covered by local workers representatives

Table 8: Employees covered by workers representatives per EEA country[1]

	Permanent employees	% permanent covered	Non-permanent employees	% non-permanent covered
Belgium	603	100%	12	100%
Bulgaria	48	0%	9	0%
Finland	818	100%	56	93%
France	554	100%	22	50%
Germany	866	99%	94	38%
Italy	391	97%	3	100%
Lithuania	500	100%	2	100%
Netherlands	853	100%	56	89%
Norway	1,501	99%	120	93%
Poland	70	86%	8	100%
Spain	103	1%	2	0%
Sweden	321	69%	111	11%
Switzerland	54	0%	0	0%
United Kingdom	267	0%	6	0%

[1] only accounting for locations that report number of employees covered by local workers representatives for each EEA country of significant employment (more than 50 employees)

Managing restructures and closures
The Guidelines for Organizational Restructuring at Yara outline a set of measures to mitigate any negative impacts on our employees as the result of downsizings, establishing terminations as the last resort. The guidelines also describe measures for managing facility closures and protecting the jobs of the people working there, whether it be by retaining critical personnel, selling the facility and transferring the employees, or supporting the employees in finding alternative jobs.

In 2023, 212 employees were affected by layoffs; 3 in Australia, 2 China, 9 in India, 7 Singapore, 1 in Poland and 1 in Thailand due to a restructuring process; 61 in Belgium, 2 in France and 6 in Russia due to market conditions; 13 in the U.S. due to the ownership of Tampa Terminal being transferred; and 107 in Brazil due to a new organizational structure.

A Living Wage

Yara believes that paying a living wage is key to meeting the goal of providing decent work and reducing inequality. Therefore, in 2021, in partnership with an external consultancy, the living wage project was launched with the target of ensuring a sustainable compensation structure for Yara employees.

The project assumed a family setup of two adults and two children to allow a consistent approach across different locations and assessed three purchasing package configurations to establish what would be Yara's standard. The "decent package", representing the purchase of necessary goods and services to provide a healthy and decent standard of living and which meets the employees' needs in modest surroundings, was the one that Yara decided to be the anchor of its Compensation Policy.

After a project assessment for a selected group of 11 countries, 22 sites and 3,589 employees (about 20 percent of Yara's workforce), Yara launched a further global roll-out to all countries where Yara is present. The global roll-out analysis ended in July 2023 and the result of the assessment showed that around 5.3 percent of employees (925 individuals out of 17,500) are earning below the "decent package" standard.

During the second half of the year, actions such as salary review were taken and a commitment was made to close all the gaps where there was no structural issue (no impact on the workforce hierarchy besides the scoped employees). In situations where there is a structural issue, the commitment was made to close these gaps by Q2, 2024, as this requires reviewing local policies.

The current gap is around 3.3 percent (584 individuals out of 17,500). As of 2024, the living wage thresholds will be maintained and updated during the first quarter of the year, to monitor and analyze the gaps and take the necessary actions.

Metrics and targets

Table 9: Full-time and part-time employees by gender

	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Grand Total
Total full-time employees	634	1,988	5,308	7,265	1,469	678	17,342
Female	145	565	1,353	1,929	446	149	4,587
Male	489	1,423	3,955	5,336	1,023	529	12,755
Total part-time employees	1	5	–	333	1	1	341
Female	1	4	–	174	–	1	180
Male	–	1	–	159	1	–	161

A full-time employee is an employee registered with full-time equivalent (FTE) = 1, meaning that the workload/hours of the employee is as expected for their position as of 31 December 2023. A part-time employee is an employee working less than 1 FTE.

Table 10: Full-time and part-time employees by gender per EEA country[1]

	Full-time employees		Part-time employees	
	Female	Male	Female	Male
Belgium	103	453	15	44
Bulgaria	20	37	–	–
Finland	180	674	10	10
France	112	445	18	1
Germany	209	683	45	23
Italy	51	336	6	1
Lithuania	337	156	6	3
Netherlands	79	757	27	46
Norway	494	1,077	25	25
Poland	28	50	–	–
Spain	46	58	1	–
Sweden	118	311	2	1
Switzerland	24	26	4	–
United Kingdom	89	168	12	4

[1] only accounting for countries of significant employment (more than 50 employees)

Our targets

Living wage

Close the living wage gap in all countries of operation by 2025.

On track

Employee engagement

Through 2025, we are committed to achieving an Engagement index in the top quartile of international benchmarks, measured through Yara Voice survey results. In 2023, the Engagement index remained high and stable compared to last year (77 percent), but the target for 2023 (80 percent) was not met due to strong developments in the benchmark.

On track

Table 11: New employees hired[1)]

Gender	Age group	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Total
Female	Under 30	3	62	90	70	24	4	253
	30-50	7	52	94	138	18	9	318
	Over 50	2	1	1	12	2		18
	Not informed	1			1			2
Total female		13	115	185	221	44	13	591
Male	Under 30	3	86	118	84	25	3	319
	30-50	11	109	219	202	47	28	616
	Over 50	2	4	21	30	3	6	66
	Not informed	2	1					3
Total male		18	200	358	316	75	37	1 004
Grand total		31	315	543	537	119	50	1 595

1 Excluding Yara Marine and Varda employees.

Table 12: Employee exits (% turnover[1)])

Gender	Age group	Africa	Asia & Oceania	Brazil	Europe	Latin America	North America	Total
Female	Under 30	1 (5.9%)	35 (14.9%)	67 (14.3%)	35 (9.9%)	19 (14.3%)	2 (15.4%)	159 (13%)
	30-50	4 (3.7%)	40 (10.8%)	138 (14.7%)	73 (5.7%)	36 (11.3%)	6 (5.6%)	297 (9.5%)
	Over 50	5 (29.4%)	5 (13.5%)	8 (16.7%)	32 (6.7%)	3 (10%)	2 (5%)	55 (8.5%)
	Not informed	0 (0%)	1 (0%)	0 (0%)	11 (34.4%)	0 (0%)	0 (0%)	12 (34.3%)
Total female		10 (6.9%)	81 (12.6%)	213 (14.6%)	151 (7.0%)	58 (12.0%)	10 (6.3%)	523 (10.4%)
Male	Under 30	4 (11.1%)	67 (17.5%)	153 (17.1%)	40 (5.8%)	33 (18%)	2 (4.8%)	299 (13.4%)
	30-50	51 (13.5%)	95 (9.4%)	332 (11.8%)	128 (4.2%)	87 (11.3%)	17 (4.8%)	710 (8.5%)
	Over 50	8 (8.4%)	23 (10.5%)	38 (6%)	147 (8.1%)	13 (8%)	28 (14.6%)	257 (8.3%)
	Not informed	0 (0%)	1 (33.3%)	0 (0%)	6 (30%)	0 (0%)	0 (0%)	7 (21.9%)
Total male		63 (12.2%)	186 (11.5%)	523 (12.1%)	321 (5.8%)	133 (11.9%)	47 (8.0%)	1273 (9.3%)
Grand total		73 (11.0%)	267 (11.8%)	736 (12.7%)	472 (6.1%)	191 (12.0%)	57 (7.6%)	1796 (9.6%)

1 The turnover calculation is a metric used to determine the percentage of permanent employees who have left a company during a specific reporting period. This calculation excludes employees who were divested, meaning those who were employed by a plant that was sold and are no longer considered employees of the company, but who did not lose their jobs. The calculation is determined by dividing the number of permanent employees who left during the reporting period by the total number of employees at the beginning of the reporting year.

OWN WORKFORCE

Health, safety, and security

We care for our employees and contractors and therefore, health and safety, including mental health, are a high priority at Yara. Our belief is that all accidents are preventable, and we want to be the safest company in our industry. When our people, products, and processes are safe and compliant, it allows us to concentrate on reaching our goals and making the world a better place.

We have a responsibility to develop a safe and healthy workplace with minimum exposure to the risks generated by our processes or external security threats to our assets. As a global company, we are continuously monitoring threats and vulnerabilities and implement risk-reducing measures to protect employees and the organization. Zero harm – that is our goal through hands-on leadership, efficient use of tools, and increased co-worker ownership and engagement.

In this section:
- Health and safety, including mental health
- Process safety
- Security in areas of conflict

Health and Safety
Safe by Choice is our company-wide journey to develop a value-based and sustainable HESQ culture to reach our goal of zero harm. We are committed to conducting our business responsibly in accordance with applicable laws, regulations, and Yara's policies and procedures. In 2023, we continued the Safe by Choice journey and developed a human factor program to understand how our behaviors influence accidents, reduce and eliminate human error, and increase HESQ awareness.

Our Safety Management Principles provide guidance to employees and contractors to comply with our safety framework, standards, and requirements, including mandatory life-saving Golden Rules, which set the minimum global standards on safe working practices.

To ensure that the company standards are applied in all units, Yara implements a certified management system. Yara has an integrated Health and Safety, Environment, Quality, Energy and Security management system that is valid company wide and includes all employees and non-employees. This management system is certified with ISO 9001, 14001, 45001 and 50001 at the large production sites. Yara has an internal corporate audit program to check compliance with the management system.

All HESQ incidents are reported, analyzed, and monitored with the necessary corrective and preventive actions. Also, our CEO joins the weekly TRI (total recordable injury) calls to show further commitment to our zero-harm goal.

To ensure employees engagement, all sites have a HESQ Committee. These committees are responsible for implementing the direction Yara sets to satisfy the HESQ Policy requirements and realize the ambition of zero harm.

At Yara, we recognize that our employees are unique individuals, and that work and personal life are two parts of a whole – not separate spheres. We want to enable our employees to balance work with outside interests and to live healthy lives. New procedures are in place to promote the physical and mental health of everyone working for us. Our main focus is currently on the physical and psychosocial work environment as well as the prevention of incidents with high potential consequences. Read more on work-life balance and well-being at Yara in the Employment section, page 152.

Process safety
Ammonia is the second most manufactured chemical in the world and Yara has decades of experience producing ammonia, which makes us one of the most experienced ammonia producers globally, with an excellent safety record and extensive knowledge.

Process safety management is a prerequisite for our license to operate and process safety has our continuous commitment. We have established a risk-based process safety management system, which serves our ultimate objective of mitigating and managing risks generated by our processes to prevent catastrophic accidents. We improve this system continuously, informed by events that occur within our own operations as well as in the industry. On a monthly basis, all high potential process safety events are discussed on a corporate-wide platform with participation from across the organization and sharing of lessons learned for preventive purposes.

Policies

Yara launched the latest HESQ Policy in 2024, in alignment with the nature-positive ambition. The policy serves as the framework for setting objectives, targets, and ways of working. The policy has been adopted by the Group Executive Board and applies to all employees and all activities. The policy is communicated via the Yara Steering System to all Yara employees, and it is publicly available on our website. See our HESQ Policy, page 98.

Processes

Our production units and operations have systems in place to register and follow up complaints and other feedback from internal and external stakeholders. See more in Personal safety of consumers and end-users, page 193.

HESQ Committees
The Safety Committees within our organization play a crucial role in ensuring health, environment, safety, security, and quality standards to meet HESQ Policy requirements

and achieve the goal of zero harm. They have been transformed from Safety Committees to HESQ Committees to cover all HESQ domains.

- **Corporate HESQ Committee:** This committee, chaired by the CEO and attended by Yara's Group Executive Board, HESQ representatives, and employee representatives, holds the highest position in our organizational structure.
- **Regional HESQ Committees:** Following the corporate level, we have regional HESQ committees. These committees consist of regional and key HESQ representatives, Yara's labor union representative, Yara's Executive Vice Presidents, and Yara's CEO.
- **Local HESQ Committees:** At the departmental and site level, local HESQ committees provide the foundation for managing HESQ.

These committees are responsible to collaborate and to ensure safety, compliance, and a healthy work environment for all employees.

Incident reporting system

Our Corporate Health, Environment, Safety, and Quality (HESQ) function oversees a comprehensive company-wide system for reporting and handling HESQ related accidents, breaches, near-misses, and hazardous conditions. Each incident is systematically investigated based on predefined severity levels, and the learnings gained from these investigations are shared across all organizational units. For the most severe incidents, we engage independent off-site experts to conduct thorough investigations. Additionally, the classification of personal injuries aligns with Occupational Safety and Health Administration (OSHA) requirements.

Procedure on Work Environment - Physical requirements

In 2022 Yara developed a global standard on the physical work environment following findings from our human rights impact assessments. Read more in Other work-related rights, page 175..

Safe by Choice

In our accountability culture, everyone takes responsibility not only for their own well-being but also for the well-being of others. The Safe by Choice approach ensures that we are well-informed about our responsibilities and expectations and therefore think and act in a safe way. We have the necessary skills and competencies to operate effectively, and we conduct our work in a standardized manner, adhering to applicable laws, regulations, Yara's policies, and procedures. We are committed to constantly enhancing our standards and management system. Together, we strive for a safer and more responsible work environment.

Actions

We continued our global roll-out and implementation of the occupational health program. Modules on stress and mental health were rolled out and a new module on psychological safety was developed. We emphasized the importance of the Mental Health Day with a global online seminar, local initiatives, and the Yara Well-being Challenges in October. Training projects and initiatives on manual handling requirements were initiated and implemented.

Annual Health & Safety Day

On April 25, Yara proudly celebrated Health & Safety Day and the 10-year anniversary of Safe by Choice. This program has been dedicated to achieving zero harm at all sites and is now recognized as a top safety program in the industry.

Safety Award

The Yara Safety Award, in existence for over 25 years, goes beyond merely acknowledging safety performance and outcomes. Its purpose is to commend and inspire both systematic and innovative efforts aimed at fostering sustainable improvements in safety behavior and organizational culture.

For 2023, Yara Pocklington won the Yara Safety Award for demonstrating a high safety culture, an excellent Health Environment Safety and Quality (HESQ) management system, and a behavioral observation program that is fully driven by employees, and a high-standard health program.

PSIF program

Our Potential Severe Injuries and/or Fatalities (PSIF) program ensures that we review, investigate, and share lessons learned from incidents with high potential severity in a structured manner and establish effective improvement actions. PSIF cases are discussed monthly on a corporate-wide platform with participants from across the organization, including Yara management.

HESQ training

We are developing and continuously improving the HESQ training across Yara by working with Human Resources and other departments.

In 2023, around 20,000 hours were dedicated to HESQ training in our production units and 7,000 personnel were trained accordingly in the production sites.

Training was also developed on the new platform, Degreed, and through Together We Learn, an interactive training used under the Safe by Choice umbrella together with the new developing HESQ Academy. From 2023, the Energy and Environment Academy (E&E Academy) is preparing an ongoing educational project which aims to increase environmental awareness and climate action among all Yara employees. The E&E Academy aligns with Yara's ambition of Growing a Nature Positive Food Future, and offers knowledge and tools for employees to contribute to greener actions and initiatives.

Security in areas of conflict

As a global company with a far-reaching mission and global presence, Yara is increasingly exposed to geopolitical events and their consequences. In 2023, there were a high number of armed conflicts and wars in the world. Some of these conflicts impact Yara employees directly. Most notably, Yara employees in Ukraine are living and working under conditions of war, while a state of emergency is prevailing in Myanmar. Yara has established local crisis management teams to handle the ongoing situations in these countries specifically. The purpose of the teams is to identify security concerns and business continuity related concerns for the attention and possible resolution by corporate and regional support functions. The extended purpose is to support business continuity, while maintaining the safest possible work environment and upholding the health of the workforce.

The Yara Corporate HESQ Security Team monitors the full spectrum of global security threats to maintain a prepared posture and, to the largest extent possible, to prevent security threats from materializing. To protect our people, the environment, and our assets, the security function of Yara issues security warnings and supports local and global crises management. This includes maintaining global travel security support functions and digital tools for security monitoring. The security team conducts geopolitical risk assessments to support decision making and devise relevant security postures, readiness levels, and protection measures for personnel and assets.

Metrics and targets

For the year 2023, there were 60 total recordable incidents, including own employees and contractors. One incident had severity 2 (major, extensive injuries-severe irreversible disability) 21 had severity 3 (moderate, sick leave beyond 7 days), 38 cases had severity 4 (minor, restricted work, medical treatment or less than 7 days absent). Yara has made significant progress in reducing the severity of injuries over time, and the likelihood of a fatal accident has been greatly reduced.

HESQ Index

In 2021, Yara established the leading indicator, the HESQ Index, to support developing an even stronger HESQ culture. The index is an internal measure, and is regularly updated and strengthened to ensure continuous improvement for local units.

HESQ metrics

Our health and safety management systems cover 100 percent of our operations worldwide, including employees and contractors. 100 percent of our total workforce across all locations is represented in formal joint management worker health and safety committees and 100 percent of all operational sites have conducted an employee health and safety risk assessment.

Commitments

Strive towards zero accidents

- 0 fatalities for 2023
- No fatalities have occurred during the past five years

Our goal is to drive the total recordable injury (TRI) rate down to 1.0 or less by 2025, a steppingstone to achieving our goal of zero injuries.

In 2023, we recorded a TRI rate of 1.1, in line with our 2025 goal. Strong safety focus and safety commitment at our sites explain the achievement.

Total Recordable Injury (TRI)

<1.0 by 2025 on our journey towards zero injuries.

On track

Process safety

0 major process safety incident

Achieved

PS index

From 2020, we launched a new leading, internal indicator to measure our process safety performance and promote a mindset of continuous learning and improvements through systematic follow-up, but also with efforts and focus on efficient competence development.

PS index >80%

Achieved

Preventing serious incidents

Maintaining a Potential Severe Injuries and/or Fatalities (PSIF) rate <1.0

PSIF <0.6

Achieved

Systematic Inspections

4,308 Systematic Inspections were performed for Process Safety compared with 4,143 on 2022.

Number of lost working days per year

Date and time	Actual workdays (LTA), total	Rolling average
2019	1,110	1,110
2020	1,557	1,557
2021	1,553	1,553
2022	755	755
2023	502	502

TRI rate split for Yara employees and contractors

Date and time	Contractors	Yara	Yara and contractors
2019	1.366	1.432	1.398
2020	1.260	1.400	1.319
2021	0.964	1.004	0.988
2022	1.237	1.015	1.104
2023	1.314	0.926	1.087

Total Recordable Injury (TRI) is the sum of lost time injuries (LTI), restricted work cases (RWC), and medical treatment cases (MTC). The TRI rate is calculated as the TRI per million hours worked for employees and contractors combined.

LTI severity rate for employees and contractors

Date and time	Contractors	Yara	Yara and contractors
2019	0.594	0.891	0.783
2020	0.748	0.954	0.880
2021	0.613	0.591	0.635
2022	0.779	0.830	0.865
2023	0.964	0.525	0.761

World Mental Health Day

Mental health is a vital aspect and a foundation of our overall health and well-being and can be adversely affected by a negative work environment. Beyond the impacts on stakeholders, this may result in negative impacts on the company performance through increased absenteeism, sick leave, and employee turnover. At Yara we understand that proactively building a positive work environment creates motivated, engaged and psychologically safe employees.

In October, Yara marked and celebrated World Mental Health Day with the theme "Mental Health is a Universal Human Right". We sought to improve knowledge, raise awareness and drive actions that promote and protect everyone's mental health with the following initiatives:

Mental health web discussion
Yara held a web discussion on mental health, where our employees talked about how the work environment influences mental resilience and susceptibility and how employee engagement contributes to a good work environment.

Mental health toolbox
HESQ has launched a mental health toolbox on Degreed which aims to make it easier for employees to work on their mental health, as well as talk about it with co-workers.

Yara Well-being Challenge (Yara Octathlon 2023)
This initiative aimed to raise awareness of mental and to encourage employees to pursue and log physical and other well-being activities. Yara donated for every health and well-being hour spent and recorded by employees in October. The target for this year's fund-raising was USD 100,000. For each hour spent on physical activity, Yara donated USD 20.

OWN WORKFORCE

Equal treatment and opportunities for all

Ensuring that our workforce is treated in line with the principles of equality and non-discrimination is a priority for Yara. It guarantees that our company respects basic human rights and defines our drive for operational excellence and innovation. Creating and maintaining a diverse, equitable, and inclusive work environment is not only the right thing to do, it also benefits our employees.

Policies

Compensation Policy / Total Rewards Policy
These policies state that we are committed to paying employees fairly, regardless of personal beliefs or individual characteristics. Read more about the policies on page 152.

In this section:
- Diversity, equity, and inclusion
- Gender equality
- Equal pay for work of equal value
- Employment and inclusion of persons with disabilities
- Measures against violence and harassment

Benefits Procedure
This procedure states our global parental leave standard as well as other benefits provided to employees. Read more about the policies on page 152.

Work-life Balance and Well-being framework
This framework clarifies our position on, among other things, family caregiver leave and flexible working hours and location. Read more about the policies on page 152.

Recruitment Policy
This policy ensures a fair recruitment process and equal opportunities, while also promoting diversity. The policy sets out roles and responsibilities to ensure that we treat all candidates professionally and expose internal career opportunities by making open positions visible to all employees. The policy is operationalized through a recruitment module in our People management system and is also available as a guideline to support recruiters and hiring managers.

Disciplinary Policy
The purpose of our Disciplinary Policy is to describe the disciplinary actions that shall be taken when an employee is in breach of our codes, policies, procedures, or processes, or applicable national or local laws. This policy stipulates that a thorough investigation and assessment of evidence shall be conducted when there is suspicion of misconduct. The policy applies to all employees, and the line managers are responsible for ensuring compliance with disciplinary actions.

Salary Review Procedure
The procedure defines roles and responsibilities in the salary review process to ensure that employees' salaries are fair and accurately reflect their contribution and is applicable to all Yara employees. The procedure states that Yara shall follow a fair pay approach, referring to salary being compared to peers to achieve internal equity. The procedure is operationalized through our People management system, where we also have online training modules to support the line manager and HR Business Partner in deciding salary increases and/or other rewards. The outcome of the salary review process is monitored through our annual gender pay gap analysis and compensation dashboards.

Yara's Code of Conduct
At Yara, we believe that a diverse and inclusive work environment in which employees feel valued for their uniqueness and feel safe to speak up benefits our business. Our Code of Conduct sets Yara's position regarding equal opportunity, harassment, as well as equal pay and working hours.

We require that employees of our business partners be treated with respect and dignity, and that opportunities are based solely on merit, irrespective of race, color, religion, gender, age, national origin, sexual orientation, gender identity, marital status, or disability. Read more on our Code of Conduct and Code of Conduct for Business Partners on page 98.

All policies are available to our employees through Yara's Steering System, our internal communication channel Pulse, and/or employee handbooks.

Processes

Multiple channels are available for employees to report potential or actual violations of the Code of Conduct, laws and regulations, and ethical misconduct. This includes topics related to diversity, inclusion, and equal treatment. Read more about Yara's grievance channels and Internal Investigation Procedure in the chapter on corporate culture and anti-corruption, page 198.

In addition, our employee surveys Yara Voice and Peakon act as employee sounding boards, important for management and People professionals. The surveys have dedicated questions about diversity and inclusion, as well as comment sections where employees can give anonymous feedback which is used to prioritize actions. Survey results are available to line managers with more than five employees, People professionals, and global results are presented to the Group Executive Board annually.

Actions

Diversity, equity, and inclusion awareness
Yara is committed to attracting, developing, and retaining diverse talents. As a key initiative, Yara includes awareness dates in the yearly calendar to promote visibility, educate, and improve employees' experiences. In 2023, four days were celebrated

with learning activities and communication: the International Women's Day, Pride Day, International Day for people of African Descent, and the International Day of Persons with disabilities.

Inclusion of underrepresented employees
To better understand the perspectives and challenges faced by underrepresented employees at Yara, we announced the launch of Employee Resource Groups (ERGs) in 2023. ERGs are voluntary, employee-led groups that are formed to act as a resource and sounding board for underrepresented groups across Yara. Several employees representing different geographical locations have already registered to be actively involved in the different groups:

- Gender Equity (43 members)
- LGBTQIAP+ (36 members)
- Race & Ethnicity (23 members)
- Persons with Disabilities (ongoing recruitment of volunteers)

With these ERGs Yara will provide a platform for employees to connect, share experiences, and promote diversity and inclusion within the workplace. The groups will offer networking opportunities, professional development resources, and serve as advocates for their members within the organization.

Balanced representation among employees
Over the past five years, the percentage of women in permanent positions at Yara has steadily increased. At the end of 2023, 26.9 percent of Yara employees were women (+ 0.7pp from 2022), 28.1 percent of line managers were women (699 of 2486), and 31.7 percent of senior management positions were held by women (91 of 287, +2.8pp from 2022). To improve the representation of women across all levels we closely monitor representation and retention rates, and implement and continue initiatives to make Yara more attractive to women. Examples of initiatives are the Women in Agronomy mentoring program, our Gender Equity employee resource group, the annual gender pay gap analysis and the Women in Maintenance program.

At year-end 2023, Yara's Group Executive Board comprised ten members, five of whom were women. Five management team members were Norwegian, one was French, two were Spanish, one Belgian and one was British. Yara does not have a corporate assembly, and the shareholders' representatives on the Board of Directors are therefore elected directly at the Annual General Meeting.

We also track other parameters of diversity, such as people with disabilities. In the countries where we can report employees with disabilities according to the local legislation and labor laws, they accounted for 2.6 percent, 326 out of 12,397 employees. In the 13 countries where we cannot report employees with disabilities, the main reason is that local laws do not allow us to collect this information. Examples of action we take to attract, include, and develop our employees with disabilities are the employee resource group Persons with Disabilities, our global disability awareness day, and developmental programs for people with disabilities.

Measures against violence and harassment in the workplace
In 2023, Yara's Ethics and Compliance Department received a total of 62 notifications classified as harassment and discrimination. Of the 62 notifications, 59 were resolved within the reporting period and 40 of them were substantiated.

The cases resolved within the reporting period resulted in the following disciplinary measures:

- 12 employees were dismissed
- 20 employees were given a written warning
- 13 employees received coaching/training
- Zero cases without disciplinary measure
- Zero cases pending outcome

Preventing and raising awareness of discrimination and harassment has high priority at Yara. In addition to our formal Ethics and Compliance training, available as both face-to-face and e-learning, other specific training and communication efforts are initiated addressing these topics. One example is a dedicated harassment training conducted for 400 employees in Brazil in 2023. Yara has also implemented several other initiatives on this issue in the Diversity, Equity, and Inclusion program.

Parental leave
At Yara, all employees are entitled to family-related leave. Yara's global standard of parental leave for Yara employees consists of six months of paid leave for primary caregivers and one month of paid leave for secondary caregivers. In 2023, 98.6 percent of our employees who were eligible for parental leave, were covered by this global standard. Yara's parental leave standard sets a minimum standard and we adhere to higher standards and accommodate any applicable benefits from national social security schemes, personal insurance schemes, or equivalent. Table 2 presents the average number of weeks of parental leave by gender and the number of employees who received this benefit.

Table 1: People with disabilities per region

	% people with disabilities	Total employees in location[1)]
Africa	0%	490
Asia & Oceania	0.1%	1,522
Brazil	4.8%	5,306
Europe	1.9%	3,576
Latin America	0.2%	1,332
North America	0%	171

1) In locations where we collect data about people with disabilities

Table 2: Parental leave

	Average number of weeks of parental leave	Entitled to parental leave	Took parental leave	Returned to work after parental leave ended	Still employed 12 months after their return from parental leave
Male	6.2	549	525	519	481
Female	38.1	219	216	159	158

In addition, 14,714 employees in 51 countries (83 percent of global workforce) could also receive coverage of costs associated with maternal/reproductive and mental health information and services, for example, by receiving post-partum maternal and mental health resources or free short-term counselling.

Equal pay for work of equal value:
As stated in our Compensation Policy, Yara is committed to paying employees fairly, regardless of personal beliefs or individual characteristics. We have committed to ensuring equal pay for equal work and have monitored and published our adjusted gender pay gap analysis since 2018.

The analysis describes which variables are the most significant in explaining the compensation differences between employees. In 2022, our analysis included only base salary, while this year, it was expanded to assess any gender disparities in total target cash – which includes the base salary, total guaranteed cash, target incentives, and spot lump sums. Due to new variables included, results from 2022 and earlier are not comparable with results from 2023, but they provide a good understanding on how we can improve pay equality in our locations of operation.

The study is based on ordinary least squares (OLS) regression to measure the impact of gender on pay after statistically controlling differences in other factors, such as career type, job pay level, age, time in job pay level, organization, time in company, and city. The first step is to assess the model that better explains salary variations. The R2 measure is used for this purpose, and it represents the strength of the relationship between the linear regression model and the dependent variable "Total target cash" on a 0 – 1 scale. The closer to 1, the better our assessed model fits the data variability. Secondly, if gender does not have a statistically significant impact over salaries, on a 95 percent confidence interval, then the inference of gender gap is presented as 0.0 percent in Table 3.

As this technique requires a large data sample, the threshold for a country to be included in the analysis is 25 employees from each gender and a minimum 10 percent female ratio. In 2023, the analysis covered 26 countries and 10,750 permanent and temporary employees, representing 63 percent of our total workforce. Employees covered by tariff agreements were excluded from the analysis, as tariff schemes provide protection against gender bias. Countries such as Finland, Germany, Canada, Sweden,

Table 3: Adjusted gender pay gap by country

Country	Gender equal pay for equal work gap inference	R^2	Women in scope	Men in scope	% of permanent and temporary employees covered
Argentina	0.0%	0.88	41	96	100%
Australia	0.0%	0.88	38	110	60%
Belgium	0.0%	0.92	85	176	42%
Brazil	0.0%	0.98	1,185	3,385	89%
Canada	0.0%	0.92	33	50	34%
China	0.0%	0.92	62	83	85%
Colombia	0.0%	0.95	190	190	55%
Finland	0.0%	0.87	68	161	26%
Germany	0.0%	0.90	84	141	25%
India	0.0%	0.89	174	792	99%
Indonesia	0.0%	0.83	27	45	95%
Italy	0.0%	0.81	46	292	86%
Lithuania	2.0%	0.92	305	146	90%
Malaysia	0.0%	0.94	28	25	100%
Mexico	0.0%	0.88	96	169	63%
Netherlands	0.0%	0.89	51	320	41%
Norway	3.0%	0.94	394	596	64%
Poland	0.0%	0.96	26	38	82%
Singapore	4.2%	0.94	109	72	96%
South Africa	0.0%	0.94	34	46	33%
Spain	0.0%	0.95	40	54	90%
Sweden	0.0%	0.92	29	34	19%
Switzerland	0.0%	0.91	28	24	96%
Thailand	0.0%	0.97	41	49	90%
United Kingdom	5.0%	0.96	92	164	94%
United States	0.0%	0.95	65	121	70%

Photo: Richard L. Camp

Women in Agronomy mentorship program

Representing almost half (43 percent) of the world's agricultural workforce, women play an essential role in rural economies' food production. To develop, retain, and attract more women to agronomy-related areas of work, Yara is addressing the hurdles women face in the field through the Women in Agronomy program. The program links new and developing talents with senior employees across the company for knowledge exchange, self-development, and counseling.

To date, 320 women have benefited from mentoring, knowledge sharing, and visibility channels. In 2023, the program graduated a record number participation of 353 employees from 46 countries. Since its inception in 2020, the program has seen three consecutive cohorts, growing from 60 graduates in 2021 to 188 in 2022, and now counting over 600 graduates worldwide.

South Africa, and the Netherlands, heavily composed by employees covered by tariff schemes, have lower coverage in this study. France was disregarded from the analysis due to data quality concerns.

The gaps reported ranged from zero in several countries to five percent in the United Kingdom. The table shows the results from 2023 for each country in the scope of the analysis.

We are committed to closing the statistically evidenced gender gap by the end 2025. In countries where evidence of a gender gap was found, part of the allocated frame to adjust salaries to the latest market developments will be used to decrease such gaps. The other actions we take to ensure gender equity are outlined in this chapter.

Unadjusted gender pay gap

The unadjusted gender pay gap shows the difference of average pay between female and male employees, expressed as the percentage of the average pay of male employees, irrespective of any other characteristics. The study covers 15,661 permanent and temporary employees, representing 92 percent of Yara's total workforce.

In previous years, this analysis only showed the disparities between the average base salaries from female and male employees, while in this year we are expressing such differences in total guaranteed cash and total target cash.

- Total guaranteed cash: basic pay, plus all mandatory additional salaries, such as holidays and Christmas bonuses, plus annual allowances, such as transport, meal, shift, and housing. and
- Total target cash: includes all the above compensation pay components mentioned, plus target incentives and spot lump sums.

The analysis is broken down by job level structure and job function types. These are:

- operators
- administrative/professional/supervisor
- middle management/subject matter expert
- top management

To protect data confidentiality, the results are only presented in clusters with at least five employees of each gender. Countries with fewer than that will not be published. Nevertheless, these countries and employees are considered in the overall figures.

In 2023, the unadjusted gender pay gap was -0.9 percent in the total guaranteed cash and -1.1 percent in the total cash.

Women in Maintenance program

The Women in Maintenance program originated from the Rio Grande plant in Brazil and was later adapted and implemented in Cubatão, with approximately 100 women participating. In collaboration with a local technical school, the aim of the program is to provide technical training to unemployed women from the Cubatão region, to prepare them for operational roles within the industry. Through this initiative, Yara contributes to including women in the labor market, and 25 percent of the program's participants have been hired by our company.

CONTENT

Table 4: Unadjusted gender pay gap per country

				1. Operators		2. Administrative/ professional/supervisors		3. Middle management/ subject matter expert		4. Top management		Countries results	
Countries	Female headcount	Male headcount	% employees covered in the analysis	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences
Argentina	41	96	100%			14%	16%	9%	11%			(77.6%)	(77.2%)
Australia	49	189	96%	14%	14%	20%	20%	4%	1%			15.3%	14.7%
Austria	5	25	94%									21.7%	23.3%
Belgium	115	485	98%	(3%)	(4%)	3%	2%	7%	7%	3%	0%	(2.6%)	(2.8%)
Brazil	1227	3628	94%	8%	7%	14%	16%	3%	4%	4%	10%	(12.0%)	(12.0%)
Bulgaria	15	32	96%			1%	1%					3.3%	3.4%
Canada	42	197	99%	32%	33%	23%	23%	8%	4%			25.0%	23.7%
China	67	84	88%			(32%)	(23%)	(7%)	1%			(42.7%)	(38.8%)
Colombia	226	456	100%	31%	30%	28%	26%	2%	3%			4.8%	2.8%
Costa Rica	18	41	98%	(38%)	(38%)	16%	23%					(0.6%)	3.9%
Côte d'Ivoire	10	27	100%			(17%)	(20%)					(11.2%)	(9.3%)
Denmark	9	26	97%									9.4%	9.1%
Ecuador	14	17	100%			1%	9%					29.9%	32.5%
Finland	180	671	98%	26%	26%	5%	5%	5%	6%			9.5%	10.9%
Germany	220	624	94%	(47%)	(48%)	12%	12%	7%	6%			20.1%	20.4%
Ghana	12	42	96%	9%	9%							(19.8%)	(13.0%)
Greece	10	25	100%									20.6%	18.9%
Guatemala	20	47	100%	(19%)	(18%)	(30%)	(15%)					(49.3%)	(42.3%)
India	175	805	100%	20%	19%	14%	12%	23%	22%			6.4%	5.5%
Indonesia	28	46	97%			31%	29%					32.6%	30.2%
Italy	54	328	97%			5%	5%	9%	9%			(7.6%)	(9.5%)
Kenya	23	39	100%	21%	21%	2%	1%					43.1%	44.9%
Lithuania	315	155	94%			(3%)	(4%)	5%	5%			4.7%	4.9%
Malaysia	28	25	100%	1%	4%	(13%)	(8%)					(0.9%)	3.2%
Mexico	98	186	67%	(34%)	(33%)	(2%)	10%	7%	7%			(13.3%)	(7.7%)
Myanmar	9	22	100%			(3%)	(37%)					(15.3%)	(22.2%)
Netherlands	105	787	99%	8%	9%	9%	10%	12%	11%			7.2%	7.5%
Norway	493	1027	98%	(1%)	(1%)	1%	1%	5%	5%	14%	16%	9.9%	11.5%
Philippines	13	24	97%			(10%)	(16%)					38.8%	40.5%

CONTENT

				1. Operators		2. Administrative/ professional/supervisors		3. Middle management/ subject matter expert		4. Top management		Countries results	
Countries	Female headcount	Male headcount	% employees covered in the analysis	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences	Total guaranteed cash differences	Total target cash differences
Poland	27	40	86%			19%	19%	0%	0%			2.8%	2.8%
Singapore	108	76	98%			9%	8%	3%	4%	7%	8%	16.4%	16.7%
South Africa	60	182	100%	26%	26%	11%	12%	5%	6%			16.5%	17.1%
Spain	41	55	91%			4%	3%	5%	5%	21%	28%	0.0%	(0.1%)
Sweden	59	173	69%	5%	5%	11%	10%	10%	9%			1.1%	(0.4%)
Switzerland	31	28	100%					3%	3%			10.2%	11.8%
Tanzania	17	39	98%	7%	7%	(13%)	(18%)					9.6%	9.4%
Thailand	44	55	99%			12%	10%	18%	17%			9.4%	8.8%
Trinidad and Tobago	23	148	100%									46.2%	45.8%
United Kingdom	100	170	99%	19%	16%	6%	6%	9%	10%			22.8%	24.4%
United States	74	156	86%	6%	0%	7%	8%	1%	3%	13%	15%	18.2%	19.2%
Viet Nam	14	30	100%			(39%)	(25%)					(81.7%)	(68.1%)
Zambia	8	12	100%									9.4%	6.6%
Yara overall	4260	11401	92%	18.3%	16.6%	12.2%	12.3%	5.0%	5.3%	9.5%	(9.8%)	(0.9%)	(1.1%)

The unadjusted gender pay gap shows the difference of average pay between female and male employees, expressed as the percentage of the average pay of male employees. This means that positive numbers in Table 4 indicate that men earn more in the given category, and negative numbers indicate that women earn more in the given category.

Table 5: Information about our workforce in Norway

		Female	Male
Workforce	Permanent	493	1008
	Non-permanent	26	94
	Total non-permanent and permanent	519	1102
	Positions contractor	9	12
	External contractor	57	244
Employment	Full-time employees	494	1077
	Part-time employees	25	25
	Involuntary part-time	–	–
	Line manager	89	152
Parental leave	Entitled to parental leave	37	42
	Took parental leave	37	42
	Returned to work after parental leave ended	36	42
	Still employed 12 months after their return from parental leave	34	38
	Average number of weeks of parental leave	30.6	8.2

The Norwegian Equality and Anti-Discrimination Act requires companies to report the state of gender equality and how gender equality and non-discrimination are integrated into the company's policies and practices. In Table 5 we provide Yara's disclosures relevant to the Act for our Norwegian companies in the reporting year 2023. We are committed to increasing the opportunities for a more balanced representation at top levels and in overall population, while providing equal pay for equal work. We have implemented stricter rules for salary review, and recruitment processes and other actions are being managed and adopted by each unit as permitted by local laws. Other global actions for equality and against discrimination are previously disclosed in this chapter.

Inclusion of People with Disabilities

The Cartagena plant in Colombia have run the "Best buddies organizational alliance" for over nine years, focusing on hiring people with intellectual and developmental disabilities. The purpose of the initiative is to give people with intellectual disabilities opportunities to practice and gain work experience, while developing inclusion skills for the total workforce. In 2023, the initiative ran awareness activities across the country, with 40 employees volunteering to support the initiative.

In 2023, Yara Brazil successfully hired 33 individuals with diverse types of disabilities, after close collaboration between HR and hiring managers to advertise inclusive positions and seeking candidates with disabilities. The efforts resulted in enhanced representation of employees with disabilities beyond entry-level positions. Yara Brazil's efforts in 2024 will be directed at maintaining and exceeding the representation and inclusion of people with disabilities in their workforce.

Metrics and target

Table 6: % of female employee per management level[1)]

	% of female employees	
Management level	**Permanent**	**Non-permanent**
Senior manager	31.7%	-
Pipeline to senior manager	29.9%	41.7%
Pipeline supply	30.8%	34.6%
Levels below	24.8%	32.7%

[1)] Excluding Yara Marine and Varda employees

- Senior manager: refers to all positions graded 15 and above in Global Grading System (GGS) within levels 1 to 3 of the Yara organization, where the holder is a line manager to permanent employees.
- Pipeline to senior manager: refers to all positions graded 13 and above (GGS) and not in senior manager group.
- Pipeline supply: refers to all positions graded 11 and 12.
- Levels below: all other position that are not part of the other groups, which means, positions graded 10 and below or not using WTW grade system.

Table 7: Workforce per employee category and age groups[1)]

	Permanent	**Non-Permanent**
Under 30	14.6%	4.0%
30-50	59%	1.8%
Over 50	20%	0.2%
Not informed	0.3%	0.0%

[1)] Excluding Yara Marine and Varda employees

Our targets

Close gender pay gap by 2025

We are committed to closing the gender pay gap by 2025. In 2023, our pay gap was 0.5 percent.

On track

40% female senior managers by 2025

We are committed to increasing the share of women in senior management positions to 40 percent or more by 2025. Compared to 2022, the proportion of female senior managers in 2023 increased from 28.9 to 31.7 percent.

On track

DEI index score in 75th percentile

By 2025, we are committed to achieving a Diversity and inclusion index in the top quartile of international benchmarks, measured through Yara Voice survey results. In 2023, the Diversity, Equity, and Inclusion index remained high (75 percent) and stable compared to last year, but the target for 2023 (78 percent) was not met due to strong developments in the market benchmark.

On track

OWN WORKFORCE

Training and skills development

Our ambition to grow a nature-positive food future cannot materialize without the professional development and growth of Yara's workforce in line with the emerging trends, disruptions, and changes that define the present and future of our industry. At Yara, we see the provision of opportunities for continuous learning and the acquisition of new skills and capabilities as some of the key areas through which we can bring positive impact and value for our employees.

Our foundation for guiding our activities in terms of training and skills development is our People Strategy – Grow@Yara. This document outlines Yara's approach to learning, upskilling, and leadership development. We recognize the need and interest from our leaders and employees to continuously grow and develop their competencies and capabilities, which is essential for the success of Yara. Key actions to deliver on our strategy are leveraging learning communities, leadership development programs, investing in local facilitated trainings, and ensuring we can facilitate relevant, personalized, and easily accessible learning. The adoption of these actions is tracked by usage statistics through dashboards and yearly reporting on learning hours.

Actions

Learning enables employees to embrace change, develop new skills, and improve overall performance. Our learning activities provide opportunities for both upskilling and reskilling. Upskilling aims to enhance employees' current skills and capabilities to advance in their existing or similar roles, whereas reskilling enables them to take on new roles within the company.

In 2023, we announced Yara's Global Learning Charter to help prioritize and guide our employees' learning journey at Yara. The Global Learning Charter highlights Yara's position on learning, outlines principles and guidelines for how to engage in learning at Yara, and introduces key elements of learning to help employees continuously upskill and reskill for the future. The regions and global functions have adapted their own Learning Charter based on the global guidelines, to accommodate for the different focus areas and needs. Developing our learning culture is how we can execute on Grow@Yara, therefore it is important that we have a clear and shared understanding of our learning philosophy and recommendations for learning at Yara.

Learning, upskilling, and reskilling

We continued investing in our digital learning hub, Degreed, an online platform that connects guided skills development with digital learning content that employees demonstrate an interest in or that is required by their current roles or career goals. Through Degreed, our employees can access over 300,000 learning assets from learning providers as well as internal training courses developed for and by Yara, such as courses (over 46,000), articles (160,000), podcasts (2,000), and videos (over 55,000).

We place a strong emphasis on digital learning offerings but recognize the importance of in-person training. In addition to online courses, our sites around the world conduct several regional and local training activities. These include mandatory training related to, for example, HESQ and ethics and compliance. Read more about ethics and compliance training in the chapter on corporate culture and anti-corruption, and more about human rights training in the general information chapter.

In 2023, Yara spent approximately USD 7.8 million on locally managed training, equating to approximately USD 454 per employee. Of the 17,957 employees and contractors working for Yara in 2023, 17,158 completed training courses on our learning platform or in person. In the locations where we record and track training hours, covering 5,175 employees across 34 countries, employees spent approximately 188,000 hours on training in 2023. 89,000 hours were spent by women, and 99,000 by men. In locations that do not record training hours, training is either recorded by occurrence and not by hours,

Knowledge Exchange (KX) 2023

Knowledge Exchange (KX), Yara's global leadership event, took place in Oslo in September 2023.

This event gathered 350 leaders across Yara to share knowledge and grow capabilities, to enable our leaders to deliver on our strategy and the ambition of Growing a Nature-Positive Food Future. Some of the topics addressed were how to move forward in a volatile world, how to co-create a culture needed for transformation, and how we can "walk the talk" and bring our company ambition to life.

CONTENT

Yara Global Mentoring Program

In 2023 Yara launched a Global Mentoring Program, open to all employees to apply to either as a mentor, a mentee, or both. This mentoring program provides a platform for peer-to-peer knowledge sharing across departments, countries, and organizations, thus supporting a culture of continuous feedback and learning which are key elements of our People Strategy Grow@Yara. 430 employees signed up for the program in 2023, 286 as mentors and 283 as mentees. 47 percent of participants are women and 53 percent are men. In 2024, we will continue the program's success by launching a second cohort.

or there is no centralized control of all the in-house training activities. Over the next two years we will expand the recording of training hours across Yara.

Leadership development
At Yara, we expect leaders to influence, inspire, and enable others to be their best selves, building their own skills, and achieving goals along the way. The Yara Leadership Behaviors were launched at the end of 2022 to guide leaders on how to do this in our fast-changing, volatile world. In 2023, we set a target that at least 80 percent of managers complete learnings on those leadership behaviors. We successfully reached this target by year-end, with 2,152 managers (87 percent) having completed learnings on the topic. A further 1,146 employees completed the learnings.

To enable all employees to acquire leadership skills, Yara offers three levels of curated online pathways on the Leadership Behaviors on Degreed, combined with virtual workshops open to all and delivered in multiple languages. In addition, over 400 people completed the workshops Fundamentals of Collaboration and Radical Collaboration, open to all employees across Yara in service of building a truly collaborative culture.

For mid-senior People leaders, we continue our partnership with Harvard Business Publishing to deliver the Leading for Growth program, providing the key skills and mindsets required to execute our strategy and achieve our ambition in trying times. In 2023, 225 People leaders from across Yara graduated from the program. Leadership Development was a key part of our Knowledge Exchange summit in September 2023. Three hundred senior Yara leaders completed Leadership Behaviors self-assessments, participated in workshops, and have received six months of unlimited coaching to help them enact the leadership behaviors and achieve their goals.

Continuing the program from 2022, the Black Leadership Development Program at Yara celebrated the successful completion of three cohorts in 2023, encompassing a total of 74 participants. The program's primary objectives include enhancing leadership confidence, authenticity, effectiveness, and impact among Black leaders at Yara.

For our most senior leaders, we continued with a cohort of 16 people on the Leadership Learning Lab immersive program, designed to build self-awareness, interpersonal awareness, and organizational awareness to enable a culture of openness and collaboration at the top. In addition to these employees who attended these global leadership development programs, many employees also attended regional and/or local leadership or mentoring programs.

Employee performance and development
In 2023, we introduced People Connect, our new performance and development process focused on employee development through goal setting, regular check-ins between manager and employee, and continuous feedback throughout the year. The process is operationalized in our People management system Yara PeoplePath.

To support employees with their development activities we have guidelines, toolkits, and learning pathways available to both

THINK before you CLICK

THINK before you SHARE

DELETE what you DON'T NEED

Digital Learning metrics:

More than 200,000 digital learning assets were consumed (compared to 141,000 in 2022)

19,643 courses were completed (compared to 8,488 in 2022)

4,400 employees have rated their skills in Degreed (compared to 4,048 in 2022), signaling high engagement and interest in self-developing opportunities.

employees and leaders. The material is translated into nine languages. To complement the global material, we also offered webinars and trainings in all regions and functions to support leaders and employees in operationalizing the process. At year end, our annual employee engagement survey Yara Voice showed an increase of one percentage point on the question "My direct manager provides me with regular feedback".

Despite not being mandatory, more than 10,000 employees (65.6 percent) took part in People Connect in 2023. This accounts for 3,177 out of 4,178 women (76 percent) and 6,932 out of 11,242 men (62 percent). The adoption of People Connect is indicative of the fact that there has been dialogue between leaders and employees around performance and development. It is measured through the number of employees who had registered at least one of the following activities: entering performance goals, development or leadership behaviors plans, and periodical check-ins. Employees who do not have access to the HR system, 543 individuals, follow local development practices supported by the local People function.

OWN WORKFORCE

Other work-related rights

Yara does not consider any of its employees or contracted labor at our fully owned operations to be at significant risk of child or forced labor.

However, we recognize that we are likely exposed to these risks given our presence in countries where these issues are prevalent, the complexity of our value chain, and the high number of business partners. Coupled with the severity of a potential impact, these topics are identified as material to Yara. We therefore continuously monitor our risk exposure and potential impact and ensure that we have adequate systems in place to identify, mitigate, and remediate where relevant.

In this section:
- Adequate housing
- Forced labor
- Child labor

Yara provides limited housing connected to our own sites. However, we have identified an example where the housing conditions did not meet the standard set in our global policy on physical working conditions. Actions to improve conditions have been implemented, see sections below.

Policies

Code of Conduct
Yara's Code of Conduct sets our position regarding child and forced labor.

Based on recommendations from the ILO, Yara does not allow children below the age of 15 to be employed in our operations. Specific programs, such as apprenticeships, exist for those below 15 and include additional monitoring. In any scenario, employment shall never be to the detriment of a child's education, development, or overall well-being.

Yara condemns all forms of human trafficking and involuntary or forced labor in our own workforce and value chain, in accordance with the definitions provided by the ILO. Yara believes a work relationship should be freely chosen and free from any form of direct or indirect coercion or threat, or which in any other way exploits vulnerable workers.

Yara will not use or accept human trafficking, involuntary labor, bonded or forced labor or accept anyone doing so on our behalf. Any use of child labor by business partners must comply with internationally recognized standards such as the guidelines of UNICEF, and the ILO, as well as local legislation. Business partners are expected to implement efficient internal controls for the verification of the age of workers recruited. Read more about our Code of Conduct and Code of Conduct for Business Partners on page 98.

Procedure on Work Environment - Physical requirements
In 2022, Yara developed a global standard on the physical work environment following findings from our human rights impact assessments. The purpose of the standard is to ensure that all employees and contractors working at Yara sites are treated with respect and dignity, and that the working environment reflects this in practice. The requirements cover issues concerning ergonomic conditions and manual handling, temperature, humidity, as well as noise and dust, access to water, and hygienic facilities.

Specific requirements towards accommodation are included, with reference to local Yara standards on safety, number of people per square meter, hygiene, and ventilation, as well as local legislation and International Finance Corporation (IFC) guidance on Workers' Accommodation.

Processes

Yara's approach to human rights due diligence follows the six steps and supporting measures set forth in the OECD Due Diligence Guidance for Responsible Business Conduct. The scope of our due diligence measures incorporates internationally recognized human rights, including child and forced labor, and the right to adequate housing.

Specific due diligence measures that address these issues on Yara sites include our targeted human rights impact assessments, as well as human rights risk assessments. The latter provides an overview of countries where we are more exposed to labor and work-related violations.

Read more about Yara's approach to human rights due diligence in General information, page 99.

Actions

No significant breaches or human rights impacts related to child or forced labor were identified in 2023 in our own operations. If a case of child labor is found in our operations, Yara will contribute to transition from employment to education by, for example, collaborating with local communities and NGOs, providing suitable on the job training, or sponsoring educational opportunities.

The risk of child exploitation in the Brazilian logistics industry is an area of high concern that we monitor closely. Read more about risks and actions taken in Local social impacts, page 186.

Yara has very limited housing on our own sites and plants. However, a previously conducted human rights impact assessment identified one example where the housing conditions for contracted labor on a Yara site did not comply with our global policy on physical working conditions. A long-term project, including construction work, was initiated to improve housing and conditions of facilities provided at the site.

Training and awareness raising

A key aspect of how we manage our negative and positive impacts on work-related rights is through awareness raising activities and training. Human rights are included in all Code of Conduct trainings, including mandatory e-learning for new hires and face-to-face training programs. A Yara Business and Human Rights e-learning course is also available to all employees, as well as additional e-learning modules covering topics such as ethical conduct and reporting concerns. These include specific sections on human rights.

At Yara's Ethics Day in 2023, the topic of "Doing the right thing - making the right choices" was explored, with human rights as one of the main topics for discussion. This included sharing learnings related to an incident of an underage worker being identified when attempting to work at a Yara site.

Increasing awareness levels on human rights obligations and risk exposure in Yara is a continuous priority. We expect our people to maintain high awareness of relevant human rights risks in our own operations and those of our business partners, and to raise concerns without delay.

Read more about training activities and statistics in General information, page 101.

CONTENT

OWN WORKFORCE

Privacy

The right to privacy is a fundamental human right. It is also a prerequisite for other rights, such as freedom of speech and the right not to be subject to discrimination. Respecting the right to privacy and preventing and mitigating adverse impacts in this area is one of the key enablers for ensuring our operational excellence and our reputation as a responsible company.

Yara processes personal data of workers, customers, and business partners globally and our commitment to protecting their privacy is anchored in our Code of Conduct. This code establishes basic rules for responsible data handling for all Yara employees and provides guidance and references to other applicable policies. More about our Code of Conduct on page 98.

Furthermore, Yara has put in place a set of policies which constitutes a framework for Yara's handling and protection of personal data across all entities globally. These policies, referred to as Binding Corporate Rules, contains several provisions on Yara's processing of personal data, including but not limited to rules on processing personal data, transparency, the rights of the data subjects, handling of complaints and personal data breaches, transfer of personal data to third parties, as well as supervision and compliance.

As the Binding Corporate Rules fulfils the requirements of the General Data Protection Regulation (GDPR), they have been approved by the Data Protection Authorities in Norway and can be relied upon as appropriate safeguards, meaning that Yara may transfer personal data between the group companies located inside and outside of the EU/EEA.

Policies

Yara's Binding Corporate Rules, which are incorporated on a policy level in the organization, is supplemented by six procedures:

- Data Retention and Deletion
- Data Subjects Rights
- Handling of Complaints
- Inspection of Email and IT systems
- Personal Data Breaches and Discrepancies
- Processing of Personal Data

Policies and procedures are incorporated in the Steering System and maintained by the central data privacy team. Additional guidance and templates are made available internally through dedicated pages on Yara's intranet.

Processes

Information about Yara's handling of personal data is available for employees, customers, and third parties through internal and external channels.

General data privacy training and specific training on the requirements of GDPR and LGPD (Brazil's data protection law) has been rolled out as mandatory training for all 10,000 employees globally who are involved in handling personal data at some level.

Yara has implemented a procedure for handling of reports of personal data breaches, which all employees handling personal data have been informed of through mandatory learning as well as information and awareness activities such as an annual Cyber Security and Privacy Day. All incidents that may constitute a breach of confidentiality, availability, or integrity are to be reported through a designated channel as soon as possible. When a breach is reported, relevant resources in Yara Legal are immediately notified to ensure that we can assess and handle the breach in a timely manner.

Actions and resources

For a global company, the legislative landscape is getting more complex every year. At the same time, increased digitalization and use of AI is a catalyst when it comes to privacy risk. Therefore, Yara has increased the efforts and resources in this area. We are currently implementing software dedicated to mapping all processing of personal data globally and measuring compliance.

The compliance work is supported by legal resources both centrally and in the regions. In addition to this, there are several resources in the various segments supporting their part of the business complying with the privacy policies and procedures.

Yara's data privacy policies and security measures apply to all data stored and handled by us, including those of our customers. To ensure a timely and thorough handling of all data breaches globally, there is an internal reporting channel dedicated to data breaches. In 2023, we have not identified any substantiated complaints concerning breaches of customer privacy from outside parties or regulatory bodies. However, we handled six data breaches that involved customer data. Of those, four cases were considered to be minor incidents. The remaining two cases were notified to the applicable data protection authorities. In one case, a phishing attack led to someone unauthorized having access to names and contact details of approximately 26,000 customers. In the other case, an external party got access to one of Yara's social media accounts and thus access to communication with approximately 100 customers.

Workers in the value chain

Sustainability is embedded in our strategic priorities and actions. Our approach is to minimize any negative impacts from our operations and other parts of our value chain while maximizing our contribution to responsibly feed the world.

Yara sources a wide variety of goods and services from roughly 30,000 suppliers worldwide and provides products and services in the extensive downstream supply chain.

In this section:

- Gender equality, equal pay and anti-discrimination
- Health and safety
- Working time
- Adequate wages
- Secure employment
- Freedom of association, social dialogue, and collective bargaining
- Adequate housing
- Forced labor
- Child labor

The sourcing of natural gas and nutrients constitutes a significant part of our purchases and operating expenses. We have developed strong relationships with our business partners to ensure continuity and profitability in our business. Managing compliance in the value chain has long been a priority, and in 2023 we continued our efforts to integrate sustainability into our procurement processes and impact positively on our suppliers' performance.

Yara is committed to respecting internationally recognized human and labor rights throughout the value chain. Not only because it is the right thing to do, but also because it makes business sense. Respecting human rights is fundamental to sound risk management and Yara's value creation.

Policies

Code of Conduct for Yara's Business Partners

The Code of Conduct for Yara's Business Partners includes requirements related to the most salient human rights issues in this context: child and forced labor, discrimination, safe and healthy work environment, freedom of association and collective bargaining, equal pay and working hours, and indigenous peoples. It also includes requirements on grievance mechanisms. See page 98 for Code of Conduct for Business Partners.

Sustainable Procurement Policy

This policy outlines how we intend to deliver sustainable value by promoting transparency and a higher standard of our suppliers' sustainability performance. See page 98 for Sustainable Procurement Policy.

Processes

Our human rights due diligence process follows the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. We use the Integrity Due Diligence (IDD) process along with our Supplier Compliance Management Process to identify our human rights risk exposure and manage compliance in the supply chain.

Read more about Yara's approach to human rights due diligence in General information, page 99.

Integrity Due Diligence

The Integrity Due Diligence (IDD) procedure includes identifying actual or potential risks related to human resources, human and labor rights, working conditions, and health and safety. See more on our IDD on page 98.

Supplier Compliance Management Process

The Supplier Compliance Management (SCM) process, developed in 2022, defines the minimum criteria for the selection, qualification, and ongoing monitoring of suppliers. These criteria are aligned with the standards outlined in the Code of Conduct for Yara's Business Partners and the Sustainable Procurement Policy. Utilizing a risk-based approach, the SCM process aims to enable the procurement teams to meet the escalating internal and external due diligence and reporting requirements.

In 2023, due to competing priorities and resource constraints, the full implementation of the process was not realized. Nevertheless, specific components, such as the industry risk definition, sustainability assessments, and supplier audits were integrated into Yara's ways of working.

Recognizing the important role of this process in Yara's commitment towards a more sustainable supply chain, a review and simplification of the SCM process is planned for 2024.

Audit procedure

As part of Yara's commitment to ethical and responsible sourcing, we defined the establishment and execution of a corporate framework for supplier audits as a priority in 2023. This commitment materialized in the development of the global Supplier Audit Procedure and the initiation of a corporate pilot program. The global procedure outlines this process and defines roles and responsibilities to ensure seamless execution. Its primary objective is to guarantee that our suppliers comply not only with applicable laws and regulations but also with Yara's requirements as outlined in the Code of Conduct for Business Partners, especially related to human rights and working conditions.

The audits are conducted through documentation reviews, on-site inspections, and interviews. Its results must be communicated to the suppliers and be translated into corrective action plans, facilitating continuous improvement, and ensuring compliance in Yara's supply chain.

The audits conducted within the corporate framework are intended to complement the

Our targets

Human rights management, supply chain:

Respect the rights of people in the supply chain by continuing our human rights due diligence activities, including audits and training, directed at high-risk business partners

✓ On track

existing audit programs. As part of Yara's commitment to Together for Sustainability (TfS) (refer to page 104), some of the supplier audits will be performed according to the TfS audit protocol in 2024. These cover Management, Environment, Health & Safety, Labor & Human Rights, and Governance criteria.

Actions

Recognizing the importance of maintaining an ongoing dialogue and monitoring its business partners, Yara has implemented structured communication and processes during the past years. These initiatives aim to raise awareness of human rights standards and incorporate contractual obligations, supporting Yara in fulfilling its responsibility to respect human rights. Main activities in this effort include supplier sustainability assessments and supplier social audits, in line with the corporate framework for supplier audits and human rights impact assessments (HRIAs).

Supplier social audits
In 2023, alongside the standard integrity due diligence questionnaire outlined in the Integrity Due Diligence process (page 98), we incorporated a dedicated focus on human rights and working conditions into the six supplier audits conducted in the corporate Suppler Social Audits pilot program. Given the complexity of Yara's supply chain, we employed a risk-based approach to prioritize suppliers for social and human rights due diligence and audits. Suppliers were selected based on a combination of geopolitical and industry risks, along with their strategic importance to Yara's business. This approach will continue to guide the prioritization of social and human rights audits in 2024.

We recognize that our global presence and the complexity of our value chain present challenges in upholding the highest standards on basic human rights and decent working conditions for workers.

The social audits are therefore designed to serve as a mutual knowledge sharing opportunity and as a forum for exchanging experience and possible challenges between Yara and its suppliers. The areas in the Code of Conduct for Yara's Business Partners (page 98) formed the basis for the social audits performed in 2023, covering the topics listed below:

- Management systems
- Due diligence in the supply chain
- Grievance channels and remediation mechanisms
- Forced labor
- Child labor
- Discrimination
- Safe and healthy work environment
- Freedom of association and collective bargaining
- Equal pay and working hours

Sourcing partners as well as logistics suppliers were included in the audit plan for 2023. Key findings from the audits relate to the following areas:

- Challenging working conditions for contracted labor, including hygienic facilities, eating- and resting areas, heat stress, and manual handling
- Lack of effective grievance mechanisms including transparency around internal investigations and follow-up of grievances
- Lack of policies and processes covering all areas in Yara's Code of Conduct for Business Partners
- Inclusion of human rights and working conditions in supplier compliance management
- Lack of effective control of wages and working hours
- Contract letters are not always available in a language the workers can understand

All findings and improvement areas are discussed in full openness with our suppliers, along with possible actions or remediation efforts. Yara is committed to using our leverage to the best of our abilities to address any identified impacts.

In addition to the social audits executed through the corporate program, Yara conducted 90 local supplier audits in 2023, with a primary focus on health and safety and technical aspects. Some of these audits have already included human rights criteria in their scope, and we are working to expand the incorporation of human rights aspects in local audits going forward. Through this, we aim to further strengthen our commitment to a thorough audit framework, where human rights and decent working conditions play a central role in how we evaluate our suppliers. In 2023, we did not identify cases where Yara terminated relationship with a supplier as a direct result of significant actual or potential negative social impacts.

In the planning phase for the 2024 supplier audits, we recognized the need to enhance our industry risk assessment, which is central in the selection and prioritization of suppliers. This exercise involved combining insights acquired from the 2023 audits with internal expertise and external resources. Consequently, procurement categories were linked to their respective industries and assessed for inherent ESG risks, resulting in a documented industry risk assessment comprising four pillars: Environment, Labor & human rights, Ethics, and Sustainable procurement. The industry risk assessment served as valuable input for prioritizing suppliers to be audited in the upcoming year and will be further improved in 2024.

Yara remains dedicated to upholding the highest standards in human rights, working conditions, and ethical business practices within its supply chain. The findings from our audits serve as a foundation for ongoing improvements, and we are committed to transparently addressing challenges and leveraging our influence to make a positive impact. As we embark on the 2024 supplier audits, our focus on enhancing the industry risk assessment and increasing the number of new supplier audits in the corporate program reflects our commitment to continuous improvement and sustainable procurement practices.

Human rights impact assessments

Between 2019 and 2022, Yara has used external human rights experts to conduct human rights impact assessments (HRIAs) in India, the Philippines, Colombia, China, South Africa, Tanzania, Zambia, and Brazil. The scope of the assessments has focused on Yara's sites. However, they have also identified risks in our supply chain, covering, for instance, third-party-run warehouses and logistics providers. We recognize that the use of contracted labor is a core driver of adverse human rights impacts for workers at Yara's sites, as well as in our supply chain. Yara's ability and leverage to secure individual workers' labor rights, including fair wages, working hours, benefits, annual leave, work predictability, and a safe and healthy workplace free from discrimination is reduced when using contracted labor. Performing heavy manual labor is an additional health and safety risk when combined with high temperatures and humidity.

Identified human rights at risk of adverse impact

Findings of potential and actual adverse human rights impacts have been fairly consistent across the countries where HRIAs have been performed to date, even if the degree of negative impact varies. For workers in the supply and value chain (including third-party warehouses) the following human rights have been identified to be at risk of adverse impact:

- Health, safety, and labor rights risks due to low standards and high use of casual workers at third-party warehouses
- Labor rights and working conditions for truck drivers
- Child labor and labor rights violations in the agricultural sector

Actions

We have designed mitigative measures and action plans in relation to all key HRIA findings and consistently monitor their implementation. Specific actions in 2023 related to findings in the supply and value chain include:

Supply chain/upstream:

- General efforts continue across sites to influence contractors and suppliers to provide workers decent employment conditions and predictable working hours according to the expectations set in the Code of Conduct for Yara's Business Partners, through for instance inspections, audits, communication, and training.
- Inclusion of human rights and decent working conditions in supplier evaluation.

Customers/downstream:

- In Brazil, the risk of human rights violations at the customer level was identified in the HRIAs conducted in 2021. In 2023 the focus was on actions related to own workforce and supply chain. In 2024, the focus will also include following up on actions related to customers:
  - implementation of a "Know Your Customer" check for risk factors associated with forced and child labor,
  - inclusion of risk factors in the customer registration form to map red flags on human rights,
  - field research on risks of forced and child labor in the countryside, and
  - training to 50 sales leaders aiming to increase capacity to identify human rights issues in agriculture and how to act in these situations. The sales leaders in turn cascaded the information to the entire Yara Brazil sales structure. In 2024, an additional 500 employees in Yara Brazil will be trained on this topic.

Monitoring of actions from previous HRIAs is a continuous process. In 2023, we also conducted internal audits to assess the effectiveness of implemented actions from previously conducted HRIAs in India,

Raising awareness on sustainability among our suppliers

The procurement team in Brazil organized the 2nd "ESG Marathon" bringing together more than 20 suppliers and related internal stakeholders together in a two-day event at the end of 2023. In an open and collaborative atmosphere, participants discussed opportunities for progress and initiatives focused on the environmental, social and governance aspects of procurement and our suppliers' contribution.

This ESG Marathon included a follow-up on how initiatives created in the first event in 2022 were put into practice during the year and how they positively influenced the communities where we operate. We also challenged suppliers to deliver focused sustainability initiatives for Yara.

Colombia and Brazil. Read more about monitoring in General information page 101.

No significant breaches or human rights impacts related to child or forced labor were identified in 2023 in our own operations, however, there have been a limited number of incidents of underage workers accessing Yara sites through for instance distributors or other third-party service providers. Adequate systems are in place at the sites, though improvements have been implemented where relevant to prevent further occurrences.

Training and awareness raising

Efforts to raise awareness in the organization on human rights and working conditions in Yara's value chain were initiated in 2023. The focus was mainly on the requirements in the Norwegian Transparency Act, and the integration of these elements into internal policies and procedures related to supplier management. These initiatives will continue in 2024, and human rights training for the Procurement function will be a priority.

Through Yara's Integrity Due Diligence (IDD) process, the Code of Conduct for Business Partners was communicated to close to 1,500 business partners during 2023. Business partners are, on a risk-basis, selected for additional due diligence work, including training and communications.

Yara requires all armed guards to complete a Code of Conduct course, and all security providers are required to have a valid and approved IDD during the business relationship.

AFFECTED COMMUNITIES

Local impacts from production

The production of fertilizers might negatively affect local communities by impacts such as noise, vibration, smell and dust. For Yara, keeping our employees, contractors, and neighboring communities safe and minimally exposed to health, safety, and environmental risks is a commitment beyond compliance.

We proactively seek to understand the risks and to reduce exposure to environmental and social impacts and financial damage as much as practically possible. We aim to monitor and manage local impacts from production in parallel with our grievance mechanisms between Yara and local communities with open communication channels. Our security measures add to these efforts by ensuring that risks are contained and controlled, and products and raw materials are protected from misuse and theft.

In this section:
- Process safety-related impacts
- Production-related impacts

Health and safety

Policies

Yara has Zero Harm to people and planet and safeguarding prosperity as the overarching company HESQ ambition. Process safety is an integral part of the HESQ Policy, page 98, and HESQ management system. Process safety management identifies safety hazards and manages related risks generated by our processes to mitigate and prevent catastrophic accidents that may affect local communities, see page 160.

Grievances

Green lines, complaint handling, and grievances
The majority of Yara's production sites have established green lines or similar communication channels for neighbors and other stakeholders to raise questions, suggestions, or grievances.

We consider the main HESQ impacts, risks and opportunities in all relevant business processes. We have a stringent process to investigate hazardous conditions, near misses and incidents with our reporting system and to follow the hierarchy of controls. Throughout 2023, Yara continued to monitor and analyze our established grievance mechanisms and to improve the effectiveness of local channels through which our stakeholders, including local communities, can raise concerns about Yara's potential or actual negative impacts on them.

Remediation efforts
Yara provides for or cooperates in the remediation of negative impacts from our activities as far as reasonably possible, given our level of impact and influence. With communities in close proximity to our operations, we aim to proactively engage in early dialogue in order to provide them with opportunity to voice their views and concerns to prevent or mitigate potential or adverse impacts. We seek to establish two-way dialogue with our stakeholders and address third-party feedback or relevant findings thoroughly and to the greatest extent possible.

Actions

Our actions are driven by our commitment to local communities and to the environment. We are working towards more environmentally efficient operations with lower emissions and greener technologies. Environmental assessments are performed and possible complaints addressed according to established procedures.

The Environmental Roadmap Program aims to map and address the compliance risks and impacts of our major production plants by establishing performance improvements, focusing on compliance with current and

Process for Grievances

- Yara's production sites establish communication channels for neighbors and stakeholders.
- Local units register and follow up on complaints while providing feedback.
- Environmental performance grievances are reported centrally.
- HESQ management presents findings, concerns, and achievements to Yara's Group Executive Board and Board of Directors twice a year.
- Country websites feature contact forms for anyone who wants to raise questions or provide feedback.
- Yara continuously monitors and analyzes grievance channels to enhance stakeholder engagement.

Mining operations

Mining can be a major source of production-related impacts on local communities. We are paying particular attention to these impacts. At year-end 2023, Yara had one mining site in active operation: the phosphate rock mine in Siilinjärvi, Finland.

Below table provides an overview of key impact areas against relevant GRI standards.

GRI reference	Siilinjärvi
201–2: Payment to local communities for land use	Not applicable
202–2: Proportion of senior management hired from the local community	All Yara sites use local (domestic) management staff to the extent possible
MM1: Land disturbed or rehabilitated in the mining activities	See Biodiversity, page 145
MM2: Sites requiring biodiversity management plan	Not required, see Biodiversity, page 145
MM3: Overburden, rock, tailings and sludges from the mining	See Resource use and circular economy, page 147
MM4: Number of strikes and lockouts exceeding one week's duration	No strikes or lockouts exceeding one week's duration
MM5: Number of operations in or adjacent to indigenous peoples' territories, percentage of operations with formal agreements with indigenous peoples' communities	Not applicable
MM6: Significant disputes relating to land use, customary rights of local communities and indigenous peoples	No significant disputes. An EIA process started for the mine expansion including stakeholder communication.
MM7: Grievance mechanisms used to resolve issues under MM6	No significant disputes. Yara's common policies and practices for grievances are in place.
MM10: Number and percentage of operations with closure plans	Generic closure plans are in place. See Biodiversity, page 146, for the information on Lagamar mine.
304 Biodiversity	No significant negative impacts. See Biodiversity, page 145
305 Emissions	See Pollution, page 137
306 Waste	See Resource use and circular economy, page 147

upcoming regulations. The roadmaps cover all significant environmental aspects of the major production sites and processes, including stakeholder's management, see Pollution, page 137, and Water and marine resources, page 141.

Security

The objective of Yara's security function is to protect our people, the environment, our assets and reputation. Our security efforts cover all types of security threats and include physical barriers at our assets and personnel security. It also encompasses security across the entire value chain. We continue placing emphasis on preparing the organization, fostering a security culture, understanding the threat environment and making the organization resilient and ready to respond to adversities if required with our business continuity programs. This enables our organization to remain agile, adaptive, and successful in responding to emergencies and crises.

Security actions

In many markets Yara products are subject to theft, counterfeit or illegal use of brand. This is often, but not always, related to organized criminal networks and intertwined with other illegal activities in the communities. There have been instances of cargo theft of Yara products involving the use of violence and deadly force in 2023. Yara routinely informs third-party agents about the risks involved in transporting and retailing Yara products. However, the general security situation in a region is outside Yara's sphere of influence. Yara works closely with local and international authorities to understand the threats and mitigate the risks related to criminal activities. To this end, all distributors are subject to requirements according to the track, trace and recall framework of product stewardship.

Metrics

All complaints and concerns received from neighbors and other stakeholders are reported and investigated. In 2023, 11 Yara sites received a total of 45 stakeholder complaints and concerns related to their environmental performance. This was a significant reduction compared to reported complaints and concerns in 2022 (59 cases). Most of the complaints were related to noise nuisance and short-term exposure to the smell of ammonia.

Environmental grievances received from stakeholders

	2023	2022	2021
Environmental grievances received from stakeholders	45	59	100

Environmental compliance

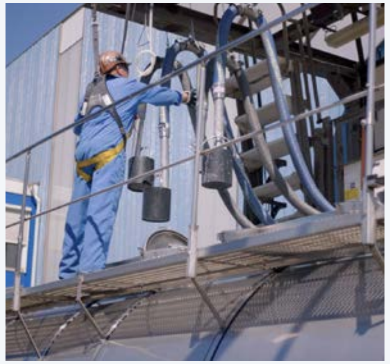
Maintaining compliance
We expect all our production units, as a minimum standard, to comply with environmental regulatory requirements and permit conditions. The control of discharges and emissions complies with each site's environmental permits and is monitored and reported to the local environmental authorities, as required. We report, investigate, and implement corrective actions for any exceedances and incidents related to any non-compliance with permits and statutory requirements. Any foreseeable risks of non-compliance with known future regulatory and permit requirements are also identified as critical environmental issues to ensure requisite follow-up and closure. Yara did not record any significant environmental breach related to its supply chain in 2023.

Environmental incidents
We had zero high-severity environmental incidents in 2023. High-severity environmental incidents, including spills, are incidents assessed as having severe environmental harm with long-lasting loss of natural value or restricted use of the area, or major environmental harm with extensive clean up, remediation, or compensation measures.

Socio-economic compliance
We had zero major severity socio-economic cases in 2023. Yara considers cases with a value of USD 5 million (economic loss, penalty or similar) to be of major severity, and such cases are actively followed up by the corporate level. In total, fines of USD 569,500 have been registered for 2023 for laws and regulations other than environmental ones.

Fines and sanctions
No significant monetary fines or other sanctions related to environmental performance were issued to Yara units in 2023. In 2023, two sites received monetary penalties from authorities due to environmental breaches: In Rio Grande, air pollutants were recorded to exceed limits and in Montoir there was dust and water impacts exceeding the permit limits. However, the penalties altogether remained below the significance threshold of USD 5 million. The root causes of all sanctions have been investigated and corrective measures have been or are being implemented to ensure future compliance.

» Read more on environmental compliance indicators in Pollution, page 137.



Safe By Choice

The Safe by Choice program has been a great success for Yara's goal to prevent and mitigate health and safety impacts for our stakeholders. We have expanded the focus from Zero Incidents to Zero Harm, entailing that the program's broader, systematic approach is evolving to protect not just people, but also the planet and prosperity. Solid environmental performance is essential for making a credible contribution to Yara's ambition of Growing a Nature-Positive Food Future. To maintain the operational license and facilitate the development of sustainable business models, Yara considers the environmental impact, risks, and opportunities in all its actions.

Commitment

Monitor and maintain compliance with environmental permits and statutory requirements at all production units

On track

Key legal cases

Montoir plant

Yara's Montoir plant in France continues to face unsustainable regulatory compliance costs. It concerns wastewater discharges and dust emissions from the site. An investment was launched at the end of 2023 to address a non-compliance regarding stormwater. All the actions so far to bring the site into compliance have resulted in sanctions being imposed on the site by the authorities. The site has appealed against these decisions.

The plant has been facing market difficulties and Yara has launched a consultation process with trade unions and the work council about the intention to transform the plant. As of 2023, the plant's headcount remains the same and we are in dialogues about the implementation of the PSE (plan de sauvegarde de l'emploi). The aim of this plan is to avoid or reduce the number of layoffs and protect the employment of the workforce.

Ambes plant

The Yara Ambes site in France continues to monitor nuisance caused by noise to a neighbor. When the plant is in operation, noise measurements are within the permit limits. However, the physical location of the site by a riverbank seems to reinforce the nuisance. An external investigator is studying the situation, and the site conducts frequent monitoring to identify and mitigate the root causes.

Brazil

In 2023, Yara was part of three ongoing cases in Brazil that included environmental claims.

Due to the acquisition of Adubos Trevo from the Trevisa Group in the year 2000, Yara has, together with other companies related to the Trevisa Group, been cited in a lawsuit related to mine and lead industry activities performed by the former company. Yara has, together with the other companies, been sued by an association representing approximately 1,300 potential victims in two separate lawsuits. The lawsuits are related to mine and lead industry activities performed by the company Plumbum in two cities in Bahia state, Brazil. Plumbum was formerly part of the Trevisa Group. The lawsuits were filed in 2011 and 2012 but are still in the initial phase. Yara denies liability for any potential damage caused by the activities of Plumbum.

Yara is a party in a lawsuit in Barcarena, Brazil, related to potential soil and groundwater pollution caused by the industrial operators in the industrial district since the 1970's. Yara operated a fertilizer blending unit there from 2013 to 2019. The case is currently suspended.

A case is open in the Superior Court related to an accidental release of sulphuric acid to the sea during a ship unloading in 1998 in a Rio Grande port. Several companies are involved, including Yara as a current owner of Adubos Trevo, which was one of the purchasers of the cargo. Yara denies liability as Yara or Adubos Trevo was neither involved in the unloading of the cargo nor were Yara or Adubos Trevo an owner or operator of the unloading terminal. Related lawsuits have been filed by local fishermen claiming compensation for loss of revenue since fishing activities were suspended for a period of time.

AFFECTED COMMUNITIES

Local social impacts

Although there have been limited reports of actual impact on human trafficking related to Yara's fully owned operations or business partners, we recognize that we are likely exposed to this risk given our presence in countries where these issues are prevalent, the complexity of our value chain, and the high number of business partners.

Coupled with the severity of a potential impact, the topic of human trafficking is identified as material to Yara. We therefore continuously monitor our risk exposure and potential impact and ensure that we have adequate systems in place to identify, mitigate, and remediate where relevant.

Human rights impact assessments (HRIA) are conducted to identify human rights impacts from Yara's operations and are instrumental in evaluating how our human rights policies are implemented on the ground. In 2021, HRIAs in Brazil were performed by external subject matter experts, covering operations and logistics to and from seven of our key sites. A severe finding was related to the risk of sexual exploitation of both adults and children in the trucking industry.

In this section:

- Human trafficking

Policies

Code of Conduct

Yara condemns all forms of human trafficking and involuntary or forced labor in our own workforce and value chain, in accordance with the definitions provided by the ILO. We do not allow jobseekers and workers to pay any recruitment fees or related costs to secure a job in Yara, and do not retain workers' personal documents or restrict workers' freedom of movement. Yara believes a work relationship should be freely chosen and free from any form of direct or indirect coercion or threat, or which in any other way exploits vulnerable workers. For more, see Code of Conduct and Code of Conduct for Business Partners on page 98.

Processes

Yara's approach to human rights due diligence follows the six steps and supporting measures set forth in the OECD Due Diligence Guidance for Responsible Business Conduct. The scope of our due diligence measures incorporates internationally recognized human rights, including forced labor and human trafficking. Specific due diligence measures that address these issues include our targeted human rights impact assessments, as well as human rights risk assessments. The latter provides an overview of countries where we are more exposed to labor and work-related violations.

Read more about Yara's approach to human rights due diligence in General Information, page 99.

Actions

No significant breaches or human rights impacts related to forced labor or human trafficking were identified in 2023 in our own operations or with our business partners. The finding related to the risk of sexual exploitation of both adults and children in the trucking industry from the 2021 HRIA in Brazil has been a priority.

The assessments found the contracted truck drivers' working conditions to potentially elevate the risk of human rights breaches. Truck drivers had long and unpredictable waiting hours, poor or lack of access to waiting facilities and low, insecure income. Most of the truckers work independently and are away from their families for weeks, sleeping and eating in their trucks. The issue seems to be symptomatic for the trucking industry in Brazil, and Yara has benefitted from collaboration with other companies and community groups in the work to eliminate the risk. Actions were implemented following the assessments and are continuously followed up and monitored.

Yara took the following concrete steps in 2023:

- A statement against child exploitation and discrimination was included on all new Yara bags.
- Partnerships with local NGOs and UNICEF on improving local communities surrounding Yara's plants continue. These partnerships established benchmarks for further mitigating actions.
- A pocket guide for drivers on the topics of human rights and child exploitation was developed and distributed, in addition to reinforcement of Yara's expectations and other communications efforts in the induction of new drivers.
- An educational campaign for truck drivers and community stakeholders on child exploitation was conducted in 2022, and educational and awareness-raising activities continued into 2023.
- Physical improvements to the waiting areas for drivers, including awareness material on the topic of human rights.

Humanitarian donations

In 2023, Yara made donations to the Red Cross to support their mission to reveal, prevent, and alleviate human suffering and distress during war, crisis, and conflict, and to the Norwegian Refugee Council to support their work to protect the rights of displaced people during crisis. In addition, Yara donated to the Annual Norwegian telethon (TV-aksjonen") with Save The Children as the beneficiary.

Honoring our roots

Yara also continued its long-term partnership with The Norwegian Industrial Workers Museum, authorized as the World Heritage Center for Rjukan-Notodden Industrial Heritage with venues at Vemork, Rjukan, and Telemark Kunstmuseum, Notodden, Norway.

Celebrating Oslo Pride

As part of Yara's continuous commitment to Diversity, Equity, and Inclusion (DEI), Yara was a main partner to Oslo Pride in June 2023. This included participation in several activities such as Oslo Pride Parade, Oslo Pride Business Forum, and Oslo Pride Park.

AFFECTED COMMUNITIES

Rights of indigenous peoples

Although we do not consider any of our fully owned operations to have a significant impact on the rights of indigenous peoples, the topic is material to Yara due to our Pilbara, Australia, operations being located on an area known as Murujuga.

This is a culturally significant landscape that hosts one of the world's largest collections of indigenous rock art. For many years there has been concern that air emissions from all industry on Murujuga pose a threat to the rock art.

Although studies to date have not identified any measurable impact as a result of industrial emissions to the rock art or other cultural values, Yara is committed to working with and maintaining a strong relationship with the Murujuga Aboriginal Corporation (MAC).

In this section:

- Free, prior, and informed consent
- Cultural rights

Policies

Code of Conduct

Yara's operations should not hinder indigenous peoples from exercising their traditional rights. Indigenous peoples have the right to be informed and thereafter asked for their consent in decisions that may affect them. Consultations with indigenous peoples will be carried out in accordance with ILO requirements in good faith and in a form appropriate to the circumstances, with the objective of achieving agreement or consent to the proposed measures.

Yara is cautious not to increase demand for resources that are crucial for local communities' livelihoods or the survival of indigenous peoples. We respect the rights and interests to lands and waters of community and indigenous peoples who traditionally own or use land where our production facilities or mining projects are to be located.

Yara expects its business partners to identify and recognize indigenous peoples affected by their operations, as well as to respect and prevent breaches to indigenous peoples' rights. Read more about our policies on page 98.

Processes

Human rights due diligence

Yara's approach to human rights due diligence follows the six steps and supporting measures set forth in the OECD Due Diligence Guidance for Responsible Business Conduct. The scope of our due diligence measures incorporates internationally recognized human rights, including the rights of indigenous peoples.

Read more about Yara's approach to human rights due diligence in General Information, page 99.

Stakeholder engagement

Yara's procedure on stakeholder engagement outlines steps to consider when engaging with affected local communities in close proximity to our operations or highly impacted by our projects. Read more about our stakeholder management procedure in General information page 106.

Actions

Murujuga rock art

Our Pilbara operations are located on an area known as Murujuga, a culturally significant landscape that hosts one of the world's largest collections of indigenous rock art, one that is currently being considered for World Heritage listing. Yara Pilbara understands and respects the cultural significance of Murujuga to the Traditional Owners and the local, national, and global importance of the ancient rock art.

We continually focus on limiting the impact of our plants by reducing emissions and, as part of our approvals to operate, Yara has extensive monitoring stations in place. However, for many years there has been concern that air emissions from all industry on Murujuga pose a threat to the rock art and there has been considerable study undertaken to evaluate this risk. To date, these studies have not identified any measurable impact as a result of industrial emissions to the rock art or other cultural values. Nonetheless, a further expansive monitoring program is underway as a part of the Murujuga Rock Art Strategy (MRAS), led by the Western Australia Government in collaboration with the Murujuga Aboriginal Corporation (MAC). Yara is an active supporter of the MRAS, which is intended to inform the management of Murujuga's rock art into the future.

Yara meets regularly with MAC, including presentation opportunities to the Circle of Elders. We are committed to continue working with and maintaining a strong relationship with MAC to preserve the cultural heritage of the area and Yara Pilbara welcomes its nomination for the UNESCO World Heritage List.

More information about the monitoring program led by the Western Australia Government can be found here: Program: Murujuga Rock Art.

CONTENT

CONSUMERS AND END-USERS

Impacts of products and services

As a crop nutrition company, we know that the quality of our products and our knowledge sharing with farmers influence strongly on crop quality and yield and related social and environmental impacts.

We believe that balanced fertilization is crucial in best farming practices and provide a unique combination of crop nutrition, expertise, tools, and services to help farmers apply sustainable farming practices, achieve higher nutrient use efficiency, and grow more food on less land. The nutrients in our products replace those removed from the soil with the harvest and help to prevent soil depletion and degradation, which can lead to reduced fertility and lower yields and quality.

In this section:
- Crop yield and quality

At the same time, agriculture is a resource-intense activity bearing risks to soils, ecosystems, and biodiversity. This, in turn, can translate into adverse impacts on farmer profitability and livelihoods or the broader food security. For more on nutrient use efficiency and regenerative agriculture, see Biodiversity, page 142.

Actions

Product quality

Ensuring high quality products is an utmost priority at Yara. Our Product Quality Policy is anchored in our strategy and provides a governance foundation for ensuring that sound product quality management practices apply throughout the product lifecycle. In 2023, we reinforced product quality steering documents and implementation measures.

We base our actions towards ensuring and maintaining product quality on stakeholder feedback, evaluations and complaint handling. In 2022, we rolled out automated Net Promoter Score (NPS) surveys across the fertilizer markets in Germany, France, Poland and Italy, and to all customers of our industrial nitrates and base chemicals in Europe. Furthermore, we conducted a Product Quality NPS survey in ten strategically selected countries. Based on the results, our focus in 2023 was on implementing improvement measures and plans. We plan to continue our NPS surveys with attention to broader data and deeper analysis.

In 2023, we also designed and launched online training modules for Yara teams on basic product quality elements to create a better understanding of where product quality can be impacted throughout the value chain, and how product quality generates value for the end user and Yara.

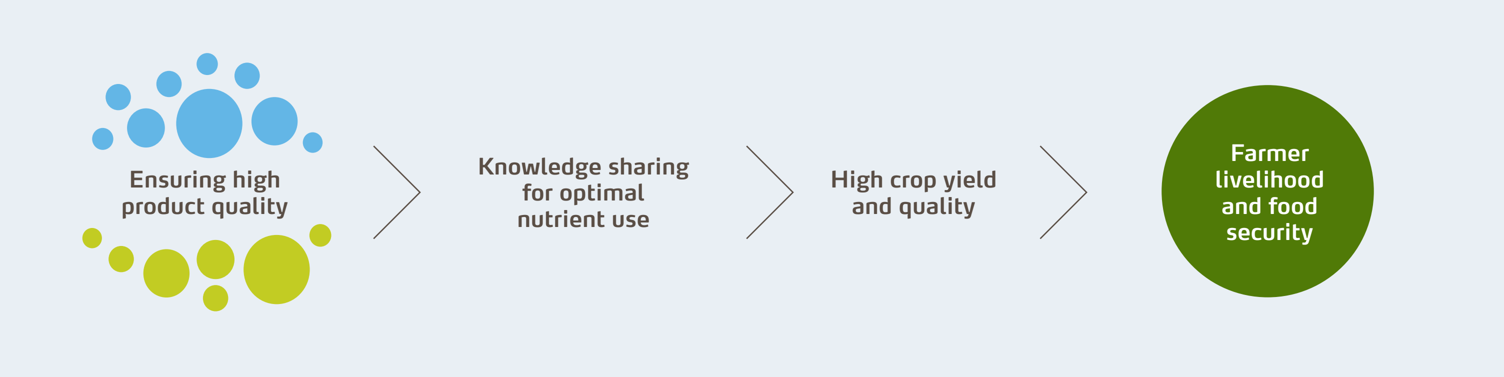
We improve our products continuously, including through research and development. Different product characteristics and elements can play a key role for overall product quality. For instance, if an additive or coating is not adapted to the climate of storage or target geographies, products can decrease in quality. We drive new developments and test alternative compositions and other elements to further improve the robustness of our products throughout their life cycle.

Raw material management

Raw materials have a tremendous influence on our product quality features. For example, a change in raw material sources can lead to color variation, impact solubility, reduce production efficiencies, or cause inclusion of impurities. Throughout 2022 and 2023, we paid extra efforts to ensure that the nutrient content and physical properties of our products met specifications and customer requirements. This will remain a priority in 2024, as we continue to proactively qualify inputs and collaborate with markets on any changes.

Fighting counterfeit products

Counterfeit products represent a challenge in several of our markets. These products appear with similar bags, labels, and names in the marketplace, as suppliers try to exploit the



reputation of genuine brands. Some counterfeit products are simply low-quality fertilizers that stunt crop growth and lead to lower yields. Others contain fillers and even chemicals that can damage crops and harm people.

We have adopted a Counterfeit Protection Guideline to provide a set of procedures and measures for Yara teams in the fight against counterfeit and falsified products. We have employed different strategies, including product labeling, sealing, customer checklists, tracking devices, inspections, and established tools such as IDD and other measures. We also raise awareness along the value chain, including our personnel, business partners and farmers. In Brazil, we developed and distributed booklets with information on signs of fraud to farmers who purchase products from Yara.

Agronomic research and development

We work closely with the markets to identify ways to increase crop yield and quality through our products and solutions. Yara's Agronomic Research and Development (YARD) is a global, multidisciplinary team of leading agronomists and scientists who employ science-based evidence to drive efforts towards farmer prosperity and environmental goals. This work includes a crop-specific R&D portfolio with the aim of increasing the efficiency of fertilizer use while improving crop yield and quality, and thereby improving farmer prosperity.

Through these efforts, we develop crop nutrition solutions that are targeted to specific crop requirements and climate, soil and market conditions. Some examples are:

- **RicaPapa by Yara in Mexico and Argentina**
  Yara´s RicaPapa program employs a holistic approach to produce more potatoes with efficient use of resources and lower environmental impact. Whereas potato yield is determined by the number and size of tubers, potato quality is influenced by several factors, such as starch content, skin quality, and diseases. This affects storability and marketable yield. Yield and quality are both dependent on environmental conditions but also strongly affected by the nutritional program applied. The RicaPapa program provides recommendations to ensure fully balanced fertilization, including the source and type of nutrients, rates, timing and placement. In Argentina, more than 20.000 hectares of potatoes are grown under the RicaPapa crop solution program. In addition, more than one million hectares of maize, wheat and barley are cultivated following similar crop-specific programs provided by Yara.

- **NuestroCafé in Colombia and NossoCafé in Brazil**
  Yara has established a platform for coffee farmers that includes balanced crop nutrition recommendations, knowledge-sharing activities, and opportunities for farmers to gain visibility and recognition for their coffee quality through the Yara Champion program. This platform has also been used to strengthen women's position in coffee cultivation and production. More than 220,000 coffee farmers, many of them smallholder farmers, were connected to the platform in 2022, and we ran almost 4,000 knowledge-sharing sessions.

- **MyAlmonds in California, USA**
  The California almond industry, which produces 80 percent of the world's almonds, is facing climate-related and environmental challenges, as well as regulatory pressures towards more sustainable practices. In Modesto, California, we established the Yara North America Incubator Farm as a centre for research, solution trials, and knowledge sharing. Through collaborative efforts with customers, partners, and various technology providers, we utilize the farm to study and advance insights into all aspects of the cropping system. The most advanced Yara solution tested is the so-called MyAlmonds strategy, which in trials has increased the almond yield on average by 18 percent compared with a baseline program based on typical farmer practice. In addition, MyAlmonds reduced the share of kernels that did not meet standards for marketable quality.

We have leveraged the Incubator Farm results to create scalability in adoption through the BetterSoil Alliance, which includes technology partners and large farms integrated with the food chain. In 2023, Yara enabled grower participants to implement this solution on over 6,000 acres in California and to verify the positive outcomes digitally.

Listening to the feedback on our impact

Increasing crop quality and yield is a primary objective behind the development of our products, and farmer feedback often proves that we succeed in our mission. In Kenya, we supplied a balanced-nutrition, soil-friendly and affordable multi-nutrient product, MiCROP, which reached more than 60,000 farmers. These farmers reported a 31 percent increase in maize yields compared to the previous season.

CONSUMERS AND END-USERS

Information-related impacts

Yara's products reach a wide range of consumers and end-users worldwide, mainly farmers and distributors, but also actors in the food value chain. Access to quality information about our products and best practices related to their handling and use is essential for maximizing the positive effects and minimizing potential adverse impacts for our stakeholders.

As a minimum standard, we ensure that our products are accompanied with necessary safety data information, see also Personal safety of consumers and end-users, page 193.

We also work proactively on sharing knowledge and helping our customers apply it, through on-the-ground support as well as via digital solutions. Digital solutions play an increasingly important role in connecting to and engaging with farmers. Particularly in smallholder markets, digital solutions enable us to disseminate knowledge and provide farmers with crop nutrition recommendations and support tools, such as hyperlocal weather forecasts, in an efficient and inclusive manner.

We believe that everyone involved in food production should have a basic understanding of agronomy and sustainability. To this end, we have condensed our century-long knowledge and expertise in agriculture and crop nutrition into targeted learning programs, adapted to the different needs of the audiences, see also Crop yield and quality, page 189.

In this section:
- Access to quality information

Actions

Establishing strong knowledge base within Yara
Our agronomists and sales agronomists work actively in fields across the world to help farmers use fertilizers in the most efficient way in order to grow a high yielding, top quality crop. Their agronomic knowledge and expertise in local markets and crops helps to set us apart and drive better farming practices. Among the activities they run are crop clinics, field days, demonstration trials, and numerous training sessions for farmers.

Yara's Agronomy Competence Model (ACM) was established a decade ago to raise the overall agronomic knowledge of our agronomists and sales agronomists, counting more than 2,170 employees in 54 countries. Since 2021, the program has been provided through a digital learning platform, where we distribute e-courses, videos, and other content developed by Yara experts. Learning paths include topics like soil health, agronomic techniques and tools, and fertilizer production. New content on climate, sustainability, and the food value chain was added in 2022. The ACM had more than 950 active users from 54 countries in 2023, with each user spending well over three hours studying content on the platform.

Launched in late 2022, our Agronomy for All program targets all Yara employees not working directly in agronomy with the basics of agriculture and the fertilizer market. An e-learning module lets participants deep dive into crop nutrients, soil health, climate change and the pathway to achieving a nature-positive food future. At year-end 2023, Agronomy for All had nine content modules with extended material and was available in 11 language versions.

Our stakeholders have spent 3,100 hours in total learning from ACM modules with an average study time per user of 3.2 hours. In 2023, we also shared the platform with over 200 external stakeholders including farmers, retailers and distributors who received training as part of local learning initiatives. In 2024, we plan to launch a learning path called RegAg, which will cover the essentials of regenerative agriculture to boost knowledge around the topic.

Sharing knowledge and tools with farmers
Yara's advice and recommendations are the product of over a century of agronomic knowledge gained from field trial data plus the experience and expertise of local agronomists around the world. The digital revolution has enabled us to transfer this knowledge into digital tools for farms and farmers of all kinds and sizes.

The Yara AgTech Platform (YAP) integrates crop-nutrition expertise with data and insights. It enables us to deliver the integrated digital solutions that are essential for addressing the evolving needs of farmers. AgTech powers the solutions and tools through crop nutrition recommendation, nature-positive analytics, and farm and field management.

Some of our digital solutions specifically target smallholder farmers, either directly or by enabling our retailers to better support the farmers:

- **Atfarm** supports farmers in applying nitrogen (N) with precision and making better crop nutrition decisions.
- **GrassN** helps farmer in setting a fertilization plan and optimal cutting plan for grassland, based on expected yield.
- **Fertigation** is a solution to empower technicians to optimize crop yield, sustainability and crop quality while reducing guesswork and time investment.
- **Low Carbon PoC** displays GHG scores for food companies and associated farmers, in addition to recommendations to reduce those emissions.
- **FarmCare** is a mobile-only solution targeting small-scale farmers growing field crops such as rice, wheat, sugarcane, and maize. It provides crop advisory and a fertilizer calculator to optimize crop nutrition input.
- **YaraBodega** is an online retail tool that empowers Yara retailers to list and sell products online. It drives retailer-farmer connectivity by leveraging the retailer as a trusted advisor to the farmer.

In 2023, we also opened our YaraFX Insight API solution to third parties. This enables partners to integrate Yara's agronomic knowledge into their customer-facing digital solutions through dynamic field and crop-specific advice throughout the crop cycle to help grow sustainable farming practices and outcomes, prosperity across the globe, and a nature-positive food future for all.

CONTENT

CONSUMERS AND END-USERS

Personal safety

At Yara, we understand that our industry and products present risks that can negatively impact consumers and end-users if not prevented and mitigated. We place great importance on safeguarding human health, upholding safety, and protecting the environment throughout our products' life cycle.

To ensure responsible health and safety management of our fertilizer products throughout the value chain, including the impacts on our consumers and end-users, we give priority to the principles of product stewardship and security. Our global HESQ Steering System and product quality framework are cornerstones of our product stewardship efforts and to ensure compliance with legal obligations.

In this section:
- health and safety

Policies

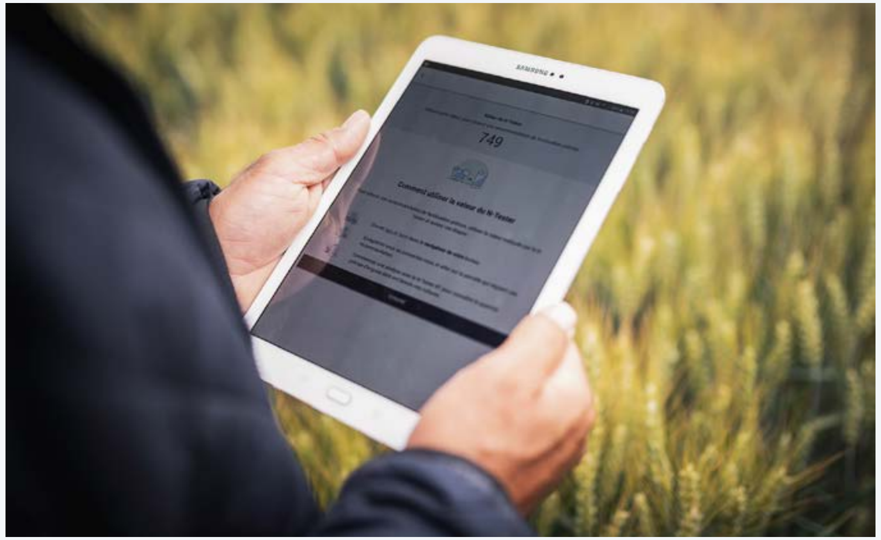
In our HESQ Policy we commit to product safety according to fertilizer product stewardship standards. As part of our commitment to safe and sustainable product use, we ensure that our customers, consumers, end users, and markets receive comprehensive information regarding the health and safety and environmental aspects of our products. We take proper care of our products' compliance, quality, safety and environmental footprint thoughout the value chain.

» HESQ Policy, page 98

Actions and processes

We provide guidelines for safe handling, storage, and transportation of our products and training programs to educate customers, distributors, and employees about safe practices. This includes information on handling chemicals, emergency response, and protective measures. We are continuing the implementation of the necessary competencies and processes to maintain compliance.

The provision of adequate information to our customers and end users happens through our Material Safety Data Sheets (MSDS). In addition, we raise awareness about potential hazards, and disseminate knowledge on safe product usage while adhering to regulatory standards. We verify the hazard classifications against local and regional legislation and publish this information digitally on country-specific safety data sheets in multiple languages and on our product labels. We maintain electronic copies of the data sheets and update them if there are relevant



Material Safety Data Sheets and Product Safety Cards

Lack of knowledge about a chemical product can lead to severe accidents, injuries, or damage for the people handling or using the product as well as for the environment. Understanding the hazards, exposure levels, and protective measures is essential for personal safety of everyone, including consumers and end-users of our products.

Yara provides approximately 40,000 Material Safety Data Sheets (MSDS) and Product Safety Cards (PSC) available in multiple languages for our markets. The MSDS follows the product life-cycle and outlines the risks associated with a chemical product, while providing guidelines for safe handling, storage, and use. Through the provision of MSDS, we work towards preventing health risks, avoiding physical dangers like fire or explosion, and minimizing harm to the environment. MSDSs offer key information for emergency measures, medical treatment, and safe transport and storage.

We ensure that our MSDS format follows international standards set by the United Nations (UN) under the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), as well as regional and country-level regulations and guidance.

CONTENT

Metrics and target

Product stewardship:
Our European fertilizer activities were re-certified to the Fertilizer Europe Product Stewardship Program in 2023, with certificates valid until 30 June 2026.

All Yara operations applying the IFA program were recertified in 2023 with "Excellence" level of recognition. In 2024, we will continue our focus on maintaining, embedding, and anchoring the "Excellence" levels.

Achieved

Audits:
48 Product Stewardship audits were performed (between 2022-2023)

Achieved

Compliance
In 2023, Yara recorded no significant incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products or services. We follow up all reported incidents related to chemical hazards through our Emergency Services support.

Achieved

changes and during the regularly scheduled three-to-five-year review cycle. Most of our communication about this information is through digital channels, but paper safety data sheets are also available, on demand through customer service, in countries where paper safety data sheets are still prevalent.

Product stewardship
Yara is committed to guaranteeing responsible management of fertilizer products by prioritizing the principles of product stewardship and taking measures to prevent unauthorized access or misuse of fertilizers. We ensure that proper care is taken along the whole fertilizer value chain from product development and purchase of raw materials, during production and storage, and in the supply chain right up to the end delivery and use on the farm.

Our product stewardship programs address critical areas such as product quality, product safety, environmental protection, product security and safe production, ensuring secure handling of fertilizers on their way to the end user.

Our operations are certified to the fertilizer sector's product stewardship programs, including Fertilizers Europe's Product Stewardship Program and the International Fertilizer Association's (IFA) program outside Europe, and are regularly subject to internal and third-party audits.

Compliance
To ensure compliance, our program mandates regular assessment of health, safety, and environmental impacts across all significant product categories. These evaluations address the full life cycle of our products, including their use in fertilizer and industrial applications, and align with product stewardship guidelines in the fertilizer sector and relevant legislations.

In the EU/EEA markets, chemical products are subject to rigorous regulations under the REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) and CLP (Classification, Labelling, and Packaging) as well as EU fertilizer product regulations. These regulations ensure the safety and compliance of chemicals used in the products. Our procurement process adheres to all the necessary requirements, including formal chemical compliance checks and that all relevant substances are registered accordingly.

CONSUMERS AND END-USERS

Social inclusion

At Yara, we want to empower farmers and bring positive impact to the communities in which we operate. While we believe that our core business of producing crop nutrition products contributes to food security around the globe, we are also committed to fostering the social inclusion of our consumers and end-users through a range of activities and initiatives.

Prosperity is one of the three pillars of our ambition of Growing a Nature-Positive Food Future, and our focus is on improving farmer income and sustainability, and impacting farmer diversity. For more on our strategy, see page 17.

In this section:
- Farmer livelihoods
- Food security

We also recognize that to achieve the goals of sustainable development, the world needs a strong agriculture sector where being a farmer entails a decent livelihood and stable socio-economic conditions. We see an urgent need for the crop nutrition industry in general, and Yara in particular, to maximize efforts to feed the world while minimizing adverse environmental and social impacts.

Actions and processes

Our efforts to improve food security and farmer livelihoods are rooted in our business model, and we often integrate the goals of social inclusion of our consumers and end-users into our commercial offerings. For Yara, farmers and local communities represent a priority, and we are committed to bringing positive impacts for the people within our sphere of influence. Apart from ensuring high quality products and information, we contribute to our stakeholders' livelihoods by running specific programs, projects and community initiatives focusing on social inclusion and impact in the regions we operate in. Below is a non-exhaustive account of actions, processes, programs, and solutions to exemplify how we work to support farmer prosperity.

Social responsibility in Brazil

In Brazil, we recognize the local context of high food insecurity and other drivers of social inequity. Against this backdrop, we focus on four pillars of action – food security, inclusive agriculture, education, and local development – and have directed our efforts to benefit the most vulnerable – children and adolescents.

Between 2020 and 2023 our contributions include:
- Positive impact for more than 545,000 education professionals through education initiatives
- Provision and support for 30 vegetable gardens in schools
- Donation of more than 1,300 tonnes of food
- Service of fresh food or basic food baskets for 135,000 families
- Investment of 3.4 million Brazilian reals in actions to support communities with humanitarian aid

To maximize the effect of our social responsibility efforts, we are engaged in partnerships with UNICEF and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), as well as local organizations and public institutions.

Social Impact 2030 framework - Yara Africa and Asia

We piloted first projects in the scope of the Social Impact 2030 framework in Yara Africa & Asia (YAA) in 2022, in line with the company's strategic ambition to advance prosperity for farmers. We aim to empower smallholder farmers and the distribution channels as priority impact target groups.

Four ambitions have framed our efforts to make lasting social impact in YAA:
- Driving digital inclusion for farmers and agribusinesses
- Enabling economic opportunities for women and youth in agriculture
- Accelerating growth for micro, small, and medium agri-business channel partners within our communities
- Continue contributing to food security

Yara Leadership Academy

The Yara Leadership Academy (YLA) remained a key project of focus in 2023 in our efforts to support farming communities in the region. The YLA was launched in 2022, as part of the social impact framework, to develop the skills and leadership capacities of micro-, small-, and medium enterprises (MSMEs) in Yara's value chain. YLA pilot projects of 2023 in India and Kenya have already contributed to the upskilling of 1,000 owners and managers of MSMEs in Yara's distribution channel. YLA courses are tailored to geographical contexts and offer practical insights, real-life examples, and best practices within the local and wider agricultural context.

In 2023, YAA Social Impact partnered with Equity Group Foundation in Kenya to offer financial management training to the graduates from the first YLA cohort. This was important to bolster the business owners' learnings and ensure lasting impact from YLA. In 2023, we used learnings from the 2022 pilot to update the program and ensure that future YLA graduates will receive certification from a credible body recognized in their country or region. The implementation of these updates will be concluded in 2024 with continued roll-out of YLA in India, Kenya and Tanzania.

Social responsibility initiatives in the Asia and Africa region

Other examples of our efforts towards improved farmer livelihoods and increased food security in the Asia and Africa region:

- In Tanzania, AfricaConnect, our one-stop digital platform that previously offered smallholder rice farmers access to financing, farm inputs, knowledge, and markets, was expanded to include rice, potato, maize, coffee, and sunflower farmers. In 2023, an additional 130,000 farmers were onboarded onto AfricaConnect. 3,106 farmers acquired loans for inputs and other services, including crop insurance, and over 5.4 million kilograms of rice, maize and potatoes was bought from the farmers at a fair price.

- In India, we have been working to provide customized hyperlocal crop plans for farmers. The aim is to provide information on balanced fertilization tailored to crop needs, enhance crop production without adversely impacting soil health and environment, and sustainably increase food security and improve farmer livelihoods. Through the program, 150,000 farmers have implemented Yara's hyperlocal crop plan, and more than one million farmers have received training on balanced nutrition and soil health awareness. In collaboration with local partners, we have contributed to the empowerment of more than 6,000 women farmers.

- In Malaysia, Yara has partnered with Procter & Gamble and the Center for Sustainable Small-owners at Asia School of Business in the Livelihood Improvement Initiative to help improve the livelihoods of oil palm smallholders. The objective is to increase yields by 30–50 percent. At year-end 2023, nearly 250 farmers had joined the program to receive training and guidance on implementation of best practice sustainable farming practices. The initiative also aims to diffuse the learning to 8,000 smallholders.

- In Ghana, we have been driving the Grow Ghana initiative to contribute to the livelihoods of smallholder farmers and, hence, food security. As part of the initiative, we offered farmers every third bag of fertilizer for free, thereby reducing the price of their inputs significantly. This effectively reduced fertilizer cost per acre by a third. We also worked alongside smallholders and trusted partners to secure access to crop nutrition solutions, deliver lasting impacts for farmers and, ultimately, help strengthen food security in Ghana. At year-end 2023, a total of 18,000 tonnes of free fertilizers had been distributed to 100,000 farmers through the Grow Ghana initiative.

- Yara Myanmar initiated an agricultural business management course together with a local university. The online course was launched to help farmers develop their businesses by providing basic knowledge of demand and supply management, business management, marketing and operation management in the agricultural sector. In 2023, the number of graduates exceeded project expectations, reaching 100 farmers.

Advocating for higher standards in farming

Beyond specific actions, our advocacy efforts also aim to improve farming practices around the world.

- In India, Yara has established a memorandum of understanding (MOU) with the Uttar Pradesh state government on mango and potato value chains, in which Yara India will provide digital advisory, artificial intelligence (AI) -based quality testing, soil testing, and training and capacity building on crop nutrition to farmers.

- In Canada, Fertilizer Canada has advocated for broader Best Management Practices (BMPs) as well as a process to have new BMPs included in the On-Farm Climate Action Fund, a farmer subsidy scheme which supports growers in implementing such BMPs.

CONTENT

Governance information

Topics

Corporate culture and anti-corruption

Yara's commitment to doing business fairly and responsibly, throughout our own operations and value chain, is anchored in our values and corporate commitments.

This means promoting accountability by maintaining proper policies and practices, having zero tolerance for fraud and corruption, respecting internationally recognized human and labor rights, operating in a transparent manner and upholding a culture of respect, honesty, and fairness. Responsible business conduct is crucial in earning the trust of our stakeholders and a license to operate.

Yara's Ethics and Compliance Department, led by the Chief Compliance Officer, has an organizational responsibility to provide a best-in-class ethics and compliance program. It plays a key role in the management of risks related to corruption, fraud, human rights, business partner integrity, and employee misconduct. The department consists of 17 full-time employees, with a corporate team in Oslo supported by a network of Regional Compliance Managers. The Regional Compliance Managers are responsible for implementing Yara's Compliance Program, including providing training and guidance in their respective regions. Preventive measures, awareness raising, and knowledge sharing are key priorities in maintaining our policy on zero tolerance of fraud and corruption.

Yara's Compliance Program is instrumental in embedding our commitments and policies across our activities. It consists of 15 key elements, each of them contributing to advancing responsible business conduct throughout our organization. The effectiveness of the Compliance Program is evaluated annually in the business plan process, and an annual maturity assessment of the program is presented to the Board of Directors. Yara also has a Compliance Committee chaired by the Chief Executive Officer, which meets quarterly.

In this section:
- Corporate culture
- Corruption and bribery

Policies

Code of Conduct
Our Code of Conduct defines the key principles of our Compliance Program and outlines our position and commitments on a wide range of topics, including anti-corruption and human rights, see page 98. There is a mandatory e-learning course accompanying the Code of Conduct.

Code of Conduct for Business Partners
One of Yara's goals is to develop relationships with business partners that share similar corporate values and conduct their business in an ethical and compliant manner. We also expect our business partners to require the same from their own set of business partners, especially those that conduct business for Yara. Through our Code of Conduct for Business Partners, which outlines the legal obligations and the integrity standards Yara expects its business partners to uphold, we can ensure that Yara's requirements and value expectations are known to all business partners, see page 98.

Processes

Integrity Due Diligence
Through our Integrity Due Diligence (IDD) process, we assess the integrity of prospective, new, and existing business partners. The IDD, along with our Sustainable Procurement Policy, page 98, and the Supplier Compliance Management Process, page 178, is used to identify and manage compliance risks in the supply chain. Read more about the IDD process in General Information, page 98.

Internal Investigation Procedure
The purpose of our Internal Investigation Procedure is to establish a standardized, structured, and effective process for investigations, regardless of the grievance channel used for the notification. Investigations may also be initiated independently by the Ethics and Compliance Department based on observations, a mandate, media articles, or findings from Yara Internal Risk and Audit. Yara's Code of Conduct requires employees to report potential or actual violations of the Code of Conduct, laws and regulations, and ethical misconduct. Multiple channels are available, including line managers, Human Resources, Legal, HESQ, Regional Compliance Managers or the Ethics Hotline, as well as a designated email address. Anyone who receives a report of an ethics and compliance matter shall escalate such notification within 24 hours to the Ethics and Compliance Department. Independence and competence are observed when determining the investigative party for the investigation of notifications. Adjustments to the whistleblowing process have been made in relevant jurisdictions according to the EU Whistleblower Directive.

The Yara Ethics Hotline is available 24 hours a day, seven days a week, in over 50 languages and offers anonymous reporting both for employees and external reporters. Within five days of receiving a notification, initial communication with the reporter is established, and the notification is prioritized based on pre-established criteria. A preliminary assessment determines whether there is merit to the allegation and an investigation should be initiated. The procedure specifies that all investigations shall be concluded with utmost confidentiality, observing the rights and guaranteed protections of all parties involved, within a reasonable period of time, and with regular feedback to the reporter, and closing messages to the reporter, subject and witnesses upon completion of the investigation.

Actions

Compliance culture
We are continuously working to promote a culture of high ethical standards at Yara and one in which everyone feels comfortable speaking up. We focus our efforts on guiding the business in making the right decisions and speaking up when situations fail to meet our standards. The Ethics and Compliance Department regularly updates and shares guidance through newsletters, other communication efforts, and targeted risk-based training for all employees on ethics and compliance topics. Our Ethical Leadership Training module for managers is continuously updated to reflect our business environment and to include relevant and targeted ethical dilemmas for discussion. We also encourage all staff to complete available e-learning courses on relevant topics, such as Business and Human Rights, harassment, preventing microaggressions and other ethics and compliance topics.

The Yara Ethics Day is celebrated annually in connection with the UN International Anti-Corruption Day and Human Rights Day, highlighting various topics for discussion and knowledge sharing across the company. Additionally, every three years we run an internal Ethics Survey to measure Yara's culture of integrity and guide the work of the Ethics and Compliance Department. The survey was last conducted in March 2021 and showed that fear of retaliation was the most prevalent reason employees were reluctant to speak up. In response to this, we developed the Retaliation Monitoring Program in 2022, which was further implemented throughout 2023. Setting a strong tone at the top, Yara's directors and senior management also work to promote an ethical culture at Yara with explicit, visible support and commitment to Yara's policies against violations of laws, regulations, and our Code of Conduct.

Compliance risk management
All of Yara's operations are assessed for compliance risks through the Enterprise Risk Management. In addition, the Ethics and Compliance Department conduct specific regional compliance risk assessments. These assess the nature and extent of Yara's exposure to potential external and internal risks of corruption and human rights breaches, enabling us to identify and prioritize risks, considering local conditions. Granular and tailored action plans are developed based on inherent risk level and enable the Ethics and Compliance Department to devote proportionate resources to areas according to risk level. Several types of corruption are covered in these processes, including bribery, illegal gratuities, economic extortion, facilitation payments, and conflicts of interest which may lead to corruption. The Chief Executive Officer, with the Executive Vice Presidents, has ultimate ownership accountability for the organization's risk management framework and execution. At the Yara corporate level, the risk of bribery and corruption continued to be a key risk in 2023.

Whistleblowing and protection from retaliation
Ensuring that employees trust our reporting channels and investigation procedure and are comfortable voicing their concerns is a key focus area for the Ethics and Compliance Department. The Retaliation Monitoring Program is our key initiative to increase employees' trust and comfort in speaking up by proactively monitoring retaliatory behavior and actions that the reporter may be experiencing after reporting. Yara has observed a significant increase in the share of total notifications of misconduct that are reported in a non-anonymous manner. This may be an indication of increased trust in the reporting channels and processes. In addition, 106 key employees received training on the Internal Investigation Procedure in 2023.

Business partner integrity
Yara had around 30,000 active suppliers in 2023. Our risk-based Integrity Due Diligence (IDD) self-assessment questionnaire has been completed by approximately 30 percent of the suppliers. In 2023, 3,101 IDD questionnaires were initiated to potential new suppliers, of which 1,931 were completed and approved, and seven were rejected. The remaining 1,163 IDD questionnaires were cancelled or not completed by the business partner.

The purpose of the IDD process is not to reject business partners, but rather to identify integrity risks and to mitigate these in order to safeguard Yara's interests. If adverse responses are identified in the IDD self-assessment questionnaire, we initiate a dialogue with the business partner and are committed to influencing them to uphold the same integrity standards as at Yara. Fewer than one percent of our business partners are rejected annually. In 2023, we did not identify cases where Yara terminated or did not renew a contract with a business partner as a direct result of violations related to corruption.

Ethics Day

On December 13, Yara celebrated the Ethics Day 2023, in connection with the UN International Anti-Corruption Day and the global initiative to commemorate the 75th anniversary of the Universal Declaration of Human Rights on the UN Human Rights Day. The topic of the day was "Doing the right thing - making the right choices" while working in Yara, spotlighting the following topics:

- Business integrity
- Ethical values and behaviors
- Human rights in Yara

The virtual event attracted over 1,000 employees and showcased several internal and external examples of speaking up and the courage to make the right choices. A recording was made available in three languages for those who could not attend in real time.

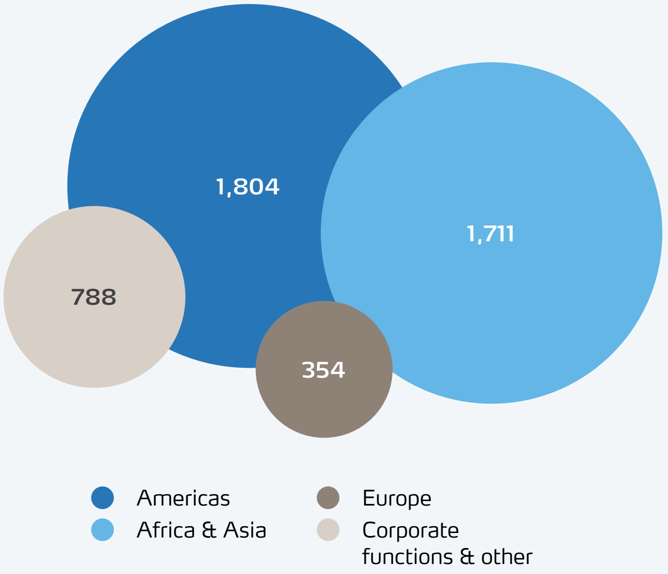
Metrics and targets

Ethics and compliance training
Training and communication are key elements of our Compliance Program, which includes:

- The Ethics intranet: clear, practical guidance for all Yara employees
- Code of Conduct e-learning: mandatory for all new hires with access to a PC within the first three months of employment. Current employees repeat the training every two years
- E-learning courses: available in 15 languages on several topics of the Code of Conduct, including a mandatory course on competition law
- Face-to-face training program: interactive sessions covering topics from the Code of Conduct, including anti-corruption, facilitation payments, conflicts of interest, ethical leadership, gifts and hospitality, and human rights
- Ethics and compliance introduction: mandatory as part of the human resources onboarding
- Guidance sheets, newsletters, and manuals: on all topics covered by the Code of Conduct and available in several languages

In 2023, the total number of employees who had completed the Code of Conduct e-learning was 11,879 (of the 12,093 employees who had access to the learning platform), corresponding to an average completion rate of 98 percent. The mandatory e-learning covers all topics in the Code of Conduct, including anti-corruption and human rights. The e-learning was revised in 2023.

Face-to-face training in 2023
Participants



Regional Compliance Managers delivered dedicated ethics and compliance training to 4,657 employees in 2023. This training includes anti-corruption as a distinct topic.

Ethics and compliance in numbers

4,657
employees received face-to-face risk-based ethics and compliance trainings
2023 target: 3,500

98%
completed the Code of Conduct e-learning
2023 target: 95%

827
guidance requests
2022: 660 guidance requests

139
notifications of misconduct
2022: 159 notifications of misconduct

CONTENT

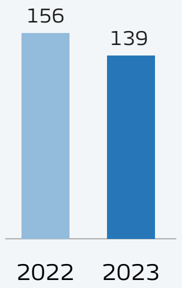
All members of Yara's Board of Directors and Group Executive Board are consulted on and approve annual updates to the Code of Conduct. Twice a year, the Board of Directors receives an update on the status of Yara's Compliance Program from the Chief Compliance Officer. All members of the bodies are included in the online and face-to-face compliance training programs and in the biennial Code of Conduct e-learning retraining requirement.

Notifications of misconduct in 2023

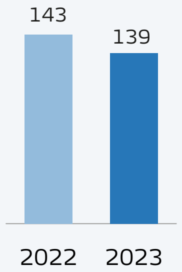
Yara has an obligation to investigate all reports made, and all notifications are treated confidentially. In 2023, we recorded 139 notifications to the Ethics and Compliance Department, a decrease from 156 in 2022. We observe that awareness in the organization remains high, but ensuring that employees trust in reporting channels and the investigation process is nevertheless crucial in maintaining our strong speak-up culture. The continued increase in the share of notifications that are non-anonymous indicates that our efforts in this regard are having a positive impact.

28 of the notifications were classified within the risk category of corruption, covering the sub-categories conflicts of interest, bribery, and anti-trust. Of these notifications, 24 were resolved within the reporting period, and 12 were substantiated according to Yara's Investigation Procedure. Disciplinary actions as a result of investigations in 2023 led to 41 dismissals and 31 warnings (there can be several disciplinary actions for each investigation).

Total number of notifications



Notifications resolved within the reporting period



Number of notifications by issue

Political engagement

Yara sees political engagement as an integral part of the partnerships between governments, stakeholders and business which is essential to food security and securing a nature-positive food future.

Political engagement at all levels, and in all contexts where Yara operates, be it local farming communities, production and distribution sites, or at global high-level events, is key to sharing and receiving important information, and to building a shared sense of our common challenges and goals. An ethical and responsible approach to political engagement is important for local, regional and international governance.

Policies

All lobbying activities by or on behalf of Yara must comply with all applicable laws, regulations, and Yara's Code of Conduct which guides Yara's political advocacy and lobbying activities. According to the Code of Conduct, Yara does not provide gifts, donations, or other support to political parties or individual politicians, nor to any other political, religious, or ideological entity. We seek to be transparent and open about our activities and proactive engagement with government policy makers and other stakeholders, such as the media, civil society, sector associations, and international institutions.

No financial and in-kind political contributions were made directly or indirectly by Yara in 2023.

Advocacy lobbying

Yara is active through several fora, through various industry associations and direct meetings with public authorities, and participates in consultations on topics material to Yara and on arenas we assess as important to support a sustainable food systems transformation, decarbonizing industry, and food security. The section on stakeholder engagement outlines our key engagement activities and memberships, see page 50.

The positions that we lobby for shall be founded on impact assessments, knowledge, and/or science. Our political engagement reflects the positions and information made publicly available, through our websites, in public events, in submissions, and with participation in industry and scientific bodies.

Yara is engaged in several associations and organizations across the globe. Some of these organizations do advocacy work and lobbying activities for various purposes. Many member organizations and partnerships are important to achieve the goals of the Paris Agreement as well as Yara's vision of a collaborative society, a world without hunger, and a planet respected.

In order to ensure alignment on our climate and nature positions, we have defined a set of expectations to the organizations we are members of, that do lobbying on behalf of the company and the industry:

- Support the goals of the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework
- Acknowledge that human activities influence climate change and nature loss
- Support measures to reduce greenhouse gas emissions, such as carbon pricing as a tool to speed up the green transition
- Encourage transparency on emissions

These expectations are available on our corporate website, www.yara.com.

We are mapping organizations we are members of to ensure that they do not oppose the Paris Agreement nor the Kunming-Montreal Global Biodiversity Framework. This work is ongoing.

Yara may employ lobbyists to act on its behalf. Lobbyists are subject to an assessment of their integrity, following Yara's Integrity Due Diligence procedure. Lobbyists must always disclose that they represent Yara. Yara's lobbying activities at EU level are covered by the EU's Transparency Register, a database listing interest representatives who carry out activities to influence the EU policy and decision-making process. Yara's expenditures on public affairs in the EU are listed in the European Transparency Register under the legal entity of Yara Belgium S.A. (ID Number: 68208004617-79)

Yara's advocacy work focuses on the three priorities of the company's strategy

1. **Climate neutrality** – solutions to decarbonize agriculture, transportation, and energy

2. **Regenerative farming** – improvements across the five main themes of climate, soil health, resource use, biodiversity, and prosperity.

3. **Prosperity** – food security, healthy nutrition, and farmer sustainability and income

Climate neutrality

Yara is advocating for low-carbon agriculture. This includes exploring the potential of a voluntary carbon market for agriculture.

EU Policies related to climate neutrality

Yara is actively engaged in the debate on EU policies, regulations, and funding schemes related to climate neutrality. Some of the main topics Yara has engaged on are related to decarbonization. More specifically, our focus area has been climate legislation directly impacting the fertilizer sector. As we are an actor in the energy-intensive industry, dealing with the challenge of decarbonizing hard-to-abate production processes, energy policy is also a priority area for us. This also led us to work on hydrogen policies at the EU and member states levels, supporting Yara Clean Ammonia initiatives. Among the other decarbonization pathways, carbon capture and storage (CCS) became one of the targeted policy areas where we are actively engaged. This supports our company's visibility aiming to contribute to the development of a favorable EU framework for CCS projects.

The EU Renewable Energy Directive (REDIII)
REDIII sets ambitious targets for renewables in the EU industry sectors, but the main challenge will be the different ways in which EU/EEA member states will implement it. To avoid fragmentation of the internal market, we have been calling on the European Commission to issue implementation guidelines and believe that the renewables targets should be complemented by incentives, to boost demand for sustainable products.

Carbon capture and storage (CCS)
We believe CCS is crucial for achieving carbon neutrality. An ad hoc CCS framework is needed to create a CCS market, so that CCS solutions become more competitive and viable compared to conventional production. First movers like Yara are bearing the cost of innovation. Other regions of the world are already moving in this direction, and Europe should not lag behind.

Carbon Border Adjustment Mechanism (CBAM)
Yara has, in its advocacy, expressed support for CBAM as a climate tool to maintain fair competition on the domestic market and support carbon pricing to ensure the uptake of low-emission technologies and products. However, CBAM should include an export solution to ensure EU industries' competitiveness in global markets. Otherwise, the EU will only move GHG emissions elsewhere, increasing carbon leakage and GHG emissions globally.

Funding related to decarbonization and production
Public funding for decarbonization projects continues to be a relevant topic. In the US, with the Inflation Reduction Act (IRA), Yara explores tapping into the incentives. Yara has announced the development and construction of a low-carbon ammonia production facility with CCS in Texas together with Enbridge Inc. BASF and Yara have also announced they are looking into the feasibility of a world-scale ammonia production facility with CCS in the U.S. Gulf Coast region.

Yara's main messages to the EU related to funding for decarbonization is the need to increase the budget, that cumulation of support from the European Hydrogen Bank and other public funding schemes should be allowed, that the Hydrogen Bank should support low-carbon ("blue") hydrogen in addition to renewable ("green") hydrogen. We also advocate for the scheme to be sector-specific, targeting industries subject to targets for renewable fuels of non-biological origin (RFNBO), such as hydrogen produced via electrolysis by the use of renewable electricity.

Local decarbonization roadmaps
Yara has been engaged with authorities at both federal and local levels to help develop their decarbonization roadmaps. Examples of this are decarbonization projects in Brunsbüttel, Germany, and Le Havre in France.

Regenerative agriculture and sustainable farming
Yara is working with governments and other external stakeholders to share knowledge about nature-positive agriculture and the company's ambitions within this area. We work to support governments' priorities related to regenerative agriculture and soil health to help the transition towards more sustainable farming practices.

For transformation of the food system to happen, relevant policies must support it. This is why Yara is actively engaged in the debate on EU policies, regulations, and funding schemes related to regenerative agriculture and sustainable farming. With only six growing seasons left to achieve the EU's Farm to Fork ambitions, we have been advocating for a greater deployment of tools and their support via the EU's Common Agricultural Policy (CAP). By supporting farmers with digital tools and advice on smart, sustainable farming practices, we can help them further optimize crop yields, produce healthier crops, and protect the soil, while also reducing their carbon footprint.

At Yara, we see regenerative farming as one of the concrete solutions to transforming the food system, improving global access to healthy food and ultimately, to fulfilling our ambition of Growing a Nature-Positive Food Future. As part of these efforts, in 2023, Yara developed its position paper on regenerative agriculture and is working with a range of different stakeholders to advocate for a common global framework, including via One Planet Business for Biodiversity (OP2B), Sustainable

Other topics

- **Trade, supply chain continuity:** Yara supports positions to ensure the movement of fertilizers, as they are essential goods, needed to avoid food shortages.
- **Regulatory predictability:** A predictable regulatory environment in which we operate is important to secure the capital needed for our investments. Energy availability is key and impacted by regulatory uncertainty.
- **Community engagement:** Yara aims to be a good partner and neighbor to the local communities where we have or are planning to have activities. Engagement with local authorities on various topics is one of the means we use to achieve this goal. We also seek to share our insights with national government officials and elected officials when possible and appropriate.
- **The Euro 7 file on vehicle emissions** targeting better air quality for Europe's citizens was supported by Yara.

Agriculture Initiative (SAI) Platform, the Sustainable Markets Initiative (SMI), and the Food Collective.

Commitments for nature

In 2023, we committed to doing a mapping of impacts and dependencies on nature, to include nature as a topic in Yara's business strategy if considered material, and to start initial reporting on nature data for the reporting year 2023.

Soil health and soil law advocacy

Soils play a crucial role in the long-term sustainability and profitability of global agriculture, including Europe. In 2023, Yara therefore expressed support for the EU's Soil Monitoring Law proposal and its main objective, as an important step towards a comprehensive and coherent soil framework. However, to ensure that the law helps industry, farmers, and other stakeholders, to harness the full potential of soils, Yara has been calling on policymakers to further embrace the concept of balanced plant nutrition, avoid double legislation, and acknowledge the variety of soil types and land uses.

Nutrient and nitrogen use efficiency

Nutrients continue to be lost along the entire food chain. Nutrient management to increase nutrient use efficiency is a fundamental topic in sustainable agriculture. Yara advocates for reducing nutrient losses by improving nutrient use efficiency to avoid yield losses, outsourcing of production to regions with lower standards, and deterioration in soil fertility. In addition, Yara is advocating for nitrogen use efficiency as a significant and measurable part of balanced nutrient management that has an impact on human health, climate, and the environment.

Prosperity and food security

Yara works actively with governments and legislators for increased understanding of the link between food security, fertilizer, nutritious crops, and healthy soils.

Yara advocates for smallholder prosperity as a necessity for food security. The importance of smallholders in the food system is also key when we advocate for national fertilizer plans and farmer subsidy schemes.

We have been engaging in the discussion about the new volatile market in which we have to operate in Europe. Here, a main focus has been to ensure the resilience and competitiveness of the EU's fertilizer industry, both as a way to ensure the independence of the EU agri-food value chain in the current geopolitical context and to allow sustainable EU/EEA fertilizers to stay competitive against more carbon-intensive alternatives from non-EU producers.

Tax policy

Yara's Tax Policy stipulates that we shall behave ethically and act in accordance with the values and principles detailed in our Code of Conduct when dealing with taxes.

We take an operational and commercial approach to tax and are committed to transparency and an open dialogue with tax authorities. We do not seek artificial tax structures and believe tax should be paid where profit is generated. We report in line with local and global regulations and our Code of Conduct.

» Tax Policy on www.yara.com

Each year, we publish a full country-by-country report in line with EU regulation 2013/34 and the Norwegian Accounting Act.

» Country-by-Country Report 2023 on www.yara.com

Animal welfare

Animal welfare and cruelty-free treatment is an important aspect of sustainability. At Yara, we recognize the ethical responsibility to prevent and mitigate any negative impacts and maximize the positive ones on animals.

Yara has a portfolio of feed materials and additives. Our Animal Feed Safety policy is included in the HESQ Policy, see page 98. We avoid animal testing and choose alternative in-vitro methods when possible. Animal tests may be conducted only when required by the authorities and whenever feasible, in sectoral collaboration to replace, reduce, and refine the animal testing and to report any issues.

Certifications

We ensure that animals are not harmed through our products, but, rather, that they contribute to animal welfare. Given our involvement in the animal feed value chain, we work towards identifying and managing animal safety and subsequent food safety risks. The units that produce, handle, market, and sell feed materials and additives hold necessary approvals and permits from respective local authorities and are certified to recognized feed safety certification schemes.

All feed safety certification schemes, including GMP+, FAMI-QS, FEMAS, UFAS, TASCC, and Qualimat, are mutually recognized in order to satisfy equivalent expectations of Hazard Analysis and Critical Control Point (HACCP) risk assessments and ensure feed and food safety. Twelve Yara locations hold either GMP+ or equivalent certificates for feed safety: Vilnius, Sluiskil, Espoo, Oslo, Dülmen, Tertre, Vlaardingen, Pocklington, Kokkola, Glomfjord, Le Havre, and Brunsbüttel.

In 2023, we initiated a project to transform the individual unit GMP+ certificates into a multisite certificate. Key actions carried out so far include the implementation of the multisite feed safety management system and the development of an end-to-end HACCP risk assessment. The objective is to achieve multisite certification in 2024.

How we live up to reporting standards and expectations

This section provides readers' guidance on how and where we cover Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, the Norwegian Transparency Act, the Norwegian Equality and Anti-Discrimination Act, and the Global Reporting Initiative (GRI) Universal Standards.

TCFD

Recommended disclosures from TCFD

TCFD recommended disclosures		Location
Governance	a) Board's oversight	58–60, 82
	b) Management's role	59–60, 82
Strategy	a) Climate-related risks and opportunities	18–23, 87, 129, 132–134, 226–227
	b) Impact of climate-related risks and opportunities	18–23, 87, 129, 132–134, 226–227
	c) Resilience of the organization's strategy	18–23, 132–134, 226–227
Risk Management	a) Processes for identifying and assessing climate-related risk	133–134, 226–227
	b) Processes for managing climate-related risks	18–23, 82, 129–136
	c) Integration of climate-related risks into overall risk management	18–23, 58–60, 82
Metrics and Targets	a) Metrics used to assess climate-related risks and opportunities	See opposite table
	b) Scope 1, 2 and 3 GHG emissions	24, 28–30, 136
	c) Targets used to manage climate-related risks and opportunities	24, 28–30, 129–136

TCFD metric categories

Recommended metric categories from the 2021 TCFD Guidance on Metrics, Targets, and Transition Plans

TCFD Metric Categories	Yara metrics and disclosures	Location
GHG Emissions	Scope 1 and 2 emissions	24, 28, 130–131, 136
	Scope 3 emissions	132, 136
	GHG emission intensity	24, 28, 129–130
	Energy efficiency	134–135
Transition Risks	Stranded assets	253
	EU Taxonomy Turnover KPI	117
Physical Risks	Sites vulnerable to flooding	133, 227
	Water withdrawal in water-stressed areas	141–142
Climate-Related Opportunities	EU Taxonomy Turnover KPI	117
	Digital hectares	24, 30
Capital Deployment	EU Taxonomy CapEx KPI	117
	Research and development expenditures	37
Internal Carbon Prices	Carbon pricing	130
Remuneration	Weighting of climate goals in Short-term Incentive Plan	67–71

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Transparency Act

Due diligence reporting requirements in the Norwegian Transparency Act

Transparency Act requirements	Location
General description of the enterprise's structure and area of operations	Our organization, page 13–16 Consolidated financial statements, page 228–239
General description of guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions	People, page 25–27 General information, page 96–104 Stakeholder engagement, page 106–110
Information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence	General information, page 99–102 Employment, page 155 Equal treatment and opportunities for all, page 165 Other work-related rights, page 175 Workers in the value chain, page 179–181 Local social impacts, page 186 Rights of indigenous peoples, page 188
Information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.	

Equality and Anti-Discrimination Act

Reporting requirements in the Norwegian Equality and Anti-Discrimination Act

	Location
Metrics required annually	
Total gender balance	Equal treatment and opportunities for all, page 170
Temporary employees, by gender	
Employees in part-time positions, by gender	
Parental leave, by gender	
Metrics required biennially	
Wage differences, by position level and gender	Equal treatment and opportunities for all, page 168
Total wage disparity, by gender	
Gender distribution, by position level	Equal treatment and opportunities for all, page 170
Involuntary part-time, by gender	
Activity reporting	
Activities to promote equality	Equal treatment and opportunities for all, page 164–171
Activities to prevent discrimination	

GRI content index

The GRI content index provides readers with guidance on how Yara has applied the GRI Universal Standards.

The index lists indicators from this reporting framework and points to where the information can be found in:

IR: Yara Integrated Report 2023
RR: Yara Executive Remuneration Report 2023

Yara International ASA has reported in accordance with the GRI Standards for the period 1 January – 31 December 2023.

GRI 1 used: GRI 1: Foundation 2021

GRI standard and disclosure	Location
General disclosures	
GRI 2: General Disclosures 2022	2023
2-1 Organizational details	13–14, 223, 303–305
2-2 Entities included in the organization's sustainability reporting	94–95, 303–305
2-3 Reporting period, frequency and contact point	94–95
2-4 Restatements of information	94
2-5 External assurance	95
2-6 Activities, value chain and other business relationships	8, 13–17, 23, 105
2-7 Employees	153
2-8 Workers who are not employees	153
2-9 Governance structure and composition	77–81, 95–96
2-10 Nomination and selection of the highest governance body	65–66
2-11 Chair of the highest governance body	58
2-12 Role of the highest governance body in overseeing the management of impacts	58–59, 63–65, 95–96
2-13 Delegation of responsibility for managing impacts	95–96
2-14 Role of the highest governance body in sustainability reporting	58–59, 63–65, 95–96
2-15 Conflicts of interest	58
2-16 Communication of critical concerns	63–65
2-17 Collective knowledge of the highest governance body	65–66, 77–81
2-18 Evaluation of the performance of the highest governance body	64, 66

GRI standard and disclosure	Location
2-19 Remuneration policies	67–71
2-20 Process to determine remuneration	61, 67–68
2-21 Annual total compensation ratio	Information incomplete. Median total compensation for all employees not available for 2023. Average compensation for employees in Norway reported in RR, page 23.
2-22 Statement on sustainable development strategy	17–23
2-23 Policy commitments	97–98, 100
2-24 Embedding policy commitments	97–104
2-25 Processes to remediate negative impacts	102, 155, 165, 175, 179–182, 184–186, 188
2-26 Mechanisms for seeking advice and raising concerns	198, 200–201
2-27 Compliance with laws and regulations	105, 184
2-28 Membership associations	50–51
2-29 Approach to stakeholder engagement	106–110
2-30 Collective bargaining agreements	155

Material topics

GRI 3: Material Topics 2021	
3-1 Process to determine material topics	112
3-2 List of material topics	111, 113

Economic

GRI 201: Economic Performance 2016	
3-3 Management of material topics	20–22, 152–153
201-1 Direct economic value generated and distributed	105
201-2 Financial implications and other risks and opportunities due to climate change	87, 124–125, 133–134, 226–227
201-3 Defined benefit plan obligations and other retirement plans	152–155, 274–279

GRI standard and disclosure	Location
GRI 202: Market Presence 2016	
3-3 Management of material topics	145, 183
202-2 Proportion of senior management hired from the local community	Information unavailable. Proportion of locally hired staff not recorded.
GRI 203: Indirect Economic Impacts 2016	
3-3 Management of material topics	20–23, 189, 195–196
203-2 Significant indirect economic impacts	195–196
GRI 205: Anti-corruption 2016	
3-3 Management of material topics	198–199
205-1 Operations assessed for risks related to corruption	199
205-2 Communication and training about anti-corruption policies and procedures	Information incomplete. Data per employee category is available but not reconciled with HR data at the time of reporting. Other disclosures pertaining to 205-2 reported on page 98 and 199–201.
205-3 Confirmed incidents of corruption and actions taken	199, 201, 282
GRI 206: Anti-competitive Behavior 2016	
3-3 Management of material topics	198–199
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	283
GRI 207: Tax 2019	
3-3 Management of material topics	204
207-1 Approach to tax	204
207-2 Tax governance, control, and risk management	82–83, 204

GRI standard and disclosure	Location
207-3 Stakeholder engagement and management of concerns related to tax	204, 283
207-4 Country-by-country reporting	204

Environmental

GRI 301: Materials 2016	
3-3 Management of material topics	147–149
301-1 Materials used by weight or volume	148
301-2 Recycled input materials used	149

GRI 302: Energy 2016	
3-3 Management of material topics	134–135
302-1 Energy consumption within the organization	Information incomplete. Total energy consumption, electricity consumption, and proportion of natural gas reported on page 134–135.
302-3 Energy intensity	134–135

GRI 303: Water and Effluents 2018	
3-3 Management of material topics	137–142
303-1 Interactions with water as a shared resource	141–144
303-2 Management of water discharge-related impacts	137–142
303-3 Water withdrawal	142–144
303-4 Water discharge	142–143
303-5 Water consumption	143–144

GRI 304: Biodiversity 2016	
3-3 Management of material topics	145–146
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Information incomplete. Disclosures cover mining site, see page 145–146. Future priorities and reporting are pending baselining project, see page 145.
304-2 Significant impacts of activities, products and services on biodiversity	Information incomplete, see point 304-1 above. Disclosures cover mining site, see page 145–146.
304-3 Habitats protected or restored	Information incomplete, see point 304-1 above. Disclosures cover mining site, see page 145–146.
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information incomplete, see point 304-1 above. Disclosures cover mining site, see page 145–146.
MM1 Land disturbed or rehabilitated in the mining activities	146
MM2 Sites requiring biodiversity management plan	146

GRI 305: Emissions 2016	
3-3 Management of material topics	129–132, 137–139
305-1 Direct (Scope 1) GHG emissions	94, 130–131, 136
305-2 Energy indirect (Scope 2) GHG emissions	94, 130–131, 136
305-3 Other indirect (Scope 3) GHG emissions	94, 132, 136
305-4 GHG emissions intensity	130
305-5 Reduction of GHG emissions	129–132, 136
305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	137, 139

GRI 306: Waste 2020	
3-3 Management of material topics	147–149
306-1 Waste generation and significant waste-related impacts	147–149
306-2 Management of significant waste-related impacts	147–149
306-3 Waste generated	150

GRI standard and disclosure	Location
306-4 Waste diverted from disposal	150
306-5 Waste directed to disposal	150
MM3 Overburden, rock, tailings, and sludges from the mining	150
GRI 308: Supplier Environmental Assessment 2016	
3-3 Management of material topics	98, 104
308-1 New suppliers that were screened using environmental criteria	98
308-2 Negative environmental impacts in the supply chain and actions taken	104, 184

Social

GRI standard and disclosure	Location
GRI 401: Employment 2016	
3-3 Management of material topics	152–155
401-1 New employee hires and employee turnover	159
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	154–155
401-3 Parental leave	165–166
GRI 402: Labor/management relations 2016	
3-3 Management of material topics	155–156
MM4 Number of strikes and lock-outs exceeding one week's duration, by country	183
GRI 403: Occupational Health and Safety 2018	
3-3 Management of material topics	103, 160–162
403-1 Occupational health and safety management system	103, 160
403-2 Hazard identification, risk assessment, and incident investigation	103, 160
403-3 Occupational health services	154–155
403-4 Worker participation, consultation, and communication on occupational health and safety	160–161
403-5 Worker training on occupational health and safety	161, 172
403-6 Promotion of worker health	152, 155, 160–161
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	99–101, 104, 160
403-8 Workers covered by an occupational health and safety management system	103, 160
403-9 Work-related injuries	100, 103, 162–163
GRI 404: Training and Education 2016	
3-3 Management of material topics	101, 161, 181, 172–174, 200
404-1 Average hours of training per year per employee	Information incomplete. Breakdown per employee category unavailable for 2023. Total hours and breakdown per gender reported on page 161 and 172–173.
404-2 Programs for upgrading employee skills and transition assistance programs	172–174
404-3 Percentage of employees receiving regular performance and career development reviews	173–174
GRI 405: Diversity and Equal Opportunity 2016	
3-3 Management of material topics	164–171
405-1 Diversity of governance bodies and employees	57, 72–81, 165, 171
405-2 Ratio of basic salary and remuneration of women to men	166–169
GRI 406: Non-discrimination 2016	
3-3 Management of material topics	164–165, 178
406-1 Incidents of discrimination and corrective actions taken	165
GRI 407: Freedom of Association and Collective Bargaining 2016	
3-3 Management of material topics	99, 155–156, 178–179
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	155, 179

GRI standard and disclosure	Location
GRI 408: Child Labor 2016	
3-3 Management of material topics	175–176, 178–180
408-1 Operations and suppliers at significant risk for incidents of child labor	175, 180–181
GRI 409: Forced or Compulsory Labor 2016	
3-3 Management of material topics	175–176, 178–180
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	175, 180–181
GRI 410: Security Practices 2016	
3-3 Management of material topics	181
410-1 Security personnel trained in human rights policies or procedures	181
GRI 411: Rights of Indigenous Peoples 2016	
3-3 Management of material topics	188
411-1 Incidents of violations involving rights of indigenous peoples	188
MM5 Operations taking place in or adjacent to Indigenous peoples' territories, and operations or sites where there are formal agreements with Indigenous peoples' communities	Not applicable
GRI 413: Local Communities 2016	
3-3 Management of material topics	182–186
413-2 Operations with significant actual and potential negative impacts on local communities	184–186
MM6 Significant disputes relating to land use, customary rights of local communities and Indigenous peoples	183
MM7 Use of grievance mechanisms to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples, and the outcomes	183
MM10 Number and percentage of operations with closure plans	183

GRI standard and disclosure	Location
GRI 414: Supplier Social Assessment 2016	
3-3 Management of material topics	97–101, 178–181
414-1 New suppliers that were screened using social criteria	98, 101, 104, 178–179, 199
414-2 Negative social impacts in the supply chain and actions taken	Information incomplete. Data from different processes concerning the number of suppliers with significant actual and potential negative social impacts have not been collated. Other disclosures pertaining to 414-2 are reporting on pages 98–102, 104, 178–181, 186 and 199.
GRI 415: Public Policy 2016	
3-3 Management of material topics	202–204
415-1 Political contributions	202
GRI 416: Customer Health and Safety 2016	
3-3 Management of material topics	193–194
416-1 Assessment of the health and safety impacts of product and service categories	193–194
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	194
GRI 417: Marketing and Labeling 2016	
3-3 Management of material topics	193–194
417-1 Requirements for product and service information and labeling	137, 193–194
417-2 Incidents of non-compliance concerning product and service information and labeling	194
GRI 418: Customer Privacy 2016	
3-3 Management of material topics	177
418-1Substantiated complaints concerning breaches of customer privacy and losses of customer data	177, 201

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Signatures from the Board and the CEO of Yara International ASA

Board conclusion

In the opinion of the Board of Directors, the consolidated financial statements provide a true and fair view of the group's financial performance during 2023 and financial position on 31 December 2023. According to paragraph 3–3a of the Norwegian Accounting Act, we confirm that the consolidated financial statements and the financial statements of the parent company have been prepared based on the going concern assumption, and that it is appropriate to make that assumption.

The Board of Directors Yara International ASA,
Oslo 20 March 2024

Trond Berger Chair	Jannicke Hilland Vice Chair	John Thuestad Member of the Board
Rune A. Bratteberg Member of the Board	Tove Feld Member of the Board	Geir O. Sundbø Member of the Board
Eva S. Aspvik Member of the Board	Ragnhild F. Høimyr Member of the Board	Therese Log Bergjord Member of the Board
Harald Thorstein Member of the Board	Tina Lawton Member of the Board	Svein Tore Holsether President and CEO

CONTENT

FINANCIAL STATEMENTS

Reporting transparently

Yara is committed to reporting transparently and diligently about the company’s performance, development, and position.

Consolidated financial statements

Due to rounding differences, figures or percentages may not add up to the total.

Consolidated statement of income

USD millions	Notes	2023	2022
Revenue from contracts with customers	2.1, 2.3	15,431	23,902
Other income and commodity derivative gain/(loss)	2.2, 4.9	117	150
Revenue and other income		15,547	24,051
Raw materials, energy costs and freight expenses	2.4, 4.9	(11,445)	(18,078)
Change in inventories of own products		(650)	725
Payroll and related costs	2.5	(1,399)	(1,284)
Depreciation and amortization	4.1, 4.2, 4.5	(1,018)	(964)
Impairment loss	4.7	(220)	(35)
Expected and realized credit loss on trade receivables	3.2	(9)	(14)
Other operating expenses	2.6, 4.9	(495)	(575)
Operating costs and expenses		(15,236)	(20,224)
Operating income/(loss)		312	3,827
Share of net income in equity-accounted investees	4.3	1	25
Interest income and other financial income	2.7	159	108
Foreign currency exchange gain/(loss)	2.7, 6.1	(32)	(61)
Interest expense and other financial items	2.7	(249)	(260)
Income/(loss) before tax		191	3,639
Income tax expense	2.8	(136)	(857)
Net income/(loss)		54	2,782

USD millions, except share information	Notes	2023	2022
Net income/(loss) attributable to			
Shareholders of the parent		48	2,777
Non-controlling interests	5.2	6	5
Net income/(loss)		54	2,782
Basic earnings/(loss) per share		0.19	10.90
Diluted earnings/(loss) per share[1)]		0.19	10.90
Weighted average number of shares outstanding	5.1	254,725,627	254,725,627

1) Yara currently has no share-based compensation that results in a dilutive effect on earnings per share.

Consolidated statement of comprehensive income

USD millions	Notes	2023	2022
Net income/(loss)		54	2,782
Other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax			
Currency translation adjustments		229	(199)
Hedge of net investments	2.8, 6.2	(22)	(70)
Net other comprehensive income/(loss) that may be reclassified to statement of income in subsequent periods, net of tax		208	(269)
Other comprehensive income/(loss) that will not be reclassified to statement of income in subsequent periods, net of tax			
Currency translation adjustments[1)]		15	(134)
Net gain/(loss) on equity instruments at fair value through other comprehensive income	6.3	(11)	13
Remeasurement gains/(losses) on defined benefit plans	2.8, 5.4	1	140
Net other comprehensive income/(loss) that will not be reclassified to statement of income in subsequent periods, net of tax		5	19
Reclassification adjustments of the period		–	9
Total other comprehensive income/(loss), net of tax		213	(242)
Total comprehensive income/(loss)		268	2,540
Total comprehensive income/(loss) attributable to			
Shareholders of the parent		263	2,538
Non-controlling interests	5.2	5	2
Total comprehensive income/(loss)		268	2,540

1) Currency translation adjustments that will not be reclassified to statement of income are related to entities with functional currency NOK as these are not classified as "foreign operations" to Yara International ASA.

Consolidated statement of changes in equity

USD millions	Notes	Share Capital[1]	Premium paid-in capital	Currency translation adjustments	Fair value reserve of financial assets at FVOCI	Hedge of net investments	Other components of equity[2]	Total other reserves	Retained earnings	Attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2021		63	(49)	(1,571)	(3)	(208)	(10)	(1,793)	8,883	7,104	13	7,116
Net income/(loss)		–	–	–	–	–	–	–	2,777	2,777	5	2,782
Total other comprehensive income/(loss)		–	–	(330)	13	(70)	8	(379)	140	(239)	(3)	(242)
Total comprehensive income/(loss)		–	–	(330)	13	(70)	8	(379)	2,917	2,538	2	2,540
Dividends distributed	5.1	–	–	–	–	–	–	–	(1,055)	(1,055)	(1)	(1,056)
Balance at 31 December 2022		63	(49)	(1,901)	10	(278)	(2)	(2,172)	10,745	8,587	13	8,600
Net income/(loss)		–	–	–	–	–	–	–	48	48	6	54
Total other comprehensive income/(loss)		–	–	246	(11)	(22)	–	213	1	214	(1)	213
Total comprehensive income/(loss)		–	–	246	(11)	(22)	–	213	49	263	5	268
Transactions with non-controlling interests	5.2	–	–	–	–	–	–	–	–	–	2	2
Dividends distributed	5.1	–	–	–	–	–	–	–	(1,298)	(1,298)	(2)	(1,300)
Balance at 31 December 2023		63	(49)	(1,655)	(1)	(300)	(2)	(1,958)	9,497	7,552	18	7,570

1) Par value 1.70.

2) Other components of equity include reserves for cash flow hedges and disposal group held for sale

Consolidated statement of financial position

USD millions	Notes	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Deferred tax assets	2.8	522	449
Goodwill	4.2	760	754
Intangible assets other than goodwill	4.2	135	112
Property, plant and equipment	4.1, 4.9	7,232	6,970
Right-of-use assets	4.5	418	403
Associated companies and joint ventures	4.3	152	147
Other non-current financial assets	4.6	134	93
Other non-current non-financial assets	4.6, 4.9	460	434
Total non-current assets		9,814	9,363
Current assets			
Inventories	3.1	3,058	4,365
Trade receivables	3.2	1,634	2,305
Other current financial assets	3.3	295	274
Prepaid expenses and other current non-financial assets	3.3	622	657
Cash and cash equivalents	3.4	539	1,010
Non-current assets and disposal group classified as held for sale	7.2	64	9
Total current assets		6,213	8,620
Total assets		16,027	17,982

USD millions	Notes	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity			
Share capital reduced for treasury shares	5.1	63	63
Premium paid-in capital		(49)	(49)
Total paid-in capital		14	14
Other reserves		(1,958)	(2,172)
Retained earnings		9,497	10,745
Total equity attributable to shareholders of the parent		7,552	8,587
Non-controlling interests	5.2	18	13
Total equity		7,570	8,600
Non-current liabilities			
Employee benefits	5.4	286	293
Deferred tax liabilities	2.8	456	473
Interest-bearing debt	5.3	3,284	3,597
Other non-current financial liabilities	6.3	108	151
Other non-current non-financial liabilities		5	7
Non-current provisions	5.6	298	231
Non-current lease liabilities	4.5	306	292
Total non-current liabilities		4,743	5,043

CONTENT

USD millions, except share information	Notes	31 Dec 2023	31 Dec 2022
Current liabilities			
Trade and other current payables	5.5	2,049	2,549
Prepayments from customers	2.1	368	620
Current tax liabilities	2.8	156	288
Current provisions	5.6	50	92
Other current financial liabilities	6.3	381	407
Other current non-financial liabilities		30	52
Interest-bearing debt	5.3	517	210
Current lease liabilities	4.5	123	118
Liabilities associated with non-current assets and disposal group classified as held for sale	7.2	39	1
Total current liabilities		3,714	4,338
Total equity and liabilities		16,027	17,982
Number of shares outstanding	5.1	254,725,627	254,725,627

The Board of Directors Yara International ASA,
Oslo 20 March 2024

Trond Berger
Chair

Jannicke Hilland
Vice Chair

John Thuestad
Member of the Board

Rune A. Bratteberg
Member of the Board

Tove Feld
Member of the Board

Geir O. Sundbø
Member of the Board

Eva S. Aspvik
Member of the Board

Ragnhild F. Høimyr
Member of the Board

Therese Log Bergjord
Member of the Board

Harald Thorstein
Member of the Board

Tina Lawton
Member of the Board

Svein Tore Holsether
President and CEO

Consolidated statement of cash flows

USD millions	Notes	2023	2022
Operating activities			
Income/(loss) before tax		191	3,639
Adjustments to reconcile income/(loss) before tax to net cash provided by/(used in) operating activities			
Depreciation and amortization	4.1, 4.2, 4.5	1,018	964
Impairment loss	4.7	220	35
Write down of inventory and trade receivables		(67)	113
(Gain)/loss on disposal of non-current assets	4.1, 4.2	(3)	34
Foreign currency exchange (gain)/loss		32	61
Finance income and expense		90	153
Income taxes paid		(479)	(627)
Dividends	4.3	16	8
Interest paid[1]		(296)	(236)
Interest received		174	103
Other		(36)	(50)
Working capital changes that provided/(used) cash			
Trade receivables		687	(299)
Inventories		1,509	(605)
Prepaid expenses and other current assets		132	(214)
Trade and other payables		(452)	(620)
Prepayments from customers		(275)	(6)
Other interest-free liabilities		(171)	(63)
Net cash provided by/(used in) operating activities		2,288	2,391

USD millions	Notes	2023	2022
Investing activities			
Purchase of property, plant and equipment	4.1	(1,139)	(926)
Proceeds from sales of property, plant and equipment		13	16
Cash flows from losing control of subsidiaries or other businesses		1	456
Cash flows used in obtaining control of subsidiaries or other businesses		(7)	(29)
Purchase of other non-current assets	4.2	(73)	(32)
Proceeds from sales of other non-current assets	4.3	7	6
Net cash provided by/(used in) investing activities		(1,197)	(509)
Financing activities			
Loan proceeds[2]	5.3	62	613
Principal payments[2]	5.3	(93)	(633)
Payment of lease liabilities	4.5	(168)	(149)
Dividends paid	5.1	(1,319)	(1,054)
Other cash transfers (to)/from non-controlling interests	5.2	(2)	(1)
Net cash provided by/(used in) financing activities		(1,520)	(1,226)
Foreign currency effects on cash and cash equivalents		(27)	(42)
Net increase/(decrease) in cash and cash equivalents		(456)	614
Cash and cash equivalents at 1 January		1,011	397
Cash and cash equivalents at 31 December[3]	3.4	555	1,011
Of which cash and cash equivalents in assets held for sale at 31 December	7.2	15	–
Cash and cash equivalents in continuing operations at 31 December		540	1,011
Bank deposits not available for use by the Group	3.4	92	102

1) Including interest expenses on lease liabilities.
2) Loan proceeds and principal payments related to short-term borrowings for which maturity is three months or less, are presented net.
3) Excluded expected credit loss provisions on bank deposits, which amounts to USD 1.2 million (2022: USD 1 million). See note 3.4 for more information.

Basis of preparation

Corporate information

Yara (the Group) consists of Yara International ASA and its subsidiaries. Yara International ASA is a public limited company incorporated in Norway. The Company's registered office is at Drammensveien 131, Oslo, Norway. The principal activities of the Group are described in note 2.3 Segment information, note 4.3 Associated companies and joint ventures, and note 4.4 Joint operations.

These consolidated financial statements consist of the Group and the Group's interests in associated companies and jointly controlled entities. Information on the Group's structure is provided in note 8.4 Composition of the Group. Information on other related party relationships of the Group is provided in note 8.1 Related parties.

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU (European Union) and effective as of 31 December 2023. Yara also provides additional disclosures in accordance with requirements in the Norwegian Accounting Act.

The consolidated financial statements have been prepared under the historical cost convention modified to include revaluation to fair value of equity instruments, derivative financial instruments, contingent consideration, disposal group held for sale and defined benefit plan assets.

The consolidated financial statements are presented in US dollars (USD). All values are rounded to the nearest USD million, except when otherwise indicated. The functional currency of Yara International ASA is Norwegian kroner (NOK).

Materiality judgments

These financial statements aim to provide useful financial information which meets the common information needs of its primary users. Materiality judgments are necessary to meet this objective, and Yara has made such judgments related to recognition, measurement, presentation and disclosures. With reference to the complete set of financial statements, information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions taken by primary users based on the information provided. The materiality judgments are reassessed at each reporting date and updated based on changed facts and Yara specific circumstances.

Yara's Climate Roadmap

Yara announced the Group's climate roadmap on the company's ESG-seminar 7 December 2020. In brief Yara has set an intensity KPI of 10 percent reduction in CO_2e per tonne N within 2025, a KPI on reduction of absolute emissions (scope 1 and 2) by 30 percent within 2030, and an ambition to be climate neutral within 2050. See Yara's Planet KPIs on page 24, Yara's Executive Remuneration Report 2023, note 1.4 Climate change and note 1.5 Environmental impact and dependencies for more information and attainment of targets.

Basis of consolidation

The consolidated financial statements include Yara International ASA and entities controlled by Yara International ASA (its subsidiaries). Control is achieved when the Group has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. When the Group has less than a majority of the voting rights of an investee, it has power over the investee if the voting rights in practice are sufficient to unilaterally direct the relevant activities of the investee. The Group re-assesses if it controls an investee when facts and circumstances indicate that there are changes to one or more elements of control.

Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. This means that income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of Yara International ASA and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra group transactions, balances, income and expenses are eliminated in full upon consolidation. Accounting policies of subsidiaries are changed if necessary to ensure consistency with the policies adopted by the Group.

Profit or losses from transactions with associates and joint ventures are recognized in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that is not related to the Group.

Changes in the Group's ownership in subsidiaries that do not result in the Group losing control, are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, is recognized directly in equity and attributed to owners of the Company.

EU Directive 83/349

Yara GmbH & Co. KG with legal seat in Dülmen/Germany, and its directly and indirectly owned subsidiaries, are included in the consolidated financial statements of Yara International ASA as defined by sec. 291 HGB (German commercial code). For the purpose of sec. 264b HGB, Yara GmbH & Co. KG makes use of the relief to not disclose any independent financial statement and notes.

Foreign currency translation

Transactions and balances

Individual financial statements of Yara International ASA and its subsidiaries are prepared in the respective entities' functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. In the individual financial statements, transactions in currencies other than the entity's functional currency are recognized by applying the exchange rate at the date of transaction. Monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Changes in value due to these foreign currency translations are recognized in the statement of income of the individual entity and reflected as "foreign currency exchange gain/(loss)" in the consolidated statement of income for the Group.

Foreign currency translations on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments, are not recognized in the consolidated of income. Such foreign currency translations are recognized as a separate component of other comprehensive income, including tax charges and credits attributable to these borrowings and monetary items. When the net investment is disposed of, or the monetary item is settled, they are recognized in the consolidated statement of income.

Group companies

When preparing the consolidated financial statements, all items in the individual financial statements are translated into USD using the exchange rates at period-end for statement of financial position items and monthly average exchange rates for statement of income items. Gains and losses derived from this translation, including effects of exchange rate changes on transactions designated as hedges of net foreign investments, are included in other comprehensive income as a separate component.

The translation difference derived from each foreign subsidiary, associated company or jointly controlled entity, is reversed through the statement of income as part of the gain or loss arising from the divestment or liquidation of such a foreign operation.

Any goodwill arising on the acquisition of a foreign operation, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation, are translated using the closing rate at the date of that statement of financial position and recognized in other comprehensive income.

Material accounting policies

Accounting policies according to the list below are included in the relevant notes to the consolidated financial statements:

Accounting policies	
Revenue recognition	2.1
Interest income and expense	2.7
Income Taxes	2.8
Inventories	3.1
Trade receivables	3.2
Cash and cash equivalents	3.4
Property, plant and equipment	4.1
Goodwill	4.2
Intangible assets other than goodwill	4.2
Investments in associates and joint ventures	4.3
Investments in joint operations	4.4
Leases	4.5
Other non-current assets	4.6
Impairment of non-current assets	4.7
Government grants	4.9
Own shares	5.1
Dividends paid	5.1
Interest-bearing debt	5.3
Pensions and other long-term employee benefit obligations	5.4
Trade and other payables	5.5
Provisions and contingencies	5.6
Hedge accounting	6.2
Financial Instruments	6.3
Fair value measurement	6.3

New and revised accounting standards and interpretations

The Group has applied the following amendments to IFRS that are effective for accounting periods beginning on or after 1 January 2023:

- **Amendments to IAS 1 – Disclosure of accounting policies**
  These amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures.

- **Amendments to IAS 8 – Definition of accounting estimates**
  These amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

- **IFRS 17 Insurance Contracts**
  IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard. Yara has not identified any significant impact to the consolidated financial statements as result of implementation of IFRS 17. As a non-insurer, Yara does neither expect a significant impact in the future. With reference to the voluntary scope exceptions available within the Standard, Yara will apply IFRS 9 and IFRS 15 instead of IFRS 17 to the extent possible.

- **Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**
  The amendments narrows the scope of the initial recognition exemption under IAS 12 which no longer will apply to transactions that give rise to equal amounts of deductible and taxable temporary differences on initial recognition.

- **Amendments to IAS 12 - International Tax Reform – Pillar Two**
  This amendment introduces a temporary exception to the accounting for deferred tax assets and liabilities related to Pillar Two income taxes, as well as disclosure requirements. See note 2.8 Income taxes for more information.

Not yet effective
The below amendments to IFRS applicable to Yara have been issued but were not yet effective on the balance sheet date. Yara will implement the changes from their effective date, subject to endorsement by the EU.
At the date of the Board approval of these financial statements, Yara has not identified significant impact to the consolidated financial statements as result of amendments effective for 2024. The impact of changes which are effective from 2025 and beyond are not yet assessed.

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**
  The amendments are effective for annual periods beginning on or after 1 January 2024 and may lead to changes in the classification of certain liabilities as current or non-current.

- **Amendments to IFRS 16 – Lease Liability in a sale and leaseback**
  The amendments are effective to annual reporting periods beginning on or after 1 January 2024. They specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction. Yara has currently no significant sale and leaseback transactions.

- **Amendments to IAS 7 and IFRS 7 – Disclosures on supplier finance arrangements**
  The amendments specify disclosure requirements to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Yara has currently no supplier finance arrangement under the scope of the arrangements.

- **Amendments to IAS 21 – Lack of exchangeability**
  Effective for annual periods beginning on or after 1 January 2025. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

CONTENT

1 Key sources of estimation uncertainty, judgments and assumptions

1.1 General

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the use of Yara's accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.2 Key sources of estimation uncertainty

The following areas of accounting involve a significant degree of estimation uncertainty and complexity and may result in significant variation in amounts.

Net realizable value of inventory
Some of Yara's products are traded in markets where there are limited observable market references available, and as such, estimates and assumptions are required in determining net realizable value. Management has used its best estimates in determining net realizable value of inventory. See note 3.1 Inventories for more information.

Useful life and impairment of non-current assets
IAS 36 requires Yara to assess indicators that could cause an asset or a cash generating unit (CGU) to become impaired. The assessment of such impairment indicators and the identification of CGUs involves judgement, including assessment of whether active markets exist, and the level of interdependency of cash flows. An impairment loss is recognized to the extent that the asset's or CGU's carrying value exceeds its recoverable amount. Determination of the recoverable amount involves management estimates on highly uncertain matters and refer to the higher of fair value less cost to sell and value-in-use. The value-in-use is influenced by market conditions in the regions where Yara carries out its business. Further, significant judgment is applied in the assessment of the useful life and residual value of the assets. Expected useful life is influenced by a number of uncertain factors, including but not limited to technology development and climate related matters.

For discussion and details see the following individual notes:

- 4.1 Property, plant and equipment
- 4.2 Intangible assets
- 4.7 Impairment of non-current assets

Tax assets and liabilities
Yara recognizes deferred tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management has used significant judgement in considering future taxable income when assessing whether these assets should be recognized, taking into consideration that stronger evidence for utilization is required for entities with a history of recent tax losses. Further information about deferred tax is provided in note 2.8 Income taxes.

Yara's operations in Brazil generate tax credits. Recognition of these assets are based on management assumptions related to future operating results and timing of utilization. Further information is provided in note 4.6 Other non-current assets.

Yara is engaged in a number of juridical and administrative proceedings related to disputed tax matters with uncertain outcome. Management is required to estimate the probability of cash outflow on a case-by case basis and has used significant judgment and assumptions when preparing these estimates. Further information is provided in note 5.6 Provisions and contingencies.

Yara has operations in multiple countries, each with its own taxation regime. Management is required to make judgments, estimates and assumptions in relation to tax treatments. In certain cases, it may be unclear how tax law applies to a particular transaction or circumstance until the relevant taxation authority our court takes a decision in the future. When assessing whether uncertainty over tax treatments exists, Yara will consider current tax law and regulations, general practice, decisions and rulings by the court or other relevant authorities as well as tax memorandum prepared by internal or external experts. In case of uncertain tax treatments Yara will consider the probability that a taxation authority will accept an uncertain tax treatment. When concluding that it is not probable that the taxation authority will accept an uncertain tax treatment, Yara will reflect the effect of uncertainty by using the method that provides better prediction resolution of uncertainty. See note 5.6 Provision and contingencies for further details on uncertain tax positions.

Defined benefit pension plans
Yara's net obligation in respect of defined benefit plans is calculated separately for each plan. The fair value of pension liabilities is calculated based on several actuarial and economic assumptions. Any changes in the assumptions used would affect the estimated pension obligation. Changes in the discount rate have the most significant impact. The discount rate and other key assumptions are determined locally for each individual pension plan, based on the economic environment in which the plan is established. Assumptions are normally reviewed annually when the actuarial calculation is carried out, unless there are significant changes during the year. Detailed information, including sensitivity

disclosures, is provided in note 5.4 Pensions and other long-term employee benefit obligations.

1.3 Judgments in applying accounting policies

Classification of joint arrangements
Management has used judgment in relation to the classification of Yara Freeport LLC DBA Texas Ammonia and classified it as a joint operation. The unit constructed an ammonia plant in the US which opened in April 2018. The company is owned 68 percent by Yara but controlled jointly with the other owner. The company has been classified as a joint operation because the partners have equal number of board representatives and because relevant activities that significantly affect the return on the investment requires approval of representatives from both partners. The same judgment has been made for the 50 percent owned Yara Pilbara Nitrates and the 49 percent owned Tringen, also on the basis of required consensus when making relevant decisions. See note 4.4 for further details on joint operations.

1.4 Climate change

Yara faces significant risks and opportunities linked to climate change and governmental actions to reduce greenhouse gas (GHG) emissions and create low-carbon and climate-resilient economies. These risks and opportunities are integrated in the Group's risk management and strategy development processes and embedded in Yara's governance structure including the mandate of the Board Audit and Sustainability Committee. In December 2020 Yara announced a strategic shift towards climate-neutral solutions together with the Group's climate targets with an intensity KPI of 10 percent reduction in CO_2e per tonne N within 2025, a KPI on reduction of absolute emissions (scope 1 and 2) by 30 percent within 2030, and an ambition to be climate-neutral within 2050. Yara is fully committed to reaching these goals and has embedded climate risks and opportunities into all relevant key business processes such as business planning, business performance reviews and capital value processes. All targets are refined for annual periods, following the annual cycle of business planning and execution. In the short-term incentives structure for the Group Executive Board, planet-related indicators weigh 25 percent.

Yara's core industrial processes are production of nitrogen fertilizers and industrial chemicals. Natural gas is the main energy source and feedstock to the processes. The two main emission sources are CO_2 from both the feedstock and energy parts of natural gas in the ammonia process, and N_2O emissions from nitric acid production. To reduce GHG emissions Yara systematically assesses opportunities for improvements of these operations. The Group has set GHG reduction targets up to 2025 and 2030, and GHG reduction projects are expected to deliver decreases in future emissions.

Through 2021 and 2022, Yara analyzed climate risks and opportunities for the Group under different scenarios. The foundation for the exercise was three Representation Concentration Pathways (RCP) from the Intergovernmental Panel on Climate Change (IPCC) fifth assessment: 1) a stringent mitigation scenario (RCP2.6), 2) an intermediate scenario (RCP4.5), and 3) a very high emissions scenario (RCP8.5). The scope of the analysis covered the whole value chain of Yara, including suppliers, logistics, own operations, and the agricultural and industrial markets. The outcomes were focused on impacts in 2030 and 2050, respectively. The categories of risks and opportunities used by the Task force on Climate related Financial Disclosures (TCFD) were applied through the process.

During 2023 the existing Climate Risk and Opportunities register was reviewed and updated to ensure all relevant risks and opportunities were included, and that the impact scores associated were still accurate after considering more recent developments. The foundation for this exercise was the Network for Greening the Financial System (NGFS) climate scenarios: 1) a current policies scenario assuming current climate policies are implemented globally associated with a global temperature increase of ~3° C, and 2) a net zero scenario assuming full global transition to net zero associated with a 1.5/2° C global temperature increase. The goal was to understand what impact these scenarios could have on Yara's strategy, business model and financial performance. The NGFS Current Policies scenario can be associated with the IPCC intermediate scenario (RCP 4.5).

Based on the TCFD categories, Yara's current understanding of the main climate risks which may impact the Group's financial performance are the following:

- Policy & Legal risk
  This refers mainly to the implementation of carbon pricing mechanisms and regulations to reduce emissions from fertilizer, and that climate related policies and regulations develop unequally between markets. Carbon emission taxes in Europe combined with phase-out of free allowances may increase production costs. The risk from carbon pricing may also materialize from greater uncertainty and lack of alignment between countries. Introduction of a Carbon Border Tax Mechanism (CBAM) in Europe increases costs for Yara's imports of ammonia to the European market, except where inwards processing for re-export can be applied. Strict EU Taxonomy requirements on environmentally sustainable economic activities may lead to an increase in cost of capital for activities not qualified as Green as per EU regulations. When it comes to fertilizer regulations, additional requirements on fertilizer composition and/or regulation may reduce demand for Yara's products in certain countries. There is also a risk that Yara will be a target for climate litigations, resulting in legal provisions, costs, and potential business operation impacts.

- Technology risk
  Technology risk refers mainly to a global risk of competition from new and existing players establishing green ammonia production based on renewable energy which reduces Yara's ability to sell fertilizers based on grey ammonia in ESG-focused markets.

- Market risk
  Consumers particularly in high-income countries, are increasingly driving diets towards healthier, sustainable choices, with more plant-based nutrition. Dietary changes may reduce fertilizer demand. Further, changes in market demand as well as changes in regulation might lead to impairment or change of useful life of existing assets. Transition to low-carbon and climate-resilient economies will further require substantial changes in the use of energy and resources. Shifts in demand, production, and regulation might for instance affect the price of natural gas, which is used both as a feedstock and as energy source for fertilizer production.

- Reputation risk
  Yara's ability, real or perceived, to respond to national and regional climate policies and regulations can impact Yara's brand, reputation and relationship with current and future business partners, customers, and consumers. This include Yara activities not qualified as Green as per EU Taxonomy requirements as well as Yara's supply chain.

- Physical effects of climate change (acute and chronic)
  Yara's industrial setup includes a flexible structure of own-produced and third-party sourced ammonia for production of fertilizer. Significant capacity is located at coastal areas which can be subject to acute and chronic weather-related risks, including extreme weather conditions and natural disasters. This may lead to disturbances in operations and the supply chain. Extreme weather conditions may also lead to changes in farming patterns.

As of year-end 2023, any current and future financial impact to Yara of climate risks and opportunities is highly uncertain. Yara will therefore continue developing the Group's understanding of climate related risk exposure under different scenarios to identify, confirm, quantify, and mitigate risks.

Yara provides explicit information in the notes to these consolidated financial statements regarding how climate change is reflected in the accounts. This mainly refer to the following:

- Impairment of non-current assets
  See note 4.1 Property, plant and equipment and note 4.7 Impairment of non-current assets for more information.

- Useful life of non-current assets
  See note 4.1 Property, plant and equipment for more information.

- Government grants
  See note 4.9 Government grants for more information.

- Intangible assets - Emission rights in Europe
  See note 4.2 Intangible assets and 4.9 Government grants for more information.

- Financial instruments
  See note 5.3 Interest-bearing debt for more information.

1.5 Environmental impacts and dependencies

Yara's operations as well as its upstream and downstream value chain are potentially exposed to multiple nature and ecosystem related risks. This refers mainly to the availability and quality of water, soil and land, and the industrial and agricultural impacts to these elements, as well as air, from consumption and potential pollution aspects. Guided by Yara's mission to protect the planet and ambition to grow a nature-positive food future, environmental impacts and risks are integrated into the Group's governance structure, risk management, and key decision-making processes. Identified impacts and risks are assessed on a systematic and continuous basis to monitor and manage performance. Potential and actual incidents as well as non-conformities are investigated. Preventive and corrective actions are initiated when necessary. Comprehensive management systems, policies, and processes are established for timely identification of forthcoming stricter governmental regulation. New requirements are assessed to identify and manage any future impact on operations and products.

Most or all of the risks described also include opportunities for Yara, based on a business footprint and a strategy with multiple routes to drive growth and value creation, most immediately based on decarbonization.

As of year-end 2023, any future financial impact to Yara of environmental impacts and risks is highly uncertain. Yara will therefore continue developing the understanding of the Group's exposure. The impact to these consolidated financial statements refers to estimations of current environmental and decommissioning obligations. See note 5.6 Provisions and contingencies for more information.

1.6 Price volatility and the geopolitical situation

The situations in Ukraine, Middle East and the Red Sea represent significant geopolitical risk and uncertainties. Future financial effects to Yara of these situations are highly uncertain and cannot be reliably estimated, due to the inherent uncertainty. However, it is likely that future financial effects will depend on the impact of these situations on market prices and on trade and sourcing patterns. Yara monitors the situations closely and adapts to market conditions as appropriate.

Import restrictions, as well as several rounds of new sanctions, have been presented by the EU, UK, US and other countries following the situation in Ukraine. This has restricted, and will likely continue to restrict, trade with Russian and Belarus counterparties, both due to sanctions imposed on entities and individuals, and due to banking and logistical challenges.

Yara has historically sourced phosphate, potash and ammonia from Russia, and purchased significant volumes of natural gas for its production in Europe. Yara has stopped all sourcing from suppliers which are prohibited by sanctions in certain jurisdictions, and is utilizing its global sourcing, production and distribution capabilities with the objective to keep supplying customers and secure continuity in food supply chains.

To cater for the reduced volumes of ammonia from Russian producers, Yara has replaced these volumes by sourcing ammonia from other producers.

In 2023, Yara adapted to market conditions by curtailing 0.89 million tonnes ammonia (19 percent of the Group's European capacity) and 2.28 million tonnes of finished fertilizer (15 percent of the Group's European capacity). The curtailments are frequently adjusted according to market conditions.

For phosphates and potash Yara has increased sourcing from existing suppliers outside of Russia/Belarus and entered contracts with new suppliers, which has secured supplies to Yara's production system. There has been no material impact on Yara's production volumes so far due to a lack of raw materials. There can be no assurance, however, that Yara will be able to continue to do so in the future, whether on commercially acceptable terms or within a reasonable amount of time, and, as a result, there could be a reduction in volumes sourced by Yara.

Accounts payables to companies linked to Russian sanctioned individuals amount to USD 230 million at 31 December 2023. The amount is adjusted based on foreign currency rates at the balance sheet date. These payables are related to goods received before sanctions were implemented and are presented on the line "Trade and other current payables" in the consolidated of financial position. All were overdue at 31 December 2023. Future settlements are dependent on the development in sanction regulations, so the timing of cash outflow is uncertain.

Yara has received contractual demands from suppliers that are linked to Russian sanctioned individuals. For more information, see note 5.6 Provision and contingencies.

2 Results for the year

2.1 Revenue from contracts with customers

Overview and accounting policies

A description of the nature of external revenues in the Yara Group can be found in note 2.3 Segment information.

Yara recognizes as revenue the agreed transaction price in a contract with a customer at the time when the Group transfers the control of a distinct product or service to the customer.

The nature of Yara's revenue recognition is categorized as follows:

- *Sale of fertilizer and chemical products*
  Yara sells fertilizer and chemical products to customers worldwide. Ordinary purchase orders are normally the contracts with the customer which create enforceable rights and obligations. Revenue is recognized when control of the products is transferred to the customer. This is normally determined by the incoterm used in the sales transactions. The use of incoterms varies between regions, markets and customers, but products are typically sold ex-warehouse.

  Contracts with larger customers often include sales incentives leading to variable consideration amounts. Volume discounts are the dominant sales incentives used by Yara. These discounts may have prospective or retrospective effect. Volume discounts with retrospective effect are systematically accrued and recognized as reduction of revenue based on the best estimate of the amounts potentially due to the customer. If the discount cannot be reliably estimated, revenue is reduced by the maximum potential discount. Discounts which qualify as material rights are accounted for as separate performance obligations.

  Products are normally sold with standard warranties which provide protection for the customers that the product have the agreed-upon specifications. These standard warranties are accounted for using IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group does not have any other significant obligations for returns or refunds.

  The majority of sales in the Group have credit terms of less than 90 days. Normally customer contracts do not include a significant financing component.

  Yara does not have significant incremental costs of obtaining or fulfilling contracts with customers which the Group expects to recover.

- *Freight/insurance services*
  Yara arranges delivery to the customer's location using different incoterms. When the Group uses incoterms which transfer the responsibility for the goods to the

customer before the freight/insurance service is delivered (C-incoterms), Yara normally considers the freight/insurance service to be a distinct service which shall be accounted for as a separate performance obligation. This means that Yara allocates consideration to these freight/insurance services based on known or estimated standalone selling prices, and recognizes the corresponding revenue over time to the extent the freight/insurance service is performed. However, the timing effects are limited since the majority of deliveries to the customer's location are done within days. Shipping and handling activities that occur before customers take control of the goods are considered to be part of fulfilling the sale of the goods.

- *Other products and services*
  Other products and services include a number of different offerings including equipment and services to store or handle products, and technology offerings, such as environmental solutions. Revenues from sale of equipment are recognized upon delivery to the customer. Revenues from sale of services are recognized over time as the service is performed. Revenues from environmental solutions technology offerings are recognized over time using the percentage of completion method if they meet the criteria for over time recognition in IFRS 15. The percentage of completion method is an input method (based on costs incurred) and provides a faithful depiction of the transfer of these offerings since it is reasonably possible to estimate the stages of project completion on an ongoing basis. Offerings which represent multiple element arrangements are analyzed to identify distinct goods or services that shall be accounted for as separate performance obligations.

- *Urea sales in India*
  Yara's India business manufactures and sells urea to dealers who sell to retailers who in turn sell to farmers. Yara sells urea under a pricing scheme policy (as applicable from time to time) issued by the Government of India (GoI). This policy aims to promote balanced nutrient application and sustained agricultural growth by making urea available to farmers across India at affordable prices on a timely basis.

  The price at which Yara can sell urea to registered dealers under the pricing scheme policy (as applicable from time to time) is regulated, verified and determined by GoI. The price is generally less than the cost of production. GoI provides a compensation based on a predefined method considering the sales price set by GoI to be charged to registered dealers, the cost for natural gas, other variable cost (including cost of bags and freight) and fixed cost.

  Control of goods transfers at the time the registered dealer receives the goods. The consideration recognized as revenue is based on the dealer's receipt of goods and constitutes of the fixed sales price to be paid by the registered dealer and the estimated compensation to be paid by GoI. As Yara has the inventory risk and controls the goods until they are delivered to the registered dealers, the compensation from GoI is presented as revenue in the consolidated statement of income.

Disaggregation of external revenues by nature

USD millions	Fertilizer and chemical products	Freight/ insurance services	Other products and services	Total
2023				
Europe	3,634	121	51	3,806
Americas	5,555	180	10	5,745
Africa & Asia	2,489	41	5	2,535
Global Plants & Operational Excellence	10	–	37	46
Clean Ammonia	720	58	2	780
Industrial Solutions	2,220	173	38	2,431
Other and Eliminations	5	–	83	88
Total	14,632	573	226	15,431
2022				
Europe	5,547	122	60	5,729
Americas	8,292	171	28	8,492
Africa & Asia	3,126	57	5	3,188
Global Plants & Operational Excellence	28	–	49	77
Clean Ammonia	1,875	64	7	1,946
Industrial Solutions	4,167	189	59	4,415
Other and Eliminations	4	–	51	55
Total	23,039	604	258	23,902

Disaggregation of external revenues by product group

USD millions	2023	2022
Ammonia	1,149	2,756
Urea	3,203	5,434
Nitrate	2,541	4,200
NPK	5,196	7,010
CN	898	1,037
UAN	401	630
SSP	82	117
DAP/MAP	225	272
MOP/SOP	371	753
Other fertilizer and chemical products	1,136	1,436
Other products and services	230	258
Total revenues	15,431	23,902

Yara serves a large number of customers. No revenues from transactions with any single customer amount to ten percent or more of Yara's total revenues.

Disaggregation of external revenues by geographical area[1)]

USD millions	Europe	Brazil	Latin America ex. Brazil	North America	Africa	Asia	Total
2023							
Europe	3,663	12	27	9	80	15	3,806
Americas	1	3,093	1,219	1,432	–	–	5,744
Africa & Asia	–	–	–	–	767	1,768	2,535
Global Plants & Operational Excellence	46	–	–	–	–	–	46
Clean Ammonia	9	129	–	259	–	383	780
Industrial Solutions	1,380	489	178	108	175	101	2,431
Other and Eliminations	61	–	–	2	–	25	88
Total	5,160	3,723	1,425	1,811	1,022	2,293	15,431
2022							
Europe	5,589	5	22	16	81	16	5,729
Americas	2	4,910	1,607	1,972	–	–	8,492
Africa & Asia	–	–	–	–	1,033	2,155	3,188
Global Plants & Operational Excellence	76	–	–	–	–	–	77
Clean Ammonia	–	391	42	818	–	696	1,946
Industrial Solutions	2,732	815	253	164	329	122	4,415
Other and Eliminations	30	–	–	3	–	21	55
Total	8,431	6,120	1,924	2,974	1,443	3,009	23,902

1) Figures are based on customer location.

Revenues from external costumers of an amount of USD 291 million (2022: USD 457 million) are attributed to Norway (Yara's country of domicile).

Customer contract balances and unsatisfied performance obligations

The timing of revenue recognition, billings and cash collections results in billed trade receivables, unbilled receivables (contract assets), and prepayments and deposits from customers (contract liabilities). Information on billed trade receivables can be found in note 3.2 Trade receivables.

Unbilled receivables (contract assets) are limited and refer mainly to environmental solutions technology offerings with revenue recognition over time in accordance with the percentage of completion method. For such offerings, billing generally occurs upon achievement of contractual milestones subsequent to revenue recognition. Contract assets are transferred to receivables when Yara has an unconditional right to consideration.

Prepayments and deposits from customers (contract liabilities) refer mainly to Yara's fertilizer sales in Brazil where prepayments up front of the fertilizer season is common practice to reduce price risk for the customers. Prepayments in Brazil are normally received less than 90 days before delivery of the goods. To a limited extent, contract liabilities also refer to up-front payments on environmental solutions technology offerings.

Unsatisfied performance obligations refer mainly to environmental solutions deliveries. For other deliveries, unsatisfied performance obligations which are part of contracts that have an expected value of one year or less are not disclosed. In addition, unsatisfied performance obligations are not disclosed when Yara's right to consideration corresponds directly with the value to the customer of Yara's performance completed to date.

USD millions	2023	2022
Contract assets		
Balance at 1 January	5	4
Transferred to receivables in the period	(2)	(2)
Increase due to measure of progress in the period	5	4
Transferred to held for sale	(2)	–
Balance at 31 December	7	5
Contract liabilities		
Balance at 1 January	620	634
Share of opening balance recognized as revenue in the period	(618)	(619)
Cash received not recognized as revenue in the period[1]	365	606
Transferred to held for sale	(7)	–
Currency translation effect	–	(2)
Balance at 31 December	361	620
Unsatisfied performance obligations		
Initial contract price on signed contracts	95	169
Aggregate contract revenue incurred to date[2]	(88)	(115)
Transaction price allocated to unsatisfied performance obligations	7	53
Unsatisfied performance obligations to be recognized within		
1 year	1	48
2-3 years	6	5
Transaction price allocated to unsatisfied performance obligations	7	53

1) Presented net of amounts created and released within the same reporting period.
2) Based on the percentage of completion method.

2.2 Other income and commodity derivative gain/(loss)

Accounting policies
Compensation from insurance companies is recognized in profit and loss when it becomes a receivable. The compensation is considered a receivable when it is virtually certain that it will be received.

USD millions	Notes	2023	2022
Insurance and other compensations[1]		77	33
Gain on sale of non-current assets		10	4
Sale of white certificates	4.9	7	5
Other		19	14
Other income		114	56
Commodity-based derivatives gain/(loss)	6.3	3	94
Other income and commodity derivative gain/(loss)		117	150

[1] The 2023 figure includes USD 40 million relating to government assistance in response to the 2022 energy crisis in Europe. See note 4.9 Government grants for further information.

Sale of white certificates relates to the sale of tradable certificate instruments granted in Italy for energy savings achieved. See note 4.9 Government grants for more information.

Commodity-based derivative gain/(loss) relates to changes in fair value of embedded derivatives in commodity contracts linked to gas and ammonia prices. See note 6.3 Financial instruments for more information.

2.3 Segment information

Yara's operations comprise of the following operating segments at the end of 2023:

Europe
Americas
Africa & Asia
Global Plants & Operational Excellence
Clean Ammonia
Industrial Solutions

The operating segments presented are the key components of Yara's business as of year-end 2023 which have been assessed, monitored, and managed on a regular basis by Yara's Chief Executive Officer (CEO) as the Chief Operating Decision Maker.

The regional segments (Europe, Americas, and Africa & Asia) operate in a fully integrated setup, comprising production, supply chain, and commercial operations, producing and delivering existing Yara solutions in addition to commercializing and selling new offerings.

Europe
Yara Europe comprises sales, marketing, and production within Europe. Yara Europe markets crop nutrition solutions to farmers and collaborates with the food value chain, offering crop nutrition products, advice and climate smart services and solutions. The product portfolio is comprehensive, ranging from standard nitrogen-based fertilizer to specialty products and organic fertilizers. The largest product categories sold within nitrogen-based fertilizer are nitrates and compound fertilizer (NPK).

Product sales are today mainly made spot to distributors based on ordinary purchase orders and underlying frame agreements. Products are sold to a variety of customers covering wholesale, co-operatives, retail and, to a lesser extent, direct to farmers. The types of customers and products sold differ between regional markets and the off take of product varies throughout the fertilizer seasons in the different markets. Yara Europe also exports some products to other regions within the Group, based on arm's length transfer pricing.

Yara Europe has nine fertilizer plants, two high value product plants and three organic fertilizer plants, a phosphate mine and a potassium sulfate/feed phosphate plant across Europe. The plants have different product portfolios and are located to serve both domestic and export markets. In addition, the region supplies customers through more than 100 terminals and warehouses (owned and leased) and has customers in around 30 European countries. The majority of products sold are produced at own sites in the region.

Operating results are driven by integrated business value creation from plant to market. The margin between realized finished fertilizer prices and raw material input prices is partly driven by Yara's ability to differentiate its offerings and partly by the price developments for commodity fertilizer (urea and urea ammonium nitrate (UAN)), natural gas and ammonia. Yara also creates value through operational efficiency at its production plants, competitive sourcing of raw materials for production and optimal resource allocation across its business model. Operating results are also impacted by currency movements as margins are typically US dollar exposed while fixed costs have a significant local currency component (mainly Euro).

Americas

Yara Americas comprises sales, marketing, and production within the regional business units of North America, Latin America, and Brazil. The segment markets a comprehensive offering of crop nutrition solutions and services including a broad product portfolio comprising nitrogen-based fertilizer and NPKs as well as biostimulants and organic-based products. The region also sells phosphate and potash-based fertilizers which to a large extent are sourced from third parties.

Product sales are today mainly made spot to distributors based on ordinary purchase orders and underlying frame agreements, but to an increasing extent the products are also sold directly to farmers and co-operatives. The composition of customer groups and products sold differs between local and regional markets, and the off take of product varies with the fertilizer seasons in the different markets. Product sales are mainly sourced from the operating segment Global Plants & Operational Excellence based on arm's length transfer pricing and from the segment's own production facilities in Canada, the US, Trinidad, Colombia, and Brazil.

The North America business unit operates a fully owned plant in Belle Plaine, Canada and also participates in the joint operations of Trinidad Nitrogen Company Ltd. in Trinidad and Yara Freeport LLC DBA Texas Ammonia in the US (Yara consolidates its share of assets, liabilities, revenues and costs for joint operations). A smaller portion of the urea and UAN sales are sourced from third-party producers. In addition to crop nutrition solutions, North America markets industrial application solutions such as wastewater treatment and additives for the construction industry and oil field services.

The Latin America business unit covers all Spanish-speaking markets in the Americas, from Mexico in the North to Argentina in the South. In Colombia, Yara owns a production facility in Cartagena which mainly serves the local Colombian market with NPK and calcium nitrate (CN) products. The Cartagena facility also produces soluble ammonium nitrate to supply local customers and, from time to time, also exports some smaller ammonia volumes.

The Brazil business unit operates more than ten blending units and distribution sites with a geographic spread to supply Brazil's main agricultural markets. It also includes the fully owned production plants at Rio Grande, Ponta Grossa, Cubatão and Sumaré.

Operating results in Yara Americas are largely driven by Yara's ability to commercialize crop nutrition solutions based on European produced premium fertilizers at value-added margins, as well as the marketing of own-produced products in the region. Other key value drivers are reliability and operational efficiency at the production plants, competitive sourcing of raw materials for production (including natural gas), and efficient blending of third-party sourced raw materials. Operating results are also impacted by currency movements, as margins are typically US dollar exposed while fixed costs have a significant local currency component.

Africa & Asia

Yara Africa & Asia comprises sales, marketing, distribution and production of fertilizers and industrial products across the Asia-Pacific, Africa and Oceania regions. The segment markets a comprehensive offering of crop nutrition solutions and services including a broad product portfolio comprising nitrogen-based fertilizer and NPKs designed for soil application. This portfolio is complemented by foliar and soluble products, serving a different range of crop application. A significant part of the products marketed are sourced from Yara production plants, both inside and outside the Africa and Asia region.

Most of the customers in the region are smallholder farmers. Yara reaches these customers through distributors, retailers and co-operatives based on different commercial agreements. The region also includes more mature agricultural markets such as South Africa, Australia and New Zealand where Yara often sells directly to professional large-scale crop farmers. The type of customers and product portfolio sold differs greatly between the different markets.

The region has offices and operational units in more than 20 countries, with most significant business operations in China, India, Thailand, South Africa and Australia. As a complementary part to the crop nutrition distribution business, the fertilizer production comprises of one production facility in Australia producing ammonia and technical ammonium nitrate (TAN) and one production facility at Babrala in India producing ammonia and urea. The ammonia produced in Australia is commercialized by Yara's ammonia sales and logistics activity within the operating segment Clean Ammonia, while the TAN is commercialized by the operating segment Industrial Solutions in the Australian mining market. The production facility producing TAN is a joint operation (Yara Pilbara Nitrates Pty Ltd.) in which Yara consolidates its ownership share of 50 percent of assets, liabilities, revenues and costs. The ammonia produced at Babrala is used for the production of urea at the same plant. The urea produced at the plant is sold under a subsidized government scheme in India, for more information see note 2.1 Revenue from contracts with customers.

Operating results are highly influenced by Yara's ability to commercialize the differentiated nitrate-based fertilizer portfolio and the upgrading margins in the production facilities driven by the price levels of ammonia/urea and competitive gas supply. Operating results can also be influenced by movements in currency rates.

Global Plants & Operational Excellence

The Global Plants & Operational Excellence segment operates Yara's largest, and export oriented, production plants in Porsgrunn, Norway, and in Sluiskil, the Netherlands, and has a key role in driving operational improvements, competence development and technical project execution across Yara's production system. In addition, the segment includes the global planning and optimization function, the product management function, the central procurement functions, and the corporate Health, Environment, Safety and Quality (HESQ) function.

The majority of sales in the segment are group internal sales of finished fertilizers transferred at internal prices based on the arm's length principle.

The Global Plants & Operational Excellence segment's operating results are highly influenced by volume output and margin development for fertilizer commodities. The margins are primarily driven by the difference in price levels for urea, diammonium phosphate fertilizer (DAP) and potash-based fertilizer, and the price level of the key input factors energy, phosphate rock and potash. Operating results can also be influenced by movements in currency rates.

Clean Ammonia

The Clean Ammonia segment contains Yara's ammonia sales and logistics activity that plays a vital role in Yara's production system as it allocates excess volume from producer plants and delivers to consumer plants in a timely manner in order to ensure high production capacity utilization. Besides significant intra-group purchases and sales, Yara Clean Ammonia purchases ammonia from third parties predominantly to supply its European production region. It also generates significant external sales by selling ammonia to large customers in the fertilizer and chemical industries, mainly in the Americas and Asia regions. It also provides optimized shipping solutions that fit Yara's storage and port capacity, which includes a fleet of owned and time-chartered vessels.

The segment was established to capture growth opportunities within carbon-free food solutions, shipping fuel, power and other clean ammonia applications, leveraging Yara's unique existing position within ammonia production, trade and shipping. The segment is currently evaluating several new blue and green ammonia projects with the aim to serve growing markets for clean ammonia and add scale to the existing business.

Industrial Solutions

Yara Industrial Solutions mainly provides nitrogen-based solutions and services across a wide range of industries including automotive, construction, waste handling and circular economy, shipping, chemicals, mining, and animal feed. There is a strong environmental focus to Yara Industrial Solutions and a large portion of revenue is derived from AdBlue, a urea-based reagent used by diesel vehicles to reduce nitrogen oxide (NO_x) emissions. The segment also offers NO_x abatement solutions for industrial plants and transport at both land and sea. In addition, Yara Industrial Solutions is continuously working to develop product and service offerings in high growth markets as well as additional green and sustainable opportunities globally.

Yara Industrial Solutions performs its activities through four commercial units: Transport Reagents, Mining Applications, Chemical Applications EMEA and Chemical Applications Americas. These commercial units are backed by six dedicated production plants across Europe, Latin America, Asia and Africa. In addition, the segment has arm's length commercial agreements with the rest of Yara's global production plant network and external suppliers. Through direct sales and distributors, Yara Industrial Solutions can provide its customers with high quality, reliable products and services backed by deep local knowledge combined with global best practice expertise.

The customer contracts are, to a large extent, medium to long-term contracts; however, products are also sold spot based on ordinary purchase orders. In some markets the segment delivers equipment and services to store or handle products.

Operating results are exposed to fluctuations in commodity prices and general economic activity. However, Yara Industrial Solutions' integrated position coupled with its diversified exposure in terms of product, underlying industry and global location has allowed Yara Industrial Solutions to mitigate these effects to a great extent.

Other and Eliminations

Other and Eliminations comprises cross-segment eliminations and corporate costs not allocated to operating segments. A significant component of the cross-segment eliminations performed is the elimination of profit on inventory, which is driven by volumes in stock and internal margins based on the arms length's principle. Due to this, Other and Eliminations will show higher results when there are lower volumes in stock and/or lower internal margins on volumes in stock, and vice versa.

Other and Eliminations also includes other business operations, including Yara's Agoro and Varda businesses. In addition, Yara Marine Technology is included within Other and Eliminations from 2022.

CONTENT

Consolidated statement of income

USD millions	2023	2022
External revenue from contract with customers		
Europe	3,806	5,729
Americas	5,745	8,492
Africa & Asia	2,535	3,188
Global Plants & Operational Excellence	46	77
Clean Ammonia	780	1,946
Industrial Solutions	2,431	4,415
Other and Eliminations	88	55
Total	15,431	23,902
Internal revenue		
Europe	794	1,390
Americas	462	1,240
Africa & Asia	374	976
Global Plants & Operational Excellence	2,428	4,277
Clean Ammonia	1,124	2,481
Industrial Solutions	263	517
Other and Eliminations	(5,445)	(10,883)
Total	–	–

	2023	2022
Total revenue		
Europe	4,600	7,119
Americas	6,207	9,732
Africa & Asia	2,909	4,165
Global Plants & Operational Excellence	2,474	4,354
Clean Ammonia	1,904	4,428
Industrial Solutions	2,694	4,932
Other and Eliminations	(5,356)	(10,828)
Total	15,431	23,902

Segment information related to the disaggregation of external revenues by nature, product group and geographical area can be found in note 2.1 Revenue from contracts with customers.

Selected Alternative performance measures[1)]

USD millions, except percentages	2023	2022
EBITDA		
Europe	49	1,226
Americas	834	1,852
Africa & Asia	188	659
Global Plants & Operational Excellence	183	396
Clean Ammonia	101	249
Industrial Solutions	254	642
Other and Eliminations	101	(65)
Total	1,709	4,959
Net operating profit after tax (NOPAT)		
Yara	325	2,981
Europe	(293)	722
Americas	402	1,185
Africa & Asia	58	419
Global Plants & Operational Excellence	(6)	155
Clean Ammonia	30	148
Industrial Solutions	81	396

	2023	2022
Invested capital		
Yara[2)]	11,346	11,602
Europe	2,837	2,923
Americas	3,609	4,214
Africa & Asia	1,933	2,040
Global Plants & Operational Excellence	1,313	1,081
Clean Ammonia	337	446
Industrial Solutions	1,296	1,385
ROIC		
Yara[2)]	2.9%	25.7%
Europe	(10.3%)	24.7%
Americas	11.1%	28.1%
Africa & Asia	3.0%	20.5%
Global Plants & Operational Excellence	(0.5%)	14.3%
Clean Ammonia	9.0%	33.1%
Industrial Solutions	6.3%	28.6%

1) Refer to the "Alternative performance measures" section for definitions and relevant reconciliations. NOPAT, Invested capital and ROIC are calculated on a 12-month rolling average basis.

2) A normalized operating cash level of USD 200 million is included in the Invested capital and ROIC calculations for Yara. This is not included in the Invested capital and ROIC calculations at the operating segment level.

Reconciliation of operating income to EBITDA[1)]

USD millions	Operating income/(loss)	Share of net income/(loss) in equity-accounted investees	Interest income and other financial income	Depreciation and amortization	Impairment loss	EBITDA
2023						
Europe	(400)	5	3	249	192	49
Americas	444	3	118	266	4	834
Africa & Asia	72	–	11	104	–	188
Global Plants & Operational Excellence	(10)	–	–	189	3	183
Clean Ammonia	39	–	–	62	–	101
Industrial Solutions	116	(7)	1	142	1	254
Other and Eliminations	51	–	26	5	20	101
Total	312	1	159	1,018	220	1,709
2022						
Europe	953	5	4	251	13	1,226
Americas	1,486	9	91	251	15	1,852
Africa & Asia	550	–	3	104	2	659
Global Plants & Operational Excellence	206	–	–	186	4	396
Clean Ammonia	197	–	–	51	2	249
Industrial Solutions	509	10	3	119	–	642
Other and Eliminations	(74)	–	6	2	–	(65)
Total	3,827	25	108	964	35	4,959

1) Refer to the "Alternative performance measures" section for a reconciliation of Net income to EBITDA.

Consolidated statement of financial position

USD millions	2023	2022
Total assets[1]		
Europe	3,689	4,383
Americas	4,786	5,401
Africa & Asia	2,411	2,730
Global Plants & Operational Excellence	2,038	2,145
Clean Ammonia	637	881
Industrial Solutions	1,710	2,024
Other and Eliminations[2]	757	418
Total	16,027	17,982
Current assets[1]		
Europe	1,569	2,335
Americas	2,101	2,748
Africa & Asia	1,079	1,464
Global Plants & Operational Excellence	475	610
Clean Ammonia	303	555
Industrial Solutions	691	1,101
Other and Eliminations	(5)	(193)
Total	6,213	8,620
Non-current assets		
Europe	2,120	2,048
Americas	2,685	2,653
Africa & Asia	1,332	1,266
Global Plants & Operational Excellence	1,563	1,535
Clean Ammonia	334	326
Industrial Solutions	1,019	923
Other and Eliminations[2]	762	612
Total	9,815	9,363

USD millions	2023	2022
Associated companies and joint ventures		
Europe	24	21
Americas	77	77
Global Plants & Operational Excellence	2	2
Industrial Solutions	55	52
Other and Eliminations	(5)	(5)
Total	152	147
Investments[3]		
Europe	423	352
Americas	167	238
Africa & Asia	168	15
Global Plants & Operational Excellence	185	225
Clean Ammonia	33	22
Industrial Solutions	171	164
Other and Eliminations	35	26
Total	1,182	1,042

1) Assets exclude internal cash accounts and accounts receivable related to group relief. Assets classified as held for sale are included as current.
2) Figure includes deferred tax asset balance for the whole of Yara.
3) Investments comprises additions to property, plant and equipment, intangible assets other than goodwill, associated companies and joint ventures, and equity instruments in the period. The figures presented are capitalized amounts and may deviate from net cash provided by/(used in) investing activities due to timing of cash outflows.

Non-current assets for all segments by geographic location[1)]

USD millions	2023	2022
Non-current assets		
Europe	4,568	4,402
Latin America	1,458	1,298
North America	1,453	1,501
Africa	42	50
Asia	1,326	1,250
Total	8,847	8,501

1) The identification of non-current assets is based on location of operation. Excluded from non-current assets are financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts.

Non-current assets of an amount of USD 1,056 million (2022: USD 1,023 million) are attributed to Norway (Yara's country of domicile).

2.4 Raw materials, energy costs and freight expenses

USD millions	2023	2022
Raw materials, energy costs and freight expenses		
Raw material and energy costs	(8,908)	(14,926)
Freight expenses	(840)	(1,013)
Other production related costs	(1,697)	(2,138)
Total	(11,445)	(18,078)

2.5 Payroll and related costs

USD millions	Notes	2023	2022
Payroll and related costs			
Salaries	8.2	(1,092)	(1,031)
Social security costs	8.2	(177)	(157)
Social benefits	8.2	(8)	(7)
Net periodic pension cost	5.4, 8.2	(77)	(88)
Termination benefits[1)]	5.4, 5.6	(44)	–
Total		(1,399)	(1,284)

1) Includes termination benefits of USD 40 million as part of a restructuring provision for the Montoir site, see note 5.6 Provisions and contingencies for more information.

2.6 Other operating expenses

USD millions	Notes	2023	2022
Other operating expenses			
Selling and administrative expense		(260)	(307)
Advertising expense		(31)	(34)
Travel expense		(54)	(41)
Fees auditors, lawyers, consultants	8.3	(119)	(112)
Other expenses		(31)	(81)
Total	4.9	(495)	(575)

2.7 Financial income and expenses

Accounting policies

Interest income and expenses are recognized in the consolidated statement of income as they are accrued, based on the effective interest method.

See "Basis of preparation" on page 222–224 for accounting policies on foreign currency exchange gain/(loss).

Capitalized interest expense refers to borrowing costs which are added to the cost of Property, plant and equipment that take a substantial period of time to get ready for their intended use or sale ("qualifying assets") if they are directly attributable to the acquisition, construction or production of such assets.

USD millions	Notes	2023	2022
Net interest income from external customers		81	78
Interest income, other		79	33
Dividends and net gain/(loss) on securities		–	(3)
Interest income and other financial income		159	108
Foreign currency exchange gain/(loss)	6.1	(32)	(61)
Interest expense		(246)	(214)
Interest expense on lease liabilities	4.5	(19)	(16)
Capitalized interest	4.1	4	2
Net interest on net long-term employee benefit obligations	5.4	(1)	(3)
Other		13	(30)
Interest expense and other financial items		(249)	(260)
Net financial income/(expense)		(122)	(214)

The net foreign currency exchange loss this year of USD 32 million comprises a loss of USD 146 million on the US dollar denominated debt positions and a gain of USD 114 million on internal positions in other currencies than USD. In 2022, the US dollar denominated debt positions generated a loss of USD 281 million while the internal positions in other currencies than USD generated a gain of USD 220 million.

2.8 Income taxes

Accounting policies

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. It is accounted for by using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits, and any unused tax losses. However, deferred tax assets are recognized only to the extent these can be utilized against probable taxable profits.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill, or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests, are recognized only to the extent it is probable that sufficient taxable profits are expected to reverse in the foreseeable future to utilize the benefits of the temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred taxes are recognized as expense or income in the consolidated statement of income, except when they relate to items recognized directly in equity or in other comprehensive income. In such cases, the corresponding tax is also recognized directly in equity or in other comprehensive income. Uncertain tax positions, for example from unresolved disputes with tax authorities, are provided for if there are probable cash outflows. In certain cases, it may be unclear how tax law applies to a particular transaction or circumstance until the relevant taxation authority or court takes a decision in the future. Consequently, this may affect tax assets or liabilities. When assessing whether uncertainty over tax treatments exists Yara will consider current tax law and regulations, general practice, decisions and rulings by the court or other relevant authorities as well as tax memorandum prepared by internal or external experts. In case of uncertain tax treatments Yara will consider the probability that a taxation authority will accept an uncertain tax treatment. When concluding that it is not probable that the taxation authority will accept an uncertain tax treatment, Yara will reflect the effect of uncertainty by using the method that provides better prediction resolution of uncertainty.

The major components of income tax expense for the year ended 31 December:

USD millions	2023	2022
Consolidated statement of income		
Current taxes		
Current year[1]	(223)	(803)
Prior year adjustment	(9)	(5)
Total	(232)	(807)
Deferred taxes		
Deferred tax income/(expense) recognized in the current year[1]	201	(141)
Adjustments to deferred tax attributable to changes in tax rates and laws	–	(6)
(Write-downs)/reversal of previous write-downs of deferred tax assets	(106)	98
Total	96	(49)
Total tax expense recognized in consolidated statement of income	(136)	(857)
Other comprehensive income		
Current tax		
Hedge of net investment	6	18
Total current tax	6	18
Deferred tax		
Pensions	10	(42)
Available-for-sale financial assets	(2)	2
Total	8	(41)
Total tax expense recognized directly in other comprehensive income	14	(22)
Total tax expense recognized in comprehensive income	(122)	(879)

[1] An adjustment of USD 107 million has been made in the presentation between current and deferred tax expenses for the year 2022. The total tax expense remains unchanged. See table Specification of deferred tax assets/(liabilities) for more information.

Reconciliation of Norwegian nominal statutory tax rate to effective tax rate

USD millions, except percentages	2023	2023	2022	2022
Income/(loss) before tax		191		3,639
Expected income tax at statutory tax rate[1]	22.0%	(42)	22.0%	(800)
Tax law changes	–	–	0.2%	(6)
Foreign tax rate differences	(23.2%)	44	2.1%	(76)
Unused tax losses and tax offsets not recognized as deferred tax assets[2]	72.9%	(139)	0.5%	(20)
Previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets	(6.4%)	12	(1.7%)	61
Previously unrecognized deductible loss[3]	(18.4%)	35	–	–
Non-deductible expenses	7.9%	(15)	0.4%	(16)
Share of net income equity-accounted investees	–	–	(0.1%)	4
Tax free income miscellaneous	(9.3%)	18	(0.6%)	21
Prior year adjustment	4.6%	(9)	0.1%	(5)
Withholding tax	12.4%	(24)	0.6%	(22)
Other, net	9.4%	(18)	(0.1%)	3
Total income tax expense		(136)		(857)
Effective tax rate		71.1%		23.5%

[1] Calculated as Norwegian nominal statutory tax rate of 22% (2022: 22%) applied to income before tax.
[2] Of this amount, approximately 35% is related to tax losses in Brazil and 36% is related to losses in Belgium. The latter is mainly a result of the impairment of the Tertre plant in 2023. See note 4.7 Impairment of non-current assets for more information.
[3] In 2023, it was determined to recognize a tax deduction from a divestment in 2020. Yara previously did not consider it probable that the tax deduction would be accepted by the relevant tax authority. After engaging with the tax authority during 2023 and after obtaining external legal advice, the tax deduction is now considered to be probable. See note 5.6 Provisions and contingencies for more information.

CONTENT

Specification of deferred tax assets/(liabilities)

2023

USD millions	Opening balance	Charged to income	Transferred to held for sale	Recognized in other comprehensive income	Foreign currency translation	Closing balance
Non-current items						
Intangible assets	6	5	–	–	(2)	9
Property, plant and equipment	(303)	(42)	–	–	(4)	(349)
Pensions	16	1	–	10	(1)	26
Equity securities available-for-sale	2	–	–	(2)	–	–
Other non-current assets	(175)	(84)	–	–	–	(259)
Other non-current liabilities and accruals	169	45	–	–	(1)	212
Total	(286)	(74)	–	8	(8)	(361)
Current items						
Inventory valuation	67	(31)	(2)	–	(1)	36
Accrued expenses	96	(36)	(2)	–	2	61
Total	163	(68)	(3)	–	1	96
Tax loss carry forwards	491	336	(6)	–	14	840
Unused tax credits	–	8	–	–	–	8
Unrecognized tax assets for tax losses and temporary differences	(392)	(106)	3	–	(21)	(518)
Net deferred tax asset/(liability)	(23)	96	(5)	8	(14)	66

2022

USD millions	Opening balance	Charged to income[1]	Changes in tax rate	Recognized in other comprehensive income	Foreign currency translation[1]	Closing balance
Non-current items						
Intangible assets	6	3	–	–	(3)	6
Property, plant and equipment	(233)	(103)	2	–	31	(303)
Pensions	58	5	–	(42)	(5)	16
Equity securities available-for-sale	–	–	–	2	–	2
Other non-current assets	(114)	(82)	1	–	18	(175)
Other non-current liabilities and accruals	115	63	–	–	(9)	169
Total	(168)	(114)	2	(41)	34	(286)
Current items						
Inventory valuation	71	–	(5)	–	1	67
Accrued expenses	58	41	(1)	–	(2)	96
Assets classified as held for sale	2	(2)	–	–	–	–
Total	132	39	(6)	–	(1)	163
Tax loss carry forwards	573	(63)	(4)	–	(16)	491
Unused tax credits	4	(4)	–	–	–	–
Unrecognized tax assets for tax losses and temporary differences	(480)	98	1	–	(9)	(392)
Net deferred tax asset/(liability)	61	(43)	(6)	(41)	6	(23)

[1] An adjustment of USD 107 million has been made in the presentation between these columns on the line "Tax loss carry forwards" for the year 2022. The closing balance remains unchanged.

Unrecognized deferred tax assets

USD millions	2023	2022
Unrecognized deferred tax assets are attributable to the following		
Tax losses	485	304
Deductible temporary differences	31	88
Total	517	392

Unrecognized tax losses in Brazil amount to USD 309 million in 2023 (2022: USD 213 million). Utilization of the tax loss carry forwards in Brazil is without time limitation but restricted to 30 percent of taxable income each year.

Specification of expiration of tax loss carry forwards

USD millions	2023
2024	5
2025	6
2026	5
2027	7
2028	119
After 2028	99
Without expiration	2,826
Total tax loss carry forwards	3,067
Deferred tax effect of tax loss carry forwards	840
Unrecognized deferred tax assets for tax losses	(485)
Recognized in the consolidated statement of financial position	355

Yara's recognized tax loss carry forwards primarily relate to the business in Norway, where tax losses are without expiration. The tax losses are mainly related to incurred currency losses, non-recurring transactions and loss from operations. The recognized tax assets for all units are all supported by estimated future profit level.

Deferred tax presented in the consolidated statement of financial position

USD millions	2023	2022
Deferred tax assets	522	449
Deferred tax liabilities	(456)	(473)
Net deferred tax asset/(liability)	66	(23)

Undistributed earnings of foreign subsidiaries and in foreign associates and joint arrangements is amounting to approximately USD 7 billion that for the main part can be distributed as tax-free dividends. For the expected part of dividend that cannot be distributed as tax-free income, a deferred tax liability of USD 10 million is recognized.

For information regarding tax contingencies and uncertain tax treatments, see note 5.6 Provisions and contingencies.

Pillar 2

The Yara group is within the scope of the OECD Pillar 2 model rules. The Pillar 2 legislation has been enacted in Norway, which is the jurisdiction of the ultimate parent entity of the Yara group, Yara International ASA. The Pillar 2 legislation will have effect for the Yara group from the financial year 2024.

Since the Pillar 2 legislation was not effective at the reporting date (31 December 2023), the Yara group has no related current tax exposure. For 2023 the group applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

For 2024 the Yara group is contemplating to elect the application of the transitional Country by Country Report (CbCR) safe harbors approved by the OECD on 15 December 2022, which have been implemented in the Norwegian pillar 2 legislation. These safe harbor rules will simplify the compliance process for the Yara group by excluding some qualifying countries from the pillar 2 computation on a transitory basis, i.e., for fiscal years 2024, 2025 and 2026. No top up tax liability will arise from these qualifying countries during the transitory period.

Based on the 2023 preliminary CbCR numbers, it is expected that Yara entities incorporated in five countries (Hungary, Peru, Poland, Singapore and Tanzania) will not qualify for any of the CbCR transitory safe harbors and, thus, the Yara group will be required to make a calculation of fully adjusted GloBE Income and pay a top up tax for these jurisdictions.

Assuming that the Pillar 2 rules had been enacted with effect for income year 2023 we estimate that the total top up tax liability of the Yara group for the five countries mentioned above would not have exceeded USD 10 million for income year 2023.

3 Current assets

3.1 Inventories

Overview

Inventories comprise finished goods, work in progress, raw materials and spare parts. Finished goods refer to own produced products and goods purchased for resale. Work in progress is partly processed, unfinished products. Raw materials include own produced raw materials, mainly ammonia and nitric acids, as well as raw materials purchased from external parties such as phosphate potassium and other input factors used in the production. Spare parts include packing, operating and maintenance supplies.

Accounting policies

Inventories are stated at the lower of cost, using weighted average, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and other selling costs. As some of Yara's products are traded in markets where there are limited observable market references available, estimates and assumptions by management are needed to determine net realizable value.

All amounts presented are net of write-downs. A write-down is recognized for the amount by which the carrying amount exceeds its net realizable value.

The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. This includes direct materials, direct labor, and an appropriate portion of production overhead, or the purchase price of the inventory. Yara is using the standard costing method for cost measurement which considers normal levels of materials and supplies, labor, efficiency and capacity utilization. If standard cost deviates significantly from the actual cost, adjustments are done to reflect the correct cost of production for the applicable period.

Spare parts held as inventories are spare parts which do not meet the criteria for being classified as property, plant and equipment.

Yara has internal sales between the different segments. These sales create internal margins which are eliminated and presented mainly as "Other and eliminations".

Inventory stock 2023

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Clean Ammonia	Industrial Solutions	Other and Eliminations	Total
Finished goods	622	566	365	87	–	123	(67)	1,695
Work in progress	36	1	10	22	–	22	–	90
Raw materials	171	472	17	115	85	73	5	937
Spare parts	104	71	32	77	–	53	–	336
Total at 31 December 2023	933	1,110	423	300	85	270	(62)	3,058

Inventory stock 2022

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Clean Ammonia	Industrial Solutions	Other and Eliminations	Total
Finished goods	989	769	503	123	–	197	(168)	2,413
Work in progress	59	2	8	44	–	50	–	164
Raw materials	223	827	15	184	146	112	(14)	1,494
Spare parts	93	56	29	70	–	46	–	294
Total at 31 December 2022	1,365	1,654	555	421	146	405	(181)	4,365

Write-down 2023

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Clean Ammonia	Industrial Solutions	Other and Eliminations	Total
Balance at 1 January	(37)	(61)	(19)	(33)	(4)	(18)	30	(140)
New write-downs recognized during the year	(183)	(109)	(43)	(68)	(101)	(46)	120	(430)
Write-downs reversed due to product sold	169	116	47	87	103	54	(139)	438
Write-downs reversed, other	19	40	9	5	1	3	5	82
Foreign currency translation	(2)	(3)	1	–	–	(1)	–	(5)
Balance at 31 December	(34)	(16)	(4)	(9)	–	(8)	17	(55)

Write-down 2022

USD millions	Europe	Americas	Africa & Asia	Global Plants & Operational Excellence	Clean Ammonia	Industrial Solutions	Other and Eliminations	Total
Balance at 1 January	(11)	(48)	(7)	(4)	–	(5)	35	(42)
New write-downs recognized during the year	(59)	(124)	(39)	(81)	(25)	(36)	109	(255)
Write-downs reversed due to product sold	25	85	4	51	22	21	(113)	94
Write-downs reversed, other	8	29	23	1	–	3	–	63
Foreign currency translation	–	(2)	1	1	–	–	–	–
Balance at 31 December	(37)	(61)	(19)	(33)	(4)	(18)	30	(140)

Inventories pledged as security were USD 1 million in 2023 (2022: no pledges). See note 5.8 Secured Debt and Guarantees for more information.

CONTENT

3.2 Trade receivables

Accounting policies

Trade receivables are initially recognized at the agreed transaction price in the contract with the customer. Subsequently they are measured at amortized costs using the effective interest method. Short-term receivables are normally not discounted.

In accordance with the expected loss model, Yara records lifetime expected credit losses on all trade and lease receivables (the simplified approach). The calculation of expected credit loss (ECL) is based on both historical and forward-looking information, and it is done on a geographical level. When calculating ECL for trade receivables not yet due and trade receivables less than 90 days overdue, the last five years historical loss percentage is used as base amount for allowance. Forward-looking information is taken into account by assessing available information on local unit level which could indicate an expected future loss that is higher or lower than the experience, including regional macroeconomic information. Calculation of ECL for trade receivables more than 90 days overdue is based on a separate, individual assessment of each receivable.

A receivable is considered to be in default when it is overdue and enforcement activities have started. If there is a reasonable expectation that enforcement activities will not lead to recovery, the receivable is credit impaired. The receivable is written off when enforcement activities lead to objective evidence of the receivable being irrecoverable.

USD millions	Notes	2023	2022
Trade receivables[1]		1,742	2,407
Allowance for expected credit loss		(107)	(102)
Total	6.3	1,634	2,305

[1] Of the total balance of USD 1,742 million about USD 827 million (2022: USD 1,125 million) refers to credit insured receivables.

Movement in allowance for expected credit loss

USD millions	2023	2022
Balance at 1 January	(102)	(92)
Lifetime expected credit losses recognized for existing business	(32)	(28)
Change in lifetime expected credit losses due to business classified as held for sale	3	–
Amounts written off as uncollectible	8	3
Lifetime expected credit losses reversed	18	14
Foreign currency translation	(2)	–
Balance at 31 December	(107)	(102)

Ageing analysis of trade receivables at 31 December

Gross trade receivables

			Past due gross trade receivables			
USD millions	Total	Not past due gross trade receivables	< 30 days	30 - 90 days	91 - 180 days	> 180 days
2023	1,742	1,390	139	40	27	145
2022	2,407	2,029	169	69	25	115

Impairment of trade receivables

			Impairment on past due receivables			
USD millions	Total	Impairment on not past due receivables	< 30 days	30 - 90 days	91 - 180 days	> 180 days
2023	(107)	(3)	(1)	(3)	(1)	(99)
2022	(102)	(5)	(4)	(5)	(3)	(86)

Net trade receivables

			Past due but not impaired			
USD millions	Total	Neither past due nor impaired	< 30 days	30 - 90 days	91 - 180 days	> 180 days
2023	1,634	1,387	138	37	26	46
2022	2,305	2,023	165	64	22	30

3.3 Prepaid expenses and other current assets

Accounting policies
Other short-term receivables, loans and deposits are initially recognized at fair value. Subsequently they are measured at amortized cost using the effective interest method. Short-term items are normally not discounted.

On other receivables, loans and deposits, Yara records 12-months expected credit losses if there has not been any significant increase in credit risk since initial recognition (the general approach). See note 4.6 Other non-current assets for more information.

USD millions	Notes	2023	2022
Financial assets:			
Foreign exchange contracts		6	6
Receivables and deposits		283	264
Contracts assets	2.1	7	5
Total financial assets		295	274
Non-financial assets:			
VAT and sales-related taxes		231	288
Prepaid income taxes		228	92
Prepaid expenses		163	277
Total non-financial assets		622	657
Total		917	932

3.4 Cash and cash equivalents

Accounting policies
Cash and cash equivalents include bank deposits and monetary items which are due in less than three months. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, they are normally not discounted as they are short-term items. On deposits, Yara records a 12-month expected credit loss if there has not been any significant increase in credit risk since initial recognition (the general approach).

USD millions	Notes	2023	2022
Cash and cash equivalents	6.3	539	1,010

Expected credit loss provision on bank deposits is USD 1 million (2022: USD 1 million).

External bank deposits that are not available for use by the group as at 31 December 2023 have a carrying value of USD 92 million (2022: USD 102 million), mainly related to cash held by joint operations.

The average interest rate for liquid assets is approximately 4.1 percent as of 31 December 2023 (2022: 3.2 percent).

Yara minimizes its counterparty exposure by keeping its cash deposits in various Nordic and international banks with established limits for exposure towards each institution.

4 Investments in non-current assets

4.1 Property, plant and equipment

Overview

Property, plant and equipment (PP&E) mainly refers to Yara's fertilizer production plants across the world, and which hold assets such as land, buildings, machinery, equipment and periodic maintenance. In addition, they hold investments in self-constructed assets not yet in use and which are categorized as assets under construction. The remaining PP&E refers to assets for distribution of fertilizer products, which mainly consists of buildings, machinery and equipment for bagging and blending of products, as well as terminals and warehouses.

Accounting policies

An item of property, plant and equipment is recognized at cost if it is probable that the item will generate future economic benefits for Yara and the cost can be measured reliably. The carrying value of PP&E is comprised of the historical cost less accumulated depreciation and any impairment loss. If a legal or constructive obligation exists to decommission PP&E, the carrying value of the assets is increased with the discounted value of such obligations. Borrowing costs are added to the cost of assets that take a substantial period of time to get ready for their intended use or sale ("qualifying assets") if they are directly attributable to the acquisition, construction or production of such assets.

Depreciation of an asset begins when it is available for use. An asset is available for use when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. Decommissioning obligations and borrowing costs added to the carrying amount of PP&E are depreciated over the useful life of the respective PP&E.

PP&E are depreciated on a straight-line basis over their expected useful life. Individual parts of PP&E with different useful lives are accounted for and depreciated separately. Expected useful lives and residual values are, unless immaterial, re-assessed annually.

Gain or loss due to sale or retirement of PP&E is calculated as the difference between sales proceeds and the carrying value and is recognized in the consolidated statement of income.

An impairment is recognized if an asset's carrying value is higher than the recoverable amount. PP&E is tested for impairment whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable. See note 4.7 Impairment of non-current assets.

Expenses related to periodic maintenance of plants ("turnarounds") and recurring investments to extend the current plant performance for a longer period of time, are recognized as assets and depreciated on a systematic basis until the next periodic maintenance if cycle is more than one year on average. Major replacements and renewals are capitalized and depreciated separately based on their specific useful lives. Replaced assets are derecognized. Most of the remaining repair and maintenance costs are expensed as incurred.

Removal of mine waste materials ("stripping costs") in the production phase of existing mines are capitalized as a component of existing tangible mine assets when the activity gives improved access to ore. Stripping activity assets are depreciated on a straight-line basis over the useful lives of the underlying mining assets.

Capitalization of investments as self-constructed PP&E start when defined decision gates are met. These investments are then categorized as assets under construction until they are ready for use as intended by management. Once they are ready for use, they are transferred to the applicable classes of PP&E and depreciation starts.

A government grant that compensates Yara for the cost of an asset, is deducted from the carrying value of the asset. See note 4.9 Government grants for more information.

CONTENT

2023

USD millions, except percentages and year	Land	Buildings	Machinery and equipment	Periodic maintenance	Asset under construction	Vessels	Other	Total
Cost								
Balance at 1 January	254	2,689	10,491	584	801	305	152	15,277
Addition at cost	2	74	369	109	562	–	5	1,122
Derecognition	–	(14)	(152)	(43)	(239)	–	-	(448)
Transfers to asset held for sale	(2)	(25)	(18)	–	–	–	–	(45)
Other transfers[1)]	1	85	240	33	(394)	–	29	(6)
Foreign currency translation	16	94	230	23	24	(1)	6	391
Balance at 31 December	271	2,902	11,161	706	753	304	193	16,290
Depreciation and impairment								
Balance at 1 January	(35)	(1,164)	(6,386)	(335)	(255)	(87)	(45)	(8,307)
Depreciation	–	(118)	(559)	(114)	–	(15)	(11)	(818)
Impairment loss[2)]	(1)	(10)	(144)	(29)	(21)	–	–	(204)
Derecognition	–	12	140	42	240	–	–	434
Transfers to asset held for sale	–	18	18	–	–	–	–	36
Other transfers	–	(4)	3	–	–	–	–	(1)
Foreign currency translation	–	(36)	(150)	(12)	3	–	(2)	(197)
Balance at 31 December	(36)	(1,302)	(7,078)	(448)	(34)	(102)	(58)	(9,058)
Carrying value								
Balance at 1 January	219	1,525	4,106	249	546	219	107	6,970
Balance at 31 December	235	1,598	4,082	258	719	203	137	7,232
Useful life in years	Indefinite	10–60	2–40	2–5		20	5–25	
Depreciation rate		2–6%	3–50%	15–50%		5%	5–20%	

1) Includes mainly transfers from assets under construction to other categories of PP&E due to completion of construction projects.
2) See note 4.7 Impairment of non-current assets.

Main changes in 2023

The largest additions to PP&E include projects related to nitric acid production in Sluiskil, sulfuric acid production in the Siilinjärvi plant and turnaround activities in Babrala, Pilbara, Rio Grande, Freeport and Tertre.

The largest transfer from assets under construction to other categories of PP&E refer to construction projects related to modernization of plants in Brazil.

Assets used as security

See note 5.8 Secured Debt and Guarantees for more information.

Government grants

Government grants related to assets have been recognized as deduction to the carrying value by reducing "Addition at cost" with USD 1 million in 2023 (2022: USD 8 million). See note 4.9 Government grants for more information.

Borrowing costs

The amount of borrowing cost capitalized amounted to USD 4 million in 2023 (2022: USD 2 million). The average rate for the borrowing cost capitalized was 4.8 percent in 2023 (2022: 3.4 percent).

Contractual commitments

Contractual commitments related to PP&E are provided in note 4.8 Committed future investments.

Assessment of useful life

The Inflation Reduction Act (IRA) in the US, which was approved in 2022, is expected to create a decarbonization momentum and to make the US a highly attractive location for clean ammonia investments. The cost of producing blue ammonia in the US after the introduction of IRA will be significantly lower than in Europe, especially if Europe does not introduce additional incentives for its own industry. Given expected increased demand for blue ammonia in new segments like shipping, power generation and as energy carrier, combined with low visibility of future incentive schemes in Europe, it is too early to predict how potential new ammonia supply from the US may impact production assets in Europe. However, Yara will closely monitor the supply/demand balance and government incentives in Europe going forward. Yara's ammonia plants in Europe are mainly integrated with production of fertilizer and industrial products. Depending on the market fundamentals for ammonia in the future, it cannot be ruled out that a more liquid ammonia market with competitive supply from the US to Europe could lead to reduced useful life and/or impairments of production assets in Europe, in particular ammonia production assets. Importing ammonia to integrated production sites in Europe is technically possible and is already used as an optimization tool for some sites. However, the technical and business feasibility of increasing ammonia imports in the future will vary from site to site. As of 31 December 2023, the carrying amount of Yara's ammonia production assets in Europe amounts to USD 538 million. Of this, USD 164 million refer to assets with an estimated remaining useful life of more than 10 years.

Yara has currently not adjusted the useful life of its production assets in Europe. Yara has neither identified assets that may have reduced or no-value (stranded assets) as a result of climate related matters including changes in technology, regulations, markets or societal habits. However, as the Group continues to refine its understanding of climate-related risk exposure across various scenarios, it may uncover conditions that are currently unknown. Yara may also make future, climate related, strategic decisions that potentially trigger assets to become stranded.

2022

USD millions, except percentages and year	Land	Buildings	Machinery and equipment	Periodic maintenance	Asset under construction	Vessels	Other	Total
Cost								
Balance at 1 January	256	2,682	10,590	551	831	284	89	15,284
Addition at cost[1)]	5	30	456	103	391	–	10	995
Derecognition	–	(17)	(130)	(67)	(25)	–	–	(239)
Transfers to asset held for sale	(1)	(15)	(17)	–	–	–	–	(34)
Other transfers[2)]	–	97	169	23	(369)	23	57	–
Foreign currency translation	(5)	(88)	(578)	(26)	(27)	(2)	(4)	(731)
Balance at 31 December	254	2,689	10,491	584	801	305	152	15,277
Depreciation and impairment								
Balance at 1 January	(21)	(1,130)	(6,323)	(308)	(256)	(72)	(47)	(8,151)
Depreciation	(16)	(103)	(543)	(96)	–	(15)	–	(777)
Impairment loss[3)]	–	(12)	(19)	(2)	(2)	–	–	(35)
Derecognition	–	12	116	67	–	–	–	195
Transfers to asset held for sale	–	21	15	–	–	–	–	37
Other transfers	–	(2)	11	(10)	–	–	–	–
Foreign currency translation	–	48	356	15	3	–	2	425
Balance at 31 December	(35)	(1,164)	(6,386)	(335)	(255)	(87)	(45)	(8,307)
Carrying value								
Balance at 1 January	235	1,552	4,267	243	576	212	48	7,133
Balance at 31 December	219	1,525	4,106	249	546	219	107	6,970
Useful life in years	Indefinite	10–60	2–40	2–5		20	5–25	
Depreciation rate		2–6%	3–50%	15–50%		5%	5–20%	

1) The amount in "Building" includes USD 45 million reduction to decommissioning assets, mainly due to increase in discount rate.
2) Includes mainly transfers from assets under construction to other categories of PP&E due to completion of construction projects.
3) See note 4.7 Impairment of non-current assets.

Main changes in 2022

The largest additions to PP&E include projects related to nitric acid production in Sluiskil, sulfuric acid production in the Siilinjärvi plant and turnaround activities in Belle Plaine, Tertre, and plants in Finland and Brazil.

The largest transfer from assets under construction to other categories of PP&E refer to construction projects related to modernization of Cubatão plant in Brazil and the Yara Birkeland, an electric container ship.

CONTENT

4.2 Intangible assets

Accounting policies

Intangible assets with finite useful lives, and that are acquired separately, are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. Both the estimated useful life and amortization method are reviewed at the end of each reporting period. The effect of any changes in estimate is accounted for on a prospective basis. Intangible assets with indefinite useful lives, and that are acquired separately, are carried at cost less accumulated impairment losses.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interest, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Useful lives are set as indefinite with no amortization as there is no foreseeable limit to the cash flows generated by goodwill. Instead of amortization, goodwill is tested for impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to cash-generating units (CGUs) or group of CGUs that are expected to benefit from the combination. For more information on impairment, see note 4.7 Impairment of non-current assets.

Intangible assets other than goodwill are tested for impairment whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable. Intangible assets not ready for its intended use are also tested for impairment annually. See note 4.7 Impairment of non-current assets.

Expenditures on research activities are expensed in the period in which they are incurred. An internally generated intangible asset arising from development is recognized if, an only if, all of the relevant criteria in IAS 38 Intangible assets have been demonstrated.

Where no internally-generated intangible asset can be recognized, development expenditures are recognized in profit or loss in the period in which they are incurred. See note 4.9 Government grants for more information.

Software as a Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. They are normally not subject to recognition of configuration or customization costs as intangible assets because Yara does not control the software being configured. Related configuration or customizations activities is normally expensed. Licensed software hosted on-premises or in third-party data centers, as well as software acquired in a business combination and internally developed software, are recognized as intangible assets if they meet the certain defined criteria.

Yara receives free European Emission Allowances (EUAs) under the European Union Emissions Trading Scheme (EU ETS) and free tradable certificate instruments for energy savings (white certificates) under an additional, separate scheme in Italy. For more information, see note 4.9 Government grants.

2023

USD million, except percentages	Goodwill	Software	Other intangibles[1]	Total
Cost				
Balance at 1 January	795	184	364	1,343
Addition at cost	–	11	31	42
Derecognition	(17)	(1)	(6)	(24)
Transfer to asset held for sale	(11)	–	(8)	(19)
Other transfers	–	5	8	13
Foreign currency translation	18	(1)	8	25
Balance at 31 December	785	198	397	1,380
Amortization and impairment				
Balance at 1 January	(41)	(145)	(291)	(477)
Amortization	–	(16)	(12)	(28)
Impairment loss[2]	(11)	–	(5)	(16)
Derecognition	17	1	6	24
Transfer to asset held for sale	11	–	8	19
Other transfers	–	3	(3)	–
Foreign currency translation	(1)	1	(8)	(8)
Balance at 31 December	(25)	(155)	(305)	(485)
Carrying value				
Balance at 1 January	754	39	73	867
Balance at 31 December	760	43	92	896
Useful life in years	Indefinite	3–5	5–40	–
Amortization rate		20–35%	3–35%	–

[1] Other intangibles comprise mainly customer relationships, patents and trademarks, and intangible assets arising from development.
[2] For further information, see note 4.7 Impairment of non-current assets.

2022

USD million, except percentages	Goodwill	Software	Other intangibles[1]	Total
Cost				
Balance at 1 January	862	182	376	1,420
Addition at cost	–	7	14	21
Derecognition	(33)	–	(1)	(34)
Other transfers	–	9	(9)	–
Foreign currency translation	(34)	(14)	(17)	(65)
Balance at 31 December	795	184	364	1,343
Amortization and impairment				
Balance at 1 January	(73)	(136)	(289)	(499)
Amortization	–	(20)	(14)	(34)
Derecognition	33	–	–	34
Foreign currency translation	(1)	11	12	22
Balance at 31 December	(41)	(145)	(291)	(477)
Carrying value				
Balance at 1 January	789	45	87	921
Balance at 31 December	754	39	73	867
Useful life in years	Indefinite	3–5	5–40	
Amortization rate		20–35%	3–35%	

[1] Other intangibles comprise mainly customer relationships, patents and trademarks, and intangible assets arising from development.

Expenditures on research and development activities

Expenditures on research and development activities are expensed in the period of the amount of USD 113 million (USD 95 million in 2022). See also note 4.9 Government grants.

Assets used as security

No intangible assets were pledged as security in 2023 and 2022.

4.3 Associated companies and joint ventures

Overview

Yara has several minor investments classified as associated companies and joint ventures. These are mainly investments in sales & marketing entities within the Americas and Industrial Solutions operating segments.

Accounting policies

Associated companies are investments in companies where the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence normally exists when the Group holds directly or indirectly between 20 percent and 50 percent of voting rights.

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture. The classification depends upon the rights and obligations of the parties to the arrangement. In a joint operation the parties have rights to the assets, and obligations for the liabilities, of the arrangement (see note 4.4 Joint operations for further details). In a joint venture the parties have rights to the net assets of the arrangement.

The share of results, assets and liabilities of associated companies and joint ventures are incorporated into the consolidated financial statements using the equity method of accounting. Investments in equity-accounted investees are tested for impairment if indications of loss in value are identified. Where necessary, accounting policies of equity-accounted investees are changed to ensure consistency with the accounting policies adopted by the Yara Group.

Sales and receivables/payables

Sales from investees to Yara were USD 20 million (2022: USD 12 million). At 31 December 2023, Yara had net current receivables towards investees of USD 3 million (2022: USD 4 million).

USD millions	2023	2022
Associated companies		
Balance at 1 January	53	33
Net movements in investments and long-term loans to associates	13	18
Yara's share of Net income/(loss)	7	6
Dividends/repayment of capital	(7)	(2)
Foreign currency translation	3	(3)
Balance at 31 December	69	53
Joint ventures		
Balance at 1 January	94	87
Yara's share of Net income/(loss)	(6)	19
Dividends/repayment of capital	(8)	(6)
Foreign currency translation	4	(5)
Balance at 31 December	84	94
Associated companies and joint ventures		
Balance at 1 January	147	120
Net movements in investments and long-term loans to associates	13	18
Yara's share of Net income/(loss)	1	25
Dividends/repayment of capital	(16)	(8)
Foreign currency translation	7	(8)
Balance at 31 December	152	147

Due to it being impractical to obtain financial reports within the same reporting date as Yara, there is, for some of the associated companies and joint ventures, a lag of 1–3 months for the numbers included above.

4.4 Joint operations

Accounting policies

With reference to joint arrangements, as detailed in note 4.3 Associated companies and joint ventures, the parties in a joint operation have rights to the assets, and obligations for the liabilities, of the arrangement. The Group recognizes in relation to its interests in a joint operation:

- Its assets, including its share of assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation and;
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for these assets, liabilities, revenues and expenses in accordance with the applicable IFRSs.

Yara has three investments that are classified as joint operations:

Yara Pilbara Nitrates Pty Ltd.

Yara Pilbara Nitrates owns a technical ammonium nitrate (TAN) plant next to Yara's ammonia plant in the Pilbara region of Australia. The plant has an annual production capacity of about 330.000 metric tonnes of TAN and primarily supplies the mining operations in the region. The company is 50 percent owned by Yara and 50 percent by Orica.

Trinidad Nitrogen Co. Ltd. (Tringen)

Tringen owns an ammonia complex consisting of two separate ammonia plants which are managed and operated by Yara under a management and operating agreement. In addition, Yara provides marketing support through sales agency agreements. The two plants have an annual production capacity of about 1 million metric tonnes of ammonia which is mainly exported to other markets. Yara has a 49 percent ownership stake in Tringen, the remaining 51 percent of Tringen is owned by National Enterprises Limited, which is a publicly listed Company, in which the Government of the Republic of Trinidad and Tobago has majority shareholding.

Yara Freeport LLC DBA Texas Ammonia

Yara and the BASF Group have constructed an ammonia plant at BASF's site in Freeport, Texas, US. Commercial operations commenced in 2018. BASF manages and operates the plant. The plant has an annual nameplate production capacity of about 750.000 metric tonnes of ammonia and each party off-takes ammonia from the plant in accordance with their ownership share. The company is 68 percent owned by Yara and 32 percent by BASF.

The following table shows the effect of consolidating joint operations on Yara's financial statements. The table is based on unaudited financial information of Yara's joint operations based on their IFRS financial statements.

Statement of financial position	31 December 2023				31 December 2022			
USD millions (unaudited)	Yara Pilbara Nitrates	Tringen	Yara Freeport	Yara's share of consolidated Joint operations	Yara Pilbara Nitrates	Tringen	Yara Freeport	Yara's share of consolidated Joint operations
Assets								
Deferred tax assets	43	–	–	43	48	–	–	48
Property, plant and equipment	312	66	236	613	307	71	235	612
Right-of-use assets	7	–	4	10	7	–	4	11
Other non-current assets	–	3	1	4	–	3	1	4
Total non-current assets	362	69	241	672	362	74	240	676
Inventories	7	20	3	30	7	29	2	38
External trade receivables	3	–	–	3	16	–	–	16
Internal trade receivables	–	12	14	26	–	26	14	41
Prepaid expenses and other current assets	1	6	2	9	1	13	2	16
Cash and cash equivalents	8	63	19	90	2	60	25	87
Total current assets	18	101	38	158	26	129	43	198
Total assets	380	170	279	830	388	203	283	874
Total equity	213	130	263	606	219	156	266	642
Liabilities								
Employee benefits	–	12	–	12	–	10	–	10
Deferred tax liabilities	–	3	–	3	–	7	–	7
Non-current provisions	19	–	–	19	17	–	–	17
External non-current interest-bearing debt	6	–	3	10	6	–	3	10
Internal non-current interest-bearing debt	134	–	–	134	129	–	–	129
Total non-current liabilities	159	15	3	178	152	16	3	172
External trade and other current payables	3	22	10	35	3	24	11	37
Internal trade and other current payables	4	–	–	4	12	–	–	12
Current tax liabilities	–	–	–	–	–	5	–	5
Current provisions	–	–	–	–	1	–	–	1
Other current liabilities	1	3	2	6	–	2	3	5
Total current liabilities	8	25	12	45	16	30	13	59
Total equity and liabilities	380	170	279	830	388	203	283	874

Statement of income	2023				2022			
USD millions (unaudited)	Yara Pilbara Nitrates	Tringen	Yara Freeport	Yara's share of consolidated Joint operations	Yara Pilbara Nitrates	Tringen	Yara Freeport	Yara's share of consolidated Joint operations
Revenue and other income	45	156	155	356	95	379	230	703
Operating costs and expenses	(68)	(145)	(143)	(356)	(92)	(216)	(221)	(529)
Operating income/(loss)	(23)	11	12	–	3	162	9	174
Income/(loss) before tax	(30)	12	13	(4)	(6)	165	9	168
Income tax expense	(5)	(4)	–	(9)	1	(59)	–	(58)
Net income/(loss)	(35)	8	13	(14)	(5)	106	9	110

4.5 Leases

Accounting policies

IFRS 16 defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract that meets this definition, IFRS 16 requires lessees to recognize a right-of-use asset and a lease liability in the balance sheet, with certain exemptions for short-term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the shorter of the lease term and the assets' useful life. The portion of lease payments representing payments of lease liabilities shall be classified as cash flows used in financing activities in the consolidated statement of cash flows. Payments for short-term leases, low value assets and variable amounts not included in the measurement of the lease liability shall be classified within operating activities. Yara also classifies payment of interest within operating activities.

Yara has taken advantage of the accounting policy choice in IFRS 16 to not apply the standard to leases of intangible assets. This means that leases of intangible assets are accounted for by applying IAS 38 Intangible assets.

Significant lease liabilities for the Group comprise of leases of land, vessels, product storage assets (warehouses, terminals etc.), office buildings and other buildings. Other, less significant leases in Yara comprise of transportation and logistics assets, machinery and equipment, utilities supply, employee cars, IT infrastructure and office equipment. Yara has applied different accounting policies to different assets as follows:

- Yara expenses services and other non-lease components embedded in lease contracts for land, vessels, product storage assets, utilities supply, IT infrastructure, office buildings and other buildings. For leases of other assets, Yara capitalizes non-lease components subject to fixed payments as part of the lease.
- Yara expenses short-term leases of machinery, office equipment and other equipment in accordance with the general short-term exemption in IFRS 16.
- Yara expenses low value leases in accordance with the general low value exemption in IFRS 16.

Lease terms are determined by including extension and termination options which are reasonably certain to be exercised. Yara strives to consider all relevant facts and circumstances that create an economic incentive for Yara to exercise such options. However, use of significant judgement may be needed.

Yara discounts the lease liability by using incremental borrowing rates. However, the interest rate implicit in the lease may be used for selected lease arrangements which are material on Group level and if the rate can be readily determined. The incremental borrowing rates are updated on a quarterly basis and are determined for all relevant currencies and lease terms taking into account the risk-free rate, Yara's credit risk premium, local unit risk premium above Yara country risk premium and asset risk premium. Updated incremental borrowing rates are applied to new lease arrangements recognized during that quarter, as well as for modifications of existing leases.

Right-of-use (ROU) assets

USD millions	Land	Vessels	Buildings	Product storage	Transportation & logistics	Other assets	Total
Carrying value							
Balance ROU assets at 1 January 2022	117	32	82	86	42	61	421
Additions and lease modifications	10	46	19	34	23	24	156
Depreciation	(8)	(38)	(22)	(39)	(23)	(22)	(153)
Foreign currency translation	(6)	–	(5)	(4)	(2)	(3)	(21)
Balance at 31 December 2022	112	40	73	78	41	60	403
Additions and lease modifications	13	45	35	41	31	23	187
Transfers to assets held-for-sale	(2)	–	(1)	–	–	–	(3)
Other transfers	–	–	(3)	–	–	–	(3)
Depreciation	(8)	(50)	(24)	(44)	(24)	(24)	(172)
Foreign currency translation	1	–	1	–	2	3	6
Balance at 31 December 2023	117	35	82	75	49	61	418

Lease liabilities

USD millions	Non-current	Current	Total
Carrying value			
Balance lease obligations at 1 January 2022	321	104	425
Additions and lease modifications	157	(2)	155
Reclassification to current liabilities	(170)	169	–
Lease payments	–	(149)	(149)
Foreign currency translation	(16)	(4)	(21)
Balance at 31 December 2022	292	118	410
Additions and lease modifications	183	–	183
Transfers to liabilities held-for-sale	(3)	(1)	(3)
Reclassification to current liabilities	(171)	171	–
Lease payments	–	(168)	(168)
Foreign currency translation	5	2	8
Balance at 31 December 2023	306	123	429

Interest expense on lease liabilities in the period amounts to USD 19 million (2022: USD 16 million).

Leases not yet commenced to which Yara was committed as of 31 December 2023, amounted to a discounted value of USD 71 million (2022: USD 59 million). The amount includes an estimated commitment of USD 18 million for a facility under construction, for which the fees payable will be variable but Yara will be committed to offtake the entire output of the facility.

There are no material restrictions or covenants imposed by leases.

Maturity analysis of contractual undiscounted cash flows

USD millions	2023	2022
1 year	142	134
2 years	83	78
3 years	48	49
4 years	32	35
5 years	26	24
Thereafter	266	247
Total undiscounted lease liabilities at 31 December 2023	596	568

Leases expensed in the period

USD millions	2023	2022
Expenses relating to variable fee leases not included in the measurement of lease liabilities	24	26
Expenses relating to short-term leases	39	30
Expenses relating to leased assets of low value, excluding short-term leases	1	1
Total leases expensed	65	57

Cash outflows in the period

USD millions	2023	2022
Principal payments on recognized lease liabilities	168	149
Interest payments on recognized lease liabilities	19	15
Payments on leases expensed in the period	64	57
Total cash outflows for leases	250	221

4.6 Other non-current assets

Accounting policies

Other long-term receivables, loans and deposits are initially recognized at fair value. Subsequently they are measured at amortized cost using the effective interest method.

On other receivables, loans and deposits, Yara records 12-months expected credit losses if there has not been any significant increase in credit risk since initial recognition (the general approach). If there has been a significant increase in credit risk, lifetime expected credit losses is recorded. The 12-months expected credit losses reflect losses from default events that are possible within the next 12 months. They are calculated as the probability of default based on the credit rating of different counterparts multiplied with the loss given default based on listed corporate bonds that are considered relevant. If a significant increase in credit risk since initial recognition is identified, a lifetime expected credit loss for the specific receivable, loan or deposit will be recognized based on an individual assessment. The credit risk has normally increased significantly when a receivable is defaulted.

A receivable is considered to be in default when it is overdue and enforcement activities have started. If there is a reasonable expectation that enforcement activities will not lead to recovery, the receivable is credit impaired. The receivable is written off when enforcement activities lead to objective evidence of the receivable being irrecoverable.

Yara's expected credit losses on other receivables, loans and deposits are limited. As a result, disclosures are reduced due to materiality.

USD millions	Notes	2023	2022
Financial assets			
Equity instruments	6.3	88	54
Interest rate swaps designated as hedging instrument	6.3	15	–
Embedded derivatives in commodity contracts	6.3	–	7
Cross currency and interest rate swaps	6.3	3	11
Receivables and deposits	6.3	30	22
Expected credit loss on long-term loans and receivables	6.3	(1)	(1)
Total financial assets		134	93
Non-financial assets			
Surplus on funded defined benefit plans	5.4	221	215
Prepayment for property, plant and equipment		48	33
Other non-financial assets		22	19
Tax and VAT receivables		168	168
Total non-financial assets		460	434
Total		594	526

Long-term VAT receivables in Brazil

At year-end 2023, Yara has recognized USD 81 million of tax credits related to value added taxes in Brazil (2022: USD 99 million). This is included in the line "Tax and VAT receivables" in the table above. The Brazilian tax system is highly complex. There are a number of taxes by Federal, State and Municipal authorities and the legislation is subject to constant changes. The indirect taxes, such as value added taxes, are levied at Federal (PIS/COFINS) and State (ICMS) level.

Yara accumulates credits over the acquisition of inputs and other costs (mainly bags, services and freights). These accumulated credits can be used to offset other federal taxes in many circumstances and projections indicate these will be consumed in the operation and/or refunded by the tax authorities in the following years, without any need of accounting adjustments. The current legislation results in accumulation of ICMS tax credits in a number of States. Yara maintains a provision for expected discounts/losses where these credits are not expected to be realized in full through normal operations. The provision is USD 5 million at year-end 2023 (2022: USD 4 million).

4.7 Impairment of non-current assets

Accounting policies

Cash-generating units (CGUs) or group of CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. Any impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU or group of CGUs, and then to the CGUs’ or group of CGUs’ other assets on a pro rata basis of the carrying amounts. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Non-current assets other than goodwill are tested for impairment whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable.

An impairment loss is recognized to the extent that the assets’ carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate.

Previously recognized impairment losses, except for impaired goodwill, are reversed if the assumptions for impairment are no longer present. Impairment losses are only reversed to the extent that the asset’s carrying value does not exceed the carrying value that would have been determined, net of depreciation, if no impairment had been recognized.

Recognized impairment loss

USD millions	2023	2022
Asset class		
Goodwill	(11)	–
Other intangible assets	(5)	–
Property, plant and equipment	(204)	(35)
Total impairment loss	(220)	(35)

USD millions	2023	2022
Segment split		
Europe	(192)	(13)
Americas	(4)	(15)
Africa & Asia	–	(2)
Global Plants & Operational Excellence	(3)	(4)
Clean Ammonia	–	(2)
Industrial Solutions	(1)	–
Other and Eliminations	(20)	–
Total impairment loss	(220)	(35)

Impairment charges in 2023

Impairment of property, plant and equipment is mainly related to USD 168 million was related to Yara Europe’s production site in Tertre, Belgium, along with an additional USD 23 million impairment of the Montoir plant in France. These impairment losses were reported in the Europe segment.

The Tertre site is an integrated production unit that produces ammonia, nitric acid and nitrates. The main drivers for the impairment were lower sales price and volume expectations, linked to a challenged sourcing position with limited flexibility to import ammonia. Yara’s price forecasts have incorporated estimated impacts of the Inflation Reduction Act (IRA) in the US. The strong competitiveness of IRA-eligible blue ammonia projects in the US is expected to have a negative impact on European ammonia prices, while the introduction of CBAM may provide attractive opportunities for European based nitrates.

On a net basis, this reduced the value-in-use for an integrated site like Tertre, which is exposed to European natural gas and emission cost and currently has limited flexibility to import ammonia. While Yara is planning to invest in significant blue ammonia capacity in the US providing attractive and profitable decarbonization opportunities for Yara's European nitrates position, assets are to be tested in their current condition and cash flows associated with future projects, like decarbonization initiatives and projects to enable flexible sourcing of ammonia, cannot be incorporated in impairment testing until they are committed. Therefore, the value-in-use did not reflect the potential strategic value of production assets in a decarbonized future.

Impairment charges and reversals in 2022

Impairment of property, plant and equipment is mainly related to a USD 15 million additional impairment of the Salitre mining project, which was disposed in 2022, and a USD 13 million impairment of the Montoir plant in France.

Impairment testing

The mandatory impairment testing of CGUs, group of CGUs with allocated goodwill or assets with indefinite useful life are carried out during third quarter each year. Yara has also performed testing of other CGUs or individual assets with various impairment indicators. The recoverable amounts for units with allocated goodwill have been determined based on "value-in-use".

Main assumptions

Discount rate

Discount rates used in the calculation of value-in-use reflect the current market assessment of the risks specific to each cash generating unit. The discount rates were estimated based on the weighted average cost of capital for the industry. This rate was further adjusted to reflect the currency in which the CGU operates and market assessments of any risk specific to the CGU for which future estimates of cash flows have not been adjusted.

Currency rates and inflation

The value-in-use calculation is performed in the most relevant currency for the CGU. When converting foreign currency cash flows to the testing currency, Yara uses the forecasted annual average rates estimated by Information Handling Services (IHS) based on the "purchasing power parity" (PPP) principle. The projections include long term inflation (CPI) in which each CGU is located.

Assumptions relevant for production assets

The valuations of production assets are based on Yara's long-term commodity and energy price forecasts. Due to the cyclicality of the fertilizer industry, Yara includes cash flow projections for a period of up to ten years. Despite a relatively steady growth in market demand, history shows that there are periods with oversupply. Yara's internal commodity forecasts reflect its assessment of the supply/demand balance in the short to medium term. After a period of maximum eight years, all the main commodity sales price assumptions reflect an annual nominal growth that is not exceeding the relevant inflation rates. The main assumptions for the impairment testing of production assets are:

- Fertilizer prices
  The urea price is the most important assumption when testing nitrogen fertilizer plants for impairment, as urea is the global price setter for commodity nitrogen. In short- and medium term the internal price considers developments in supply and demand, while for the long-term a full-cost logic is applied factoring in the cost of constructing new urea capacity in addition to operating costs. External market reports are used as one of many input factors, and these industry consultant projections currently show supply growth well below trend consumption growth from 2024 and onwards, with a historically low number of new projects under construction indicating a tightening supply-demand balance in the coming years. Yara's nitrate and NPK prices are estimated using urea as the base adding the estimated premiums on top of the commodity value of the nutrient. These premiums reflect an agronomic value-add of the products, and the estimated premiums for each plant are based on historically achieved premiums above the Yara average premium in main markets. For both NPK and nitrates, internally developed forecasts are used since there are no active forward markets for these products. External market intelligence reports are used as one of many input factors. For Europe, the market dynamics following Carbon Border Adjustment Mechanism (CBAM) have been considered for regional fertilizer price assumptions. With Europe being a net importer of fertilizer, it is expected that increased emission taxes will lead to higher prices of fertilizers in Europe than in regions with lower emission taxes. As higher fertilizer prices may lead to lower demand, a net negative impact on the margins has been reflected in the cash flow forecasts.

- Ammonia prices
  For several of Yara's plants, the ammonia price is a key assumption for calculating the value-in-use. Some plants are net buyers of ammonia, in which case increased ammonia prices has a negative impact on earnings while other plants are net sellers of ammonia, and these plants will benefit from higher ammonia prices. Internally developed price forecasts are used since there is no active forward market for ammonia. External market intelligence reports are used as one of many input factors. In the short- and medium term the internal price considers developments in supply and demand, while for long term prices a full-cost logic is applied, factoring in the cost of constructing new ammonia capacity in addition to operating costs.

- Natural gas purchase prices
  Natural gas is the most important cost factor for several of Yara's production plants. Yara maximizes the use of observable gas market input for the purpose of impairment testing. For European gas prices beyond the time-horizon where observable prices exist, a full-cost logic based on imported LNG (liquefied natural gas) from the US is applied. For certain regions, where no liquid market for natural gas exists, Yara prepares internal forecasts based on the expected supply/demand balance.

- Production reliability
  Production reliability is important for the plants' profitability as it impacts both the production volume and the energy consumption factor (energy per tonne produced). The reliability assumption is plant specific, taking into consideration the historical experienced reliability and implemented improvement initiatives.

- Capital expenditures
  Ammonia and finished fertilizer plants require significant maintenance investments. The estimated amounts reflect previous experience and plant specific knowledge. Estimated capital expenditures do not include capital expenditures that enhance the current performance. As future projects, like decarbonization initiatives and projects to enable flexible sourcing of ammonia, cannot be incorporated in impairment testing until they are committed, the value-in-use may not reflect the potential strategic value of production assets in a decarbonized future. Physical climate risks are considered when estimating future capex, in particular when setting the longer-term cash flow forecasts.

- Carbon emission tax
  Forecasted carbon emission tax is one of the key assumptions when testing Yara's plants that are producing ammonia, in particular in Europe where such taxes are expected to increase in the years to come. External market reports have been used as input factors when developing Yara's own forecast for the price of EU allowance (EUA). The CBAM phase-in plan gradually ceases the free allocation of allowances over a nine-year period from 2026, with a slower rate the first years and accelerating rate towards the end of the period. Gradual policy tightening is expected to increase the EUA price over time, in line with forecasts in external market reports. As described above, this is expected to lead to higher prices of fertilizers in Europe than in regions with lower emission taxes. Yara has also forecasted emission tax in Australia when testing its ammonia plant in Pilbara. Emission reduction projects are only considered when they are committed.

Assumptions relevant for sales units

Sales units within each regional segment market and distribute a complete range of crop nutrition products, technologies and knowledge. Industrial Solutions develops and market environmental solutions and essential products for industrial applications. These units are able to create value over and above the commodity value of the product. Management forecasts for market premiums are not exceeding five years with the first year derived from the CGU's business plan. After a period of five years, Yara uses a steady growth rate that is not exceeding the growth for the products, industry or countries in which the CGUs operate. Although the risk and opportunity related to stricter fertilizer regulations to reduce emissions may be more balanced at Yara level, with Yara's focus on new products and services, it may have negative impact on single assets and cash generating units. The cash flow forecasts, in particular the terminal growth rate assumption, are adjusted when considered necessary to reflect this risk.

Cash generating units or group of cash generating units with goodwill, including sensitivities:

The sensitivities presented in the table below show the change in each parameter that would result in the recoverable amount being equal to the carrying amount of the CGU, while keeping all other parameters unchanged. Sensitivities are not presented if the recoverable amount is more than double of the carrying amount, as no reasonable changes in discount rate, annual cash flows or terminal growth rate are considered to trigger impairments. There are longer-term correlations between natural gas prices and ammonia and nitrogen fertilizer prices, because natural gas is the most important cost component for producing ammonia and nitrogen fertilizers. This correlation reduces the cash flow impact of price changes. A reduction to annual cash flows is therefore considered to be more relevant for sensitivity disclosure than isolated changes to price assumptions.

USD millions, except percentages	Belle Plaine (Americas)	Europe	Pilbara Ammonia (Africa & Asia)	Ammonia Sales and Logistics (Clean Ammonia)	Americas	Brazil (Americas)	India (Africa & Asia)	Other CGUs	Total
Allocated goodwill amount, 2023	281	158	111	55	47	34	29	45	760
Allocated goodwill amount, 2022	275	154	111	55	47	31	29	52	754
Carrying amount[1)], 2023	1,013	2,770	788	457	3,787	1,160	201		
Recoverable amount in percent of carrying amount, 2023	> 200%	182%	126%	> 200%	> 200%	130%	152%		
Assumptions:									
Discount rate, pre-tax, 2023	9.1%	9.8%	9.1%	9.0%	10.5%	13.6%	12.0%		
Discount rate, pre-tax, 2022	8.7%	8.5%	8.3%	7.5%	9.1%	11.2%	10.2%		
Terminal growth rate (nominal), 2023	–	0.5%	0.3%	–	2.0%	2.0%	2.8%		
Change leading to recoverable amount being the same as carrying amount, 2023									
Increase in discount rate		4% points	2% points			4% points	3% points		
Reduction in annual cash flow		39%	20%			23%	33%		
Reduction in terminal growth rate		12% points	6% points			10% points	6% points		

1) Carrying amount includes goodwill, other non-current assets and working capital

Descriptions for main CGUs or group of CGUs with allocated goodwill

Belle Plaine (Canada)

The CGU Belle Plaine comprises fertilizer production and sales and distribution activity. The production site has an ammonia plant, a nitric acid plant and a urea granulation plant, with an annual production capacity of 0.8 million tonnes ammonia, 0.1 million tonnes nitric acid, 1.1 million tonnes urea and 0.2 million tonnes UAN. Most of the ammonia and nitric acid produced is used in the production of UAN and granular urea, but some of the ammonia is sold for agricultural purposes during peak ammonia seasons.

Europe

The operating segment covers all operations including production, sales and distribution in the Europe region. More information about the segment is provided in note 2.3 Segment information.

Pilbara Ammonia (Australia)

This is an ammonia plant located in Western Australia with an annual production capacity of approximately 0.8 million tonnes.

Ammonia Sales and Logistics (Clean Ammonia)
The global ammonia sales and logistics segment sources and sells ammonia and provides logistical services to consuming plants in Yara and to third-party customers in the fertilizer and chemical industries.

Americas
The operating segment covers all operations such as production, sales and distribution in Americas region. More information about the segment is provided in note 2.3 Segment information.

Brazil
The CGU Business unit Brazil covers several aspects of fertilizer production and distribution, including production of Single Super Phosphate (SSP) as well as blending and distribution of fertilizers, delivering approximately 6 million tonnes of fertilizers and covering approximately one fourth of the Brazilian market demand. The main production and blending asset in the CGU is the Rio Grande plant. Currently the Rio Grande plant has an annual production capacity of 1 million tonnes of finished fertilizer (NPK and SSP depending on market demand), in addition to a blending capacity of approximately 2.2 million tonnes.

India
The CGU comprises a urea plant with related urea distribution business and premium product sales. The plant produces 0.8 million tonnes ammonia and 1.3 million tonnes urea annually.

Other CGUs with allocated goodwill
Goodwill presented in the column "Other CGUs" comprise five CGUs that have also been tested for impairment. None of these are determined to be sensitive for impairment.

Other assets and CGUs with no allocated goodwill

Yara has performed testing of several CGUs with impairment indicators during 2023. This includes certain plants in Europe that lately have been curtailed, fully or partly, due to the market situation. Some of the CGUs that were tested based on impairment indicators presented low headroom between the recoverable amount, calculated based on value-in-use, and their carrying values. The main CGUs that are considered sensitive are described below:

Yara Pilbara Nitrates
The joint operation Yara Pilbara Nitrates owns a TAN plant in Australia. The carrying value of the CGU is USD 314 million, representing Yara's 50 percent ownership stake. The value-in-use is marginally higher. The key assumptions are the TAN margin above ammonia cost, which is estimated for the TAN market in Western Australia, and the discount rate (11 percent on pre-tax basis). An isolated reduction to the annual cash flow of 10 percent would trigger an impairment of USD 33 million. An increase in the pre-tax discount rate of 1 percentage point would trigger an impairment of USD 32 million.

Yara Sweden Köping
Yara's production site in Köping, Sweden comprises one nitric acid plant and one nitrate plant, with an annual production capacity of 0.3 million tonnes nitric acid and 0.4 million tonnes nitrates. The CGU has a carrying amount of USD 223 million and a value-in-use that is marginally higher. The key assumptions for the testing are the margin above ammonia cost and the discount rate (7 percent on pre-tax basis). An isolated reduction to the annual cash flow of 10 percent would trigger an impairment of USD 14 million. An increase in the pre-tax discount rate of 1 percentage point would trigger an impairment of USD 16 million.

Yara Tringen
Tringen is a 49 percent owned joint operation with two ammonia plants in Trinidad and Tobago, with an annual capacity of 0.5 million tonnes. The carrying value of the CGU is USD 96 million, representing Yara's 49 percent ownership stake. The value-in-use is 26 percent higher. The key assumptions are the ammonia price (against gas cost), gas availability and the discount rate (17 percent on pre-tax basis). An isolated reduction to the annual cash flow of 21 percent would reduce the headroom to nil. An increase in the pre-tax discount rate of 5 percentage points would reduce the headroom to nil.

Yara Tertre
Yara's production site in Tertre, Belgium comprises one ammonia plant, one nitric acid plant and one nitrate plant, with an annual production capacity of 0.4 million tonnes ammonia, 0.7 million tonnes nitric acid and 1 million tonnes nitrates. The majority of the ammonia and nitric acid produced is used in the production of nitrates, which are sold to various European markets. The CGU has a carrying amount of USD 148 million after the impairment of USD 168 million recognized in 2023. The key assumptions for the testing are the urea price, the natural gas cost and the discount rate (10 percent on pre-tax basis). An isolated reduction to the annual cash flow of 10 percent would trigger an additional impairment of USD 4 million. An isolated increase to the pre-tax discount rate of 1 percentage point would trigger an additional impairment of USD 8 million.

Future potential reversals of impairment
Yara has recognized impairment losses on several CGUs over time. These impairments will be reversed, fully or partly, when and if the situation improves and the recoverable value is determined to be higher than the carrying amount. The increased carrying amount cannot exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in prior periods. The main historical impairments losses are the impairment of the Tertre site (Belgium) in 2023 of USD 168 million (see above) and the Montoir site (France). The maximum amount of potential reversal for Montoir at year-end 2023 is USD 105 million (2022: USD 90 million). See note 5.6 Provisions and contingencies for details about restructuring provisions recognized in 2023 for the intention to transform the Montoir site in France.

4.8 Committed future investments

USD millions	Investments 2024	Investments Thereafter	Investments Total
Contract commitments for investments in property, plant and equipment	396	221	617
Contract commitments for acquisition or own generated intangible assets	30	28	58
Total	426	249	675

Yara has publicly communicated a total capital guidance of USD 1.3 billion in 2024, which includes investments that commits funds but for which external contracts are not necessarily signed. The amounts presented in the table above represent contract commitments.

4.9 Government grants

Overview

Yara receives a number of different government grants. As of year-end 2023, these mainly relate to tradable certificate instruments for energy savings (white certificates), CO_2 emission allowances under the European Union Emissions Trading Scheme (EU ETS), compensation for energy tax and excise duties, subsidies for investing in GHG emission reduction projects and other environmental related projects, as well as research and development. In 2023, Yara has also recognized government support in Europe to partly compensate extraordinary high energy costs in 2022.

Accounting policies

Government grants are recognized in the financial statements when Yara has reasonable assurance that the Group will comply with conditions attached to them and the grants will be received. Any portion of government grants received, but not yet earned, is deferred as a liability until the associated activity is expected to be performed or expenses recognized. Any portion earned, but not yet received, is recognized as a receivable.

White certificates received are recognized as intangible assets at cost (nominal value zero). If sold, Yara recognizes a gain equal to the selling price. For more information see note 2.2 Other income and commodity derivative gain/loss and note 4.2 Intangible assets.

Government granted CO_2 emission allowances under EU ETS are recognized as intangible assets at cost (nominal value zero). If actual emissions exceed the number of allocated allowances, additional allowances are purchased, and the cost of which is included as part of the production cost of inventory. Any sale of excess emission rights is recognized at the time of the sale at the transaction price.

Compensation for energy tax comprise both refund schemes (actual cash flows) or exemption schemes (no cash flows). Energy tax and excise duty refunds are recognized as a reduction to the related expense in profit and loss.

Government grants that compensate Yara for the cost of investing in assets are deducted from the carrying value of the asset and recognized in the consolidated statement of income on a systematic basis over the useful life of the asset, as a reduction of depreciation expense. If the government grant refers to assets under construction, it is recognized as a reduction of depreciation expense once the asset is ready for use as intended by management and depreciations begins. Investment grants are included as investing activities in the consolidated statement of cash flows.

If a government grant refers to research and development activities that do not meet the criteria for capitalization, or it refers to self-constructed property, plant and equipment which does not meet Yara's internal decision gates for capitalization, the government grant is recognized in the consolidated statement of income as a reduction to the costs for which the grant is intended to compensate.

Government grants recognized in the period (not cumulative)

USD millions	Notes	2023[1]
Consolidated statement of income		
Recognized as other income	2.2	40
Reduction to raw materials, energy costs and freight expenses[2]		113
Reduction to other operating expenses		2
Consolidated statement of financial position		
Reduction to carrying amount of property, plant and equipment	4.1	1
Increase to other non-current liabilities		1

1) Yara has extended its disclosures on government grants for 2023 reporting, including a more granular presentation of the applicable amounts. As a result, reliable comparative information in the same format is not available and therefore not presented.
2) Includes compensation from refund schemes for energy taxes and other excise duties.

Remaining balance of total awarded, not yet recognized grants amounts to USD 92 million.

Climate change
In 2021, Yara was awarded a grant amounting to USD 27.8 million (NOK 283.3 million) by Enova SF, a Norwegian government enterprise responsible for the promotion of environmentally friendly production and consumption of energy. The grant was awarded for a demonstration project for production of ammonia and fertilizers based on renewable energy and hydrogen produced by water electrolysis. The grant is not yet received nor recognized. Once payment is received, a claw-back mechanism to mitigate the risk of receiving too much compensation is introduced. If the claw-back enters into force, Enova will withdraw all or a part of the aided amount, and Yara has to repay any amount received but not earned.

On 20 November 2023, Yara announced that the Group had signed a binding commercial agreement with Northern Lights, a CO_2 transport and storage supplier. This enables cross-border transportation and storage of CO_2, which gives Yara the resources to reduce its annual CO_2-emissions from the ammonia production at Yara Sluiskil by means of Carbon Capture and Storage (CCS). Yara has been awarded a subsidy for this project of up to a maximum of EUR 30 million by the Dutch Ministry of Economic Affairs and Climate. The subsidy will be subject to advance payments on 1 July 2024 (EUR 24 million) and 1 July 2026 (EUR 6 million). Repayment of the advanced subsidy payments received may be triggered, in part or in full, if CO_2 is not captured according to the conditions in the subsidy documents.

Energy crisis in Europe
Yara has been awarded government support in Europe of USD 40 million to partly cover extraordinarily high energy costs in 2022 due to the energy crises caused by the situation in Ukraine. This government support refers to multiple, non-routine programs across several countries, and which were established for specific periods, related to a prior year. It differs in nature from other energy related support Yara may earn on a regular basis and is not related to current year energy consumption. Due to the specific nature of this support, it is presented as other income, different from energy tax and excise duty refunds which are recognized as a reduction to the related energy expense.

European Union Emissions Trading Scheme (EU ETS)
Yara's European nitric acid and ammonia plants are part of the European Union Emissions Trading Scheme (EU ETS), a European market mechanism that gives CO_2 a price and creates incentives to reduce emissions. EU ETS follows a "cap-and-trade" approach. This means that EU sets a cap on GHG emission each year and companies need to hold a European Union Allowance (EUA) for every tonne of CO_2 they emit. Companies receive and/or buy these permits – and they can trade them. Depending on the sector, free allocations are based on activity level and benchmarking towards the best performing plants. Future reduction of free allocations is expected as part of implementation of new, emerging European regulation.

The free EUAs Yara receives are used to settle the Group's liabilities arising from GHG emissions in Europe. Yara is currently in a net positive position. The surplus balance as of 31 December 2023 is currently held to settle emissions from 2023 and to cover an expected deficit in future years. The balance reflects the number of emission allowances on our accounts with the EU registry at this date. It does not include allowances to be granted in 2024, nor emission allowances to be surrendered in 2024 for 2023 emissions. Yara has not been engaged in external trading activities.

EU ETS quotas

Number of quotas (in millions)	2023	2022
Opening balance at 1 January	12	10
Settled emissions from last year	(7)	(8)
Allocation of free allowances, current year	7	11
Closing balance at 31 December	13	12

5 Equity and liabilities

5.1 Shareholders' equity

Accounting policies
Yara recognizes a liability to pay a dividend when the dividend is approved by the shareholders in a General Meeting.

When own shares are repurchased, the amount of consideration paid, including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. Gain/loss from a sale of own shares is recognized as a change in equity.

Yara has one class of shares, all with equal voting rights and equal rights to receive dividends.

Dividends
Yara will propose a NOK 5 per share annual dividend to be paid after approval in the Annual General Meeting scheduled for 28 May 2024. If authorized, the dividend will be paid on 6 June 2024.

In 2023 Yara distributed total dividends of NOK 14,010 million (USD 1,301 million) to its shareholders (NOK 55 per share). The dividend was approved by the Annual General Meeting held on 12 June 2023.

Share buy-back program
On 12 June 2023 the Annual General Meeting also authorized the Board of Directors to acquire up to 12,736,281 shares in the open market and from the Norwegian State. Shares may be purchased within a price range from NOK 10 to NOK 1,000. The shares shall be subsequently cancelled. Yara has renewed its agreement with the Norwegian State according to which the State's shares will be redeemed on a pro-rata basis to ensure the State's ownership is unchanged in the event of a cancellation of shares bought back.

Total number of shares outstanding at 31 December 2023 is 254,725,627. Yara has not purchased or cancelled own shares in 2022 or 2023 and does not hold own shares at 31 December 2023.

5.2 Non-controlling interests

With the sale of its ownership interest in Yara Dallol B.V. completed on 27 January 2023, Yara holds no material non-controlling interests to disclose. Transactions with non-controlling interests of USD 2 million in 2023 relates to companies sold during the year where a non-controlling interest was present. The sale of these companies had an immaterial impact on Yara's 2023 financial statements.

5.3 Interest-bearing debt

Accounting policies

Interest-bearing debt is initially recognized at fair value less direct transaction costs, and subsequently measured at amortized cost using the effective interest method, see note 6.3 Financial Instruments.

Specification, including terms and repayment schedule

USD millions, except percentages	Notes	Maturity	Weighted average interest rate[1]	31 December 2023 Denominated amount	31 December 2023 Carrying amount[2]	31 December 2022 Denominated amount	31 December 2022 Carrying amount[2]
Non-current interest-bearing debt							
Floating interest rate bonds							
NOK 1,150 million (Coupon NIBOR + 0.64%)		2026	5.40%	113	113	117	117
Fixed interest rate bonds							
NOK 600 million (Coupon 3.00%)	6.2	2024	3.02%	59	57	61	59
NOK 1,000 million (Coupon 2.45%)	6.2	2024	2.48%	98	95	102	98
USD 500 million (Coupon 3.80%)		2026	3.93%	500	500	500	499
NOK 1,000 million (Coupon 2.41%)	6.2	2026	2.45%	98	92	102	96
NOK 1,000 million (Coupon 2.90%)	6.2	2027	2.93%	98	91	102	94
USD 1,000 million (Coupon 4.75%)		2028	4.84%	1,000	999	1,000	998
USD 750 million (Coupon 3.15%)		2030	3.21%	750	748	750	747
USD 600 million (Coupon 7.38%)	6.2	2032	7.47%	600	612	600	594
Total unsecured debenture bonds				3,317	3,307	3,334	3,302
Unsecured bank loans		2024-2026	6.83%	254	254	287	287
Mortgage loans		–	–	–	–	9	9
Other non-current debt		2024-2029	7.23%	65	65	52	52
Total unsecured bank loans and other loans				319	319	348	349
Total non-current interest-bearing debt including current portion				3,636	3,626	3,682	3,651
- of which current portion				(342)	(342)	(54)	(54)
Total non-current interest-bearing debt				3,293	3,284	3,629	3,597
Current interest-bearing debt							
Current portion of bonds and bank loans		2024	–	342	342	54	54
Credit facilities		2024	7.33%	99	99	61	61
Overdraft facilities		2024	12.69%	2	2	24	24
Other current debt		2024	5.24%	74	74	72	72
Total current interest-bearing debt				517	517	210	210
Total interest-bearing debt				3,810	3,801	3,839	3,808

[1] Weighted average interest rates calculated excluding effect of interest rate swap agreements.
[2] The carrying values include issuance discount, capitalized issuance costs and effect of interest rate swaps, see note 6.2 Hedge accounting.

As at 31 December 2023, the fair value of the non-current interest-bearing debt, including the current portion, is USD 3,533 million and the carrying value is USD 3,626 million.

Yara builds its funding on a negative pledge structure with the basic funding ranking pari passu. Substantially all unsecured debenture bonds and unsecured bank loan agreements therefore contain provisions restricting the pledging of assets to secure future borrowings.

Of the long-term debt at the end of 2023, USD 2,859 million in bond debt originate from Yara's November 2022, June 2020, June 2018, and June 2016 bond issues in the US market according to 144A/Regulation S. A further USD 448 million originate from Yara's December 2014, December 2017, and November 2021 bond issues in the Norwegian market. The entire bond debt in the Norwegian market is converted to USD exposure through cross-currency swaps.

In 2022, Yara established a Green Financing Framework which outlines Yara's approach and principles for issuing Green Financing Instruments. The proceeds from these instruments are exclusively allocated to finance and refinance Eligible Green Projects. The Framework includes guidelines for project evaluation, management of proceeds, and reporting, in alignment with International Capital Market Association (ICMA) 2021 Green Bond Principles and the Loan Market Association (LMA) 2021 Green Loan Principles. The issuance of the USD 600 million bond in 2022 was conducted under this framework.

Yara's additional long-term funding is based on bank loans. The loan facility established in 2018 with partial support by a guarantee from Export Finance Norway has been reduced to USD 84 million through scheduled downpayments, and semi-annual instalments will continue until August 2026.

The USD 150 million term loan due 2024 from Svensk Exportkredit AB remains fully drawn at year-end. A further minor portion of the long-term bank loans is borrowed in emerging market.

Yara has an undrawn long-term revolving credit facility totaling USD 1,100 million, whereof USD 50 million fall due in 2025, and the rest in 2026. The facility has a link to the Group's Carbon Intensity Target, whereby the margin is adjusted annually based on Yara's progress to achieve a 10 percent reduction of GHG emissions per tonne of fertilizer produced (tCO_2eq/tN) by 2025. In addition, Yara has access to short-term credit and overdraft facilities with various banks both centrally and in local markets. As at 31 December 2023, the unused frame of such facilities totals approximately USD 1,170 million.

Contractual payments on non-current debt

USD millions	Debentures[1)]	Bank Loans	Other	Total[2)]
2024	153	181	9	342
2025	–	46	10	56
2026	705	28	8	741
2027	91	–	8	99
2028	999	–	8	1,007
Thereafter	1,360	–	22	1,381
Total	3,307	254	65	3,626

1) Yara International ASA is responsible for the entire amount.
2) Including current portion.

Reconciliation of liabilities arising from financing activities

			Non-cash changes						
USD millions	31 Dec 2022	Cash flows	Additions and lease modifications	Debt assumed as part of acquisition	Transfer to liabilities associated with assets held for sale	Foreign exchange movement	Amortization[1)]	Other	31 Dec 2023
Interest-bearing debt	3,808	(31)	–	3	–	(18)	1	37[2)]	3,801
Lease liabilities	410	(168)	183	–	(3)	8	–	–	429
Total	4,218	(198)	183	3	(3)	(11)	1	37	4,230

1) Amortization of transaction cost.
2) Other non-cash changes includes a USD 19 million increase related to financing of machinery acquired by a contractor which in substance is controlled by Yara. It also includes fair value changes of USD 19 million on interest rate swaps designated as hedging instruments.

See note 4.5 Leases for reconciliation of liabilities arising from leasing activities.

5.4 Pensions and other long-term employee benefit obligations

Overview

The Group companies provide various retirement plans in accordance with local regulations and practices in the countries in which they operate.

Defined benefit plans are generally based on years of service and average or final salary levels, offering retirement benefits in addition to what is provided by state pension plans. Most of the defined benefit plan obligations are covered by external insurance companies or by pension funds. By definition, both investment risk and actuarial risk (i.e. the actual level of benefits to be paid in the future) are retained by the Group companies.

Defined contribution plans require the companies to make agreed contributions to a separate fund when employees have rendered services entitling them to the contributions. The companies have no legal or constructive obligation to pay further contributions.

Some companies make contributions to multi-employer pension plans included in a joint arrangement with others. All multi-employer plans are accounted for as defined contribution plans.

Some companies have recognized provisions for jubilee benefits, which are classified as Other long-term employee benefits.

Accounting policies

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan. The amount is an estimation of future benefits that the employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value, and the fair value of plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds or government bonds where no market for high quality corporate bonds exists. If the bond has a different maturity from the obligation, the discount rate is adjusted. Qualified actuaries using the projected credit unit method perform the calculations.

Past service costs arising from the amendment of plan benefits are recognized immediately in profit or loss. Remeasurement gains and losses are recognized as retained earnings through other comprehensive income in the period they occur and will not be reclassified to profit or loss in subsequent periods.

Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the consolidated statement of income when employees have rendered services entitling them to the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or deduction in future payments is available.

Other long-term benefits

The Group's obligation in respect of other long-term benefits is the amount of future benefits that the employees have earned in return for their service in current and prior periods. The obligation is discounted based on the same principles as defined benefit plans.

Non-current employee benefit obligations recognized in the consolidated statement of financial position

USD millions	Notes	2023	2022
Defined benefit plans		(269)	(277)
Surplus on funded defined benefit plans		221	215
Net liability for defined benefit plans		(48)	(63)
Termination benefits		(3)	(3)
Other long-term employee benefits		(14)	(13)
Net long-term employee benefit obligations recognized in consolidated statement of financial position		(65)	(79)
Of which classified as Other non-current non-financial assets	4.6	221	215
Of which classified as Non-current Employee benefit liabilities		(286)	(293)

Expenses for non-current employee benefit obligations recognized in the statement of income

USD millions	Notes	2023	2022
Defined benefit plans		(30)	(44)
Defined contribution plans		(37)	(37)
Multi-employer plans		(9)	(9)
Termination benefits[1)]		(44)	–
Other long-term employee benefits		(3)	(2)
Net expenses recognized in consolidated statement of income		(123)	(91)
Of which classified as Payroll and related costs	2.5	(122)	(88)
Of which classified as Interest expense and other financial items	2.7	(1)	(3)

[1)] Includes termination benefits of USD 40 million as part of a restructuring provision for the Montoir site, see note 5.6 Provisions and contingencies for more information.

Defined benefit plans

Yara International ASA and Norwegian subsidiaries have incurred obligations under a funded defined benefit plan. The pension plan was closed to new entrants in 2006 and employees below the age of 55 at that time received a paid-up policy for previously earned benefit entitlements. The defined benefit plan was replaced by a defined contribution plan from the same date. Further pension obligations in Norway include certain unfunded pension arrangements as well as early retirement schemes. Retirement age is flexible from age 62 to age 67.

A majority of Yara's obligations under defined benefit plans are related to subsidiaries within the Eurozone:

Employees of Yara's Dutch subsidiaries hired before 1 August 2014 are members of a funded Defined Benefit pension plan. Employees born before 1950 and who were in service before 2006 are entitled to a pension scheme based on final salary at the age of retirement. The other employees are members of an Average Pay scheme. Retirement age is 68. The funded Defined Benefit pension plan has been closed for new members from 1 August 2014. New hires are enrolled in a Defined Contribution pension plan from the same date.

The Dutch pension system is currently being reformed. On 1 July 2023, the Future Pensions Act became effective. All Dutch pension schemes must comply with the new legislation no later than 1 January 2028. By this date all defined benefit plans will need to be converted to contribution-based pension schemes. Yara's defined benefit plan in the Netherlands was closed for new entries from 1 August 2014. The plan currently covers 381 active employees, 1,256 retirees, and 315 deferrals. The fair value of plan assets at 31 December 2023, was USD 677 million, while the pension liability was remeasured at USD 567 million. A pension plan asset of USD 111 million has been recognized as, under the current pension scheme, the surplus would become recoverable for Yara at a future date. The terms of the revised defined contribution scheme are yet to be determined. Yara is cooperating with Yara pension fund and employee representatives, to establish a balanced transition. A transition plan will need to be submitted by 1 January 2025. This transitional process will focus on the future pension commitments as well as the current pension entitlements. The impact to Yara's financial statements will depend on the outcome of this process.

Obligations in Finland include the statutory TyEL pension scheme, as well as a voluntary defined benefit plan which is closed to new entrants. Both schemes are covered by pension funds. The TyEL pension scheme provides for a flexible retirement age from 63 to 68 based on the employee's salary each year and with accelerated earning of retirement benefits beyond the age of 63. A reform of the Employees Pensions Act was agreed in 2017, which will gradually increase the minimum retirement age from 63 to 65 while also gradually increase the maximum retirement age from 68 to 70. Further, accrual rates will change, and retirement age will be linked to life expectancy (from year 2027). The voluntary pension plan regulations have also been amended in order to adapt to the revised pension legislation.

Subsidiaries of Yara are also liable to retirement benefits in France, Germany, Belgium and Italy within the Eurozone.

Yara sponsors a funded defined benefit pension plan for qualifying UK employees. On 21 December 2023 the Trustees of the Yara UK Pension Fund signed a full scheme buy-in transaction. The buy-in asset covers all accrued benefits in the Plan, excluding any additional benefits due to members because of Guaranteed Minimum Pension (GMP) equalization. Following a High Court ruling in October 2018 many pension schemes in the UK including Yara UK Pension Fund, will need to equalize for the effect of Guaranteed Minimum Pensions for men and women. Consequently, benefits may need to be improved for individual members of the pension plan. These adjustments will be quantified alongside any other data and/or benefits adjustments and included in a subsequent pricing adjustment of the buy-in. A pricing adjustment may reduce or increase the surplus of the plan. Following the buy-in transaction Yara has recognized a pension plan asset and a gain in Other comprehensive income of USD 36 million net of tax, reflecting the value of residual assets remaining in the fund assuming gradual settlement of plan liabilities over time.

Other defined benefit plan obligations include employees of subsidiaries in Switzerland, Sweden, Trinidad and South Africa.

Most defined benefit plans include benefits in case of disability, death in service and death after retirement, which are included in the valuation of liabilities.

The provision for defined benefit plans also includes liabilities for medical plans in Great Britain, Trinidad, and South Africa with a total of USD 8 million (2022: USD 8 million).

Pension cost recognized in the consolidated statement of income

The assumptions used to value the defined benefit obligations at 31 December are used in the following year to determine the net pension cost. The discount rate is used to calculate the interest income from plan assets.

The following items have been recognized in the consolidated statement of income

USD millions	2023	2022
Current service cost	(27)	(37)
Contribution by employees	2	2
Administration cost	(2)	(2)
Past service cost	(1)	–
Other[1]	–	(3)
Social security cost	(2)	(2)
Payroll and related costs	(29)	(40)
Interest expense on obligation	(61)	(31)
Interest income from plan assets	60	27
Net interest expense on the net obligation	(1)	(3)
Net pension cost recognized in the consolidated statement of income	(30)	(44)

[1] Other defined benefit costs included in 2022 the initial recognition as a defined benefit liability for a pension plan in Switzerland (USD 3 million). The pension plan was previously recognized as a defined contribution plan.

Pension cost recognized in the consolidated statement of income, by origin

USD millions	2023	2022
Payroll and related costs		
Finland	(5)	(7)
The Netherlands	(7)	(15)
Great Britain	(1)	(2)
Norway	(4)	(4)
Other	(11)	(12)
Total	(29)	(40)

USD millions	2023	2022
Net interest income/(expense) on the net obligation/asset		
Finland	1	–
The Netherlands	5	–
Great Britain	–	–
Norway	(2)	(1)
Other	(5)	(2)
Total	(1)	(3)

Remeasurement gains/(losses) recognized in other comprehensive income

USD millions	2023	2022
Remeasurement gains/(losses) on obligation for defined benefit plans	(75)	424
Remeasurement gains/(losses) on plan assets for defined benefit plans	8	(261)
(Increase)/decrease in recognized net liability due to asset ceiling limit[1]	57	22
Net remeasurement gains/(losses) for defined benefit plans	(9)	183
Change in deferred tax related to remeasurement gains/(losses) for defined benefit plans[2]	10	(44)
Total remeasurement gains/(losses) recognized in other comprehensive income	1	140

[1] Following a buy-in transaction in 2023 Yara (UK) Ltd. has recognized a surplus asset of USD 36 million.
[2] Includes impact from change in tax percentage on remeasurement gains and losses recognized in prior years.

Remeasurement gains and losses include experience adjustments, reflecting the difference between estimated and actual changes in obligations and plan assets during the year, as well as the impact of change in demographic and financial assumptions when measuring the present value of pension liabilities at year-end with revised assumptions.

Actuarial valuations provided the following results

USD millions	2023	2022
Present value of fully or partially funded liabilities for defined benefit plans	(1,530)	(1,414)
Present value of unfunded liabilities for defined benefit plans	(194)	(200)
Present value of liabilities for defined benefit plans	(1,724)	(1,614)
Fair value of plan assets	1,704	1,635
Unrecognized asset due to asset ceiling limitation[1]	(12)	(66)
Social security tax liability on defined benefit plans	(16)	(17)
Net liability recognized for defined benefit plans	(48)	(63)

[1] Following a buy-in transaction in 2023 Yara (UK) Ltd. has recognized a surplus asset of USD 36 million. The remaining asset ceiling limitation reflects taxes to be withheld by the pension fund.

Defined benefit obligations and plan assets by origin

	2023		2022	
USD millions	Obligations	Assets	Obligations	Assets
Finland	(299)	292	(281)	319
The Netherlands	(567)	677	(482)	604
Other Eurozone	(203)	106	(199)	90
Great Britain[1]	(269)	304	(255)	254
Norway[2]	(284)	228	(304)	219
Other	(119)	85	(111)	82
Total	(1,740)	1,692	(1,632)	1,569

[1] Including asset ceiling adjustment.
[2] Including social security tax liability.

Development of defined benefit obligations

USD millions	2023	2022
Defined benefit obligation at 1 January	(1,614)	(2,206)
Current service cost	(27)	(37)
Interest cost	(61)	(31)
Experience adjustments	(43)	(34)
Effect of changes in financial assumptions	(38)	469
Effect of changes in demographic assumptions	5	(12)
Past service cost	(1)	–
Benefits paid	94	91
Transfer of obligation (in)/out	–	(6)
Foreign currency translation on foreign plans	(40)	166
Other[1]	–	(16)
Defined benefit obligation at 31 December	(1,724)	(1,614)

[1] Other changes included the initial recognition in 2022 of a defined benefit liability of USD 18 million following a revised assessment for a pension plan in Switzerland, which had previously been accounted for as a defined contribution plan.

Development of plan assets

USD millions	2023	2022
Fair value of plan assets at 1 January	1,635	2,064
Interest income from plan assets	60	27
Administration cost on plan assets	(2)	(2)
Return on plan assets (excluding the calculated interest income)	8	(261)
Employer contributions	34	21
Employees' contributions	2	2
Benefits paid	(80)	(79)
Transfer of plan assets in/(out)	–	6
Other[1]	–	15
Foreign currency translation on foreign plans	48	(159)
Fair value of plan assets at 31 December	1,704	1,635

[1] Other changes included the initial recognition in 2022 of plan assets of USD 15 million, following a revised assessment for a pension plan in Switzerland, which had previously been accounted for as a defined contribution plan.

Depending on local regulations, Yara may be required to ensure a certain funding level of the pension plans. In The Netherlands, an agreement is in place in which Yara will need to ensure a minimum level of funding by making additional contribution to the fund. On the other hand, Yara will be able to recover parts of the contribution which has been paid to the fund, in case the funding ratio reaches a certain level. In Norway, Yara may be required to increase the capital buffer of the pension fund.

The pension funds have the legal form of foundations, independently governed by their Board of Directors or Board of Trustees. It is the responsibility of the Board to determine the investment strategy, and to review the administration of plan assets and the funding level of the pension plans.

Yara's defined benefit plan obligations are inherently exposed to inflation risk, interest rate risk, disability risk, and longevity risk. The investment strategies of the pension funds ensure diversification of investments in order to keep market volatility risk at a desired level. An exception is the pension fund of Yara in Finland, which has invested 38 percent of the fair value of plan assets into shares of non-listed Pohjolan Voima Oy, a company producing electricity and heat for its shareholders on an at cost-basis. The Boards of the pension funds are targeting a satisfactory level of risk and return corresponding to the maturity profile of future pension benefit payments.

At the end of the year, the plan assets were invested as follows

USD millions, except percentages	2023	2023	2022	2022
Cash and cash equivalents	60	4%	16	1%
Shares	364	21%	320	20%
Other equity instruments	49	3%	51	3%
High yield debt instruments	91	5%	94	6%
Investment grade debt instruments	513	30%	577	35%
Properties	58	3%	61	4%
Other quoted plan assets[1]	433	25%	331	20%
Total investments quoted in active markets	1,569	92%	1,450	89%
Shares and other equity instruments	110	6%	150	9%
Other plan assets[2]	26	2%	34	2%
Total unquoted investments	136	8%	184	11%
Total plan assets	1,704		1,635	

[1] Other quoted plan assets include insurance policies, hybrid funds and other fund investments.
[2] Other unquoted plan assets is mainly a loan to Yara Suomi Oy.

Contributions expected to be paid to the defined benefit plans for 2024 are USD 38 million (including benefits to be paid for unfunded plans). The contributions paid in 2023 were USD 47 million.

Duration of liabilities at the end of the year:

Duration of liabilities (in years)	2023
Finland	14
The Netherlands	16
Great Britain	12
Norway	10
Total[1]	13

[1] Weighted average.

Valuation of defined benefit obligations

The defined benefit plans are valued at 31 December using updated financial and demographical assumptions and taking into account the relevant economic environment of each pension plan.

The discount rate is a weighted average of the yields at the balance sheet date on high quality corporate bonds, or government bonds where no deep market exists for high quality corporate bonds. The discount rate is adjusted by extrapolation if necessary, to take into account differences in maturities.

The following financial assumptions have been applied for the valuation of liabilities

Discount rate (in %)	2023	2022
Finland	3.3	3.8
The Netherlands	3.3	3.7
Great Britain	4.6	4.8
Norway	3.3	3.2
Total[1]	3.6	3.9

[1] Weighted average.

Expected salary increase (in %)	2023	2022
Finland	2.5	2.6
The Netherlands	2.8	2.9
Great Britain	3.0	3.2
Norway	3.4	3.4
Total[1]	2.9	3.0

[1] Weighted average.

Expected pension indexation (in %)	2023	2022
Finland	2.1	2.4
The Netherlands	1.5	2.1
Great Britain	2.8	2.8
Norway	2.7	3.3
Total[1]	2.2	2.3

[1] Weighted average.

The following table presents indicators of life expectancy of the mortality tables applied for valuation of the obligations, by showing expected longevity of a current employee aged 45 today from the date he or she reaches age 65, and the expected longevity of a current retiree aged 65.

Expected longevity (in years)	Current employee	Current retiree
Finland	25.9	23.4
The Netherlands	25.2	22.9
Great Britain	24.1	22.4
Norway	25.1	23.5

Sensitivity of assumptions

Measurement of defined benefit obligations and pension costs requires the use of a number of assumptions and estimates. The table below indicates the sensitivity of the most significant assumptions applied to the defined benefit obligation, by showing the estimated result from a reasonable increase or decrease in any one of the key assumptions applied. Holding all other assumptions constant represents a limitation of the analysis, as some of the assumptions may be correlated. The methods used in preparing the analysis are consistent with previous years.

USD millions	2023	2022
Actual valuation	(1,724)	(1,614)
Discount rate +0.5%	(1,625)	(1,522)
Discount rate -0.5%	(1,835)	(1,717)
Expected rate of salary increase +0.5%	(1,735)	(1,624)
Expected rate of salary increase -0.5%	(1,714)	(1,605)
Expected rate of pension increase +0.5%	(1,811)	(1,694)
Expected rate of pension increase -0.5%	(1,648)	(1,543)
Expected longevity +1 year	(1,785)	(1,669)
Expected longevity -1 year	(1,664)	(1,560)

5.5 Trade and other current payables

Accounting policies

Trade payables are initially recognized at fair value and subsequently measured at amortized cost under the effective interest method. Trade and other current payables are normally not discounted.

USD millions	Notes	2023	2022
Trade and other payables			
Trade payables	6.3	1,906	2,334
Payroll and value-added taxes		142	214
Total		2,049	2,549

Trade payables are non-interest bearing and have an average payment term of 60 days. Payroll and value-added taxes are mainly settled every other month or on a quarterly basis.

5.6 Provisions and contingencies

Accounting policies

A provision is recognized when the Group has a present obligation (legal or constructive) following a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of the cash flows.

Environmental provisions refer to environmental remediation and clean-up. An environmental provision is based on currently enacted environmental laws and upon existing technology. However, new laws and regulations are included as part of the assessments when it is virtually certain that these will be enacted and require corrective actions. Yara's future cost for environmental remediation and clean-up depends on a number of uncertain factors. Due to this uncertain nature, they could be revised in the near term. See also note 4.9 Government grants for information on European Union Emissions Trading Scheme (EU ETS).

Decommissioning refers to the process of dismantling and removing equipment and site restoration when a site is closed down. A liability is recognized as soon as a decommissioning obligation arises. The obligation can be legal or constructive and is accounted for based on a best estimate discounted to the present value. The discounted provision is progressively unwound, with the unwinding charge presented as a finance cost. The unwinding charge takes the provision from its current net present value to its future end value. If an obligation exits to decommission PP&E, the carrying value of the assets is increased with the discounted value of the obligation. This is also the case if an obligation arises during construction or due to new legal requirements. The decommissioning asset is depreciated over the useful life of the asset. If an obligation arises as a result of day-to-day operations where the asset has been used to produce inventory, the cost is expensed as incurred. Decommissioning provisions are updated when new information becomes available.

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The restructuring provision includes only the direct expenditures arising from the restructuring. These expenditures are those that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Yara is party to a number of lawsuits related to laws and regulations in various jurisdictions arising out of the conduct of its business. Legal claims are assessed on an individual basis and provisions are recognized if the specific claims give rise to present, probable obligations and the costs can be reliably measured.

2023

USD millions	Environmental	Decommission	Restructuring	Legal claims	Other	Total
Balance at 1 January 2023	78	121	16	43	65	323
Additional provision in the year	25	12	45	14	25	122
Interest expense on liability and effect of change in discount rate	(1)	2	–	1	–	2
Unused provision	(2)	(2)	(3)	(9)	(24)	(40)
Utilization of provision	(11)	(2)	(7)	(6)	(32)	(58)
Transferred to held for sale	–	–	(1)	–	(11)	(13)
Currency translation effects	4	4	1	3	–	11
Balance at 31 December 2023	93	135	51	47	22	348

2022

USD millions	Environmental	Decommission	Restructuring	Legal claims	Other	Total
Balance at 1 January 2022	78	176	19	33	52	357
Additional provision in the year	10	–	6	14	53	83
Interest expense on liability and effect of change in discount rate	–	(43)	–	2	–	(41)
Unused provision	(1)	(1)	(3)	(4)	(14)	(41)
Utilization of provision	(6)	(6)	(5)	(3)	(23)	(25)
Companies purchased/sold	(1)	–	–	–	–	(1)
Currency translation effects	(2)	(4)	(1)	1	(3)	(9)
Balance at 31 December 2022	78	121	16	43	65	323

Provisions presented in the consolidated statement of financial position

USD millions	2023	2022
Current liabilities	50	92
Non-current liabilities	298	231
Total	348	323

Provisions

Environmental provisions

Provisions for environmental remediation and clean-up mainly relate to pollution from production facilities and warehouses currently in operation. It also refers to production facilities which are closed where remediation and clean-up is not yet finalized. The most significant provisions relate to sites in Europe and refers to actions such as restoration or rehabilitation of both industrial and mining sites, disposal of contaminated material and related activities. The additional provision recognized in 2023 is mainly related to development in environmental regulations in Europe.

Decommission provisions

Yara has obligations to decommission and remove installations at the end of the production period. Establishing the appropriate provisions for such obligations involve the application of considerable judgement and involve an inherent risk of significant adjustments. The costs of these decommissioning and removal activities require revisions due to changes in current regulations and technology while considering relevant risks and uncertainties. Most of the removal activities are many years into the future, and the removal technology and costs are constantly changing. The estimates include assumptions of the time required and can vary considerably depending on the assumed removal complexity. Moreover, changes in the discount rate and currency exchange rates may impact the estimates significantly. As a result, the initial recognition of the liability and the capitalized cost associated with decommissioning and removal obligations, and the subsequent adjustment of these balance sheet items, involve the application of judgement. The most significant decommissioning provisions relate to contractual obligations for operations on leased land, the main ones being plants in Australia and France.

Restructuring provisions

Restructuring mainly relates to closure or significant reorganization of business locations in a country or region. The provision is a best estimate based on the detailed formal plan for the business and location affected. In 2023, Yara France informed employee unions, employees and other stakeholders about its intention to transform the Montoir site from today's chemical production of fertilizer into a blending and distribution fertilizer unit. The project to transform the activities in Montoir is expected to lead to 139 positions being made redundant. The information and consultation process with the employee unions are ongoing and are expected to continue until at least second quarter 2024. The restructuring provision recognized in 2023 related to the repurposing of the Montoir site was USD 41 million.

Legal claims

Yara is involved in a number of proceedings globally concerning matters arising in connection with the conduct of its business. Yara does not believe such proceedings will, individually or in the aggregate, have a significant effect on Yara's financial position, profitability, results of operations or liquidity.

Other provisions

Other provisions include onerous contracts, warranties and various other provisions.

Contingencies

Environmental contingencies

In addition to environmental provisions recognized based on best estimates of future probable cash outflows, Yara has various contingent environmental liabilities not recognized as their existence depend on future events associated with higher uncertainty. This uncertainty relates to future technology development, changes in environmental regulations and authorities' approval, as well as other conditions which could lead to future environmental expenditures. As of year-end 2023, Yara`s environmental contingencies mainly refer to possible remediation and clean-up at various production facilities, warehouses and Yara's after-care obligation to landscape the mining and landfilling areas at its mining site in Siilinjärvi, Finland.

Sanctions

Yara has certain long-term supply agreements where sourcing has, to date, been stopped or terminated as a result of the political and economic import restrictions and sanctions imposed against Russia and certain Russian entities and individuals. Yara, together with its advisors, is constantly reviewing the scope of the sanctions to ensure that the Group operates in accordance with relevant government regulation and contractual commitments. As the sanction regulations are complex and the assessments of the related impact on each business partner depend on several judgements, there is uncertainty when drawing conclusions. The suppliers' assessments of the sanction regulation and the related impact on contractual commitments may therefore differ from Yara's conclusions, which could subject Yara to potential claims.

Yara has received contractual demands from suppliers that are linked to Russian sanctioned individuals. For each of these demands, Yara has considered if it is probable that they will require outflow of resources. Based on available information and legal advice, Yara has not made material provisions for these demands. It is not possible to provide a reliable estimate of the potential exposure at this time as these demands are not detailed with amounts and have not been sufficiently stipulated.

Legal contingencies

Following Yara Fertilisers India Pvt. Ltd.'s acquisition of Tata Chemical Ltd.'s urea business, stamp duty is payable on the lease of the Babrala plant site. Yara's position is that the stamp duty on this lease is less than USD 1 million. In order to ascertain the amount of stamp duty payable, Yara sought adjudication of the amount by the local tax authorities. The authority has assessed stamp duty on the lease at approximately USD 36 million (based on exchange rates as of December 2023). Yara is of the view that the authority's decision is incorrect, and remains of the view that the correct amount of stamp duty is less than USD 1 million. Hence, Yara Fertilisers India Pvt. Ltd. in 2019 filed a written petition in the high court of Uttar Pradesh. State of Uttar Pradesh has filed its response to the Petition, but no date has yet been scheduled for substantial hearing of the petition. In addition to the stamp duty on the lease, Yara has also sought adjudication of stamp duty in the same state on the court order for the acquisition. Yara's position is that the stamp duty payable is less than USD 6 million (based on exchange rates as of December 2023). As of today, the relevant authority has not yet issued its decision. The provisions made for stamp duties in the Uttar Pradesh state corresponds to Yara's assessment.

Further information related to an ongoing environmental case in Brazil, where Yara is a part due to the acquisition of Adubos Trevo from the Trevisa Group in the year 2000, is provided below since it is not possible to provide a reliable estimate of the maximum potential exposure:

- Yara has together with other companies related to the Trevisa Group been sued by an association representing approximately 1,300 potential victims in two separate lawsuits. The lawsuits are related to mine and lead industry activities performed by the company Plumbum Comércio e Representações de Produtos Mineirais e Industriais (Plumbum) in the cities Santo Amaro da Purificação and Boquira in Bahia state in Brazil. Plumbum was formerly part of the Trevisa Group. Adubos Trevo has not been involved in any of the activities included in the lawsuits. The lawsuits include claims for various personal losses, damage to properties, institution of relief funds, environmental restoration and clean-up activities. The lawsuits were filed in 2011 and 2012 but are still in the initial phase. Yara denies liability for any potential damage caused by the activities of Plumbum and has not made any provision for the claims.

In addition to the legal contingencies mentioned above, Yara is party to a number of lawsuits related to laws and regulations in various jurisdictions arising out of the conduct of its business. Several of these cases have been ongoing for a number of years, and the timing of possible outflows is uncertain. While acknowledging the uncertainties of litigation, Yara is of the opinion that based on the information currently available, these matters will be solved without material adverse effect. The total estimate of the financial effect in the unlikely event that all should have a negative outcome, is USD 85 million, mainly related to cases in Brazil.

On 21 and 22 January 2020 the Spanish competition authority (CNMC) visited the premises of Yara Iberian S.A.U. (Spain). Yara Iberian cooperated with the officials during the site visit. The CNMC is conducting a preliminary inquiry into possible infringements of the Spanish Competition Act. As such, Yara is not under any formal investigation and no employees are formally suspected in the case which is still being preliminary assessed by the CNMC.

Tax contingencies and uncertain tax treatments

In relation to an ongoing tax dispute and to safeguard their taxation rights, the Dutch tax authorities in 2018 issued a new tax assessment for business restructuring ("exit tax assessment"). The tax assessment would increase the tax cost with USD 500 million, plus USD 200 million in accumulated interest. It is Yara's position that the tax assessment is unreasonable and unfounded, and no provision has been made for the exit tax claim. The tax authorities' principal claim is significantly lower and Yara has considered that claim separately from the exit tax assessment. Yara expects that the exit tax assessment will not trigger any immediate payment and that tax payments will be deferred until the case has been fully resolved or the tax assessment has been withdrawn.

Several subsidiaries are engaged in juridical and administrative proceedings related to various disputed tax matters where the probability of cash outflow is not considered probable. A majority of these contingencies are related to taxes in Brazil, with an estimated maximum exposure of approximately USD 84 million. Tax contingencies outside Brazil and excluding the above-mentioned exit tax assessment in the Netherlands have an estimated maximum exposure of approximately USD 148 million.

A subsidiary received in 2022 a notification of potential changes to historic tax assessments combined with a request for more information. Yara disagrees with the basis for the notification which has a potential tax exposure of approximately USD 50 million.

On 25 October 2023, Yara announced that it had received a draft tax reassessment from the Norwegian Tax Authorities (NTA) related to a transfer pricing audit for the years 2015, 2016 and 2017. Yara is currently preparing its response. The position of the NTA is to increase Yara International ASA's tax results by approximately USD 650 million in total for the years 2015 to 2017, which would increase tax cost by an estimated USD 170 million. When applying the same principles for the years up to and including 2023, the total tax cost would increase by an additional USD 230 million. Although Yara disagrees with the draft reassessment and still considers its transfer pricing to be in line with applicable tax legislation, it is recognized that transfer pricing is a complex tax area that involves a level of discretion. When calculating a related provision, Yara has reflected the uncertainty by probability-weighting amounts in a range of outcomes. The total provision in relation to the transfer price audit is USD 17 million at year-end 2023, and this amount covers all years from 2015 to 2023.

In 2023, it was determined that a previously unrecognized tax deduction related to a divestment in 2020 can now be recognized. This reduced the tax cost in 2023 by USD 41 million. Yara previously did not consider it probable that the tax deduction would be accepted by the relevant tax authority. After engaging with the tax authority during 2023 and after obtaining external legal advice, the tax deduction is now considered to be probable. This uncertain position was included in the amount disclosed under the heading "Uncertain tax treatments" in this same note to the 2022 financial statements.

In 2020, Yara realized taxable losses due to disposal of shares and when restructuring the corporate holding structure. Due to uncertainty of the tax treatment related to the losses, tax assets of USD 41 million are not recognized in the financial statements.

At year-end 2023, Yara has an income tax provision of USD 47 million related to an ongoing tax case. The majority of the provision was recognized in 2019 due to a court ruling against one of Yara's subsidiaries, and the provision is considered to cover the full exposure. In addition to the income tax provision, Yara has recognized a provision for related interest charges of USD 5 million. Yara has appealed the ruling.

5.7 Contractual obligations

Take-or-pay and long-term contracts

Yara has entered into take-or-pay and long-term contracts requiring future payments for raw materials, energy, and transportation capacity. Contractual obligations include a commitment for transportation and storage of CO_2 from Yara's production facility in Sluiskil, the Netherlands, see note 7.1 Business initiatives. Yara has marketing and off-take agreements with some of its joint operations, see note 4.4 Joint Operations.

The noncancellable future obligations at 31 December (undiscounted amounts)

USD millions	2023	2022
1 Year	468	698
2 Years	226	405
3 Years	220	202
4 Years	244	197
5 Years	207	183
Thereafter	1,161	654
Total	2,526	2,340

Future take-or-pay obligations are included in the table above only if they are non-cancellable and the contractually agreed pricing is fixed or may otherwise deviate from observable market prices at the time of delivery.

Yara did not need to pay any significant amount to fulfill take-or-pay clauses in 2023.

For further information regarding future obligations, see note 5.4 for future obligations related to pensions, note 5.6 for provisions and contingencies and note 4.5 for future commitments related to lease arrangements.

5.8 Secured debt and guarantees

USD millions	2023	2022
Amount of secured debt	3	9
Assets used as security for debt		
Property, plant and equipment	6	17
Other	2	–
Total	8	17
Assets used as security for non-financial liabilities		
Property, plant and equipment	42	17
Total	42	17
Guarantees (off-balance sheet)		
Contingency for sales under government and finance schemes	68	139
Parent company guarantees	88	103
Bank guarantees	54	75
Total	209	317

Off-balance sheet exposures consist mainly of guarantees related to commercial contract obligations (bid bonds, performance guarantees), payment guarantees related to environmental obligations, and mandatory public guarantees related to receivable VAT. These guarantees are issued on behalf of Yara International ASA and its subsidiaries. The guarantor could be required to perform in the event of a default on a commercial contract or non-compliance with public authority regulations.

Guarantees related to pension liabilities are included to the extent such guarantees exceed the gross liability included in the consolidated statement of financial position.

Yara is also contingently liable to third parties for credits granted under various financing agreements including government finance schemes, securitization programs and factoring. Yara, as the supplier in the agreements, derecognizes the related trade receivables from the financial statements once payment is received under the terms of the schemes, and considers the transactions to represent ordinary cash flows from operating activities. Yara considers the contingent liability risk exposure towards third parties to be limited and close to zero, supported by very low historical losses.

Guarantees of debt issued on behalf of consolidated companies are not included since the drawings under such credit lines are included in the consolidated statement of financial position. The guaranteed obligation under such guarantees is at any time limited to the amount drawn under the credit facility.

Guarantees issued to public authorities covering tax and VAT liabilities are also not included as these obligations are already included in the consolidated statement of financial position.

Contingent liabilities related to the demerger from Norsk Hydro ASA

Under Norwegian law, Yara is contingently liable for its share of unfunded pension liabilities accrued prior to demerging from Norsk Hydro ASA (Hydro) on March 24, 2004. Hydro's unfunded pension liabilities, calculated in accordance with Hydro's accounting policies, amounted to approximately NOK 2 billion at the time of the demerger and have been reduced by payments thereafter.

6 Financial risk

6.1 Financial risk management

Risk management policies

Risk management in Yara is based on the principle that risk evaluation is an integral part of all business activities. Yara's strategic approach is to determine appropriate risk levels or limits for the main risks and to constantly maintain and develop tools and procedures for monitoring the associated exposures. The Group's policies, approved by the Board of Directors, thus provide written principles on funding risk, currency risk, interest rate risk, credit risk, and the investment of excess liquidity. In general, risks arising from operational activities may either be accepted or reduced. The policies restrict transactions that will increase the Group's exposure beyond the level stemming from operations.

Yara's Executive Management is responsible for reviewing and operationalizing the Board defined policies, while the operating regions and expert organizations act as risk owners. The financial risks related to the operations of the Group are thus monitored and managed by Yara's Finance, Treasury & Insurance function through internal risk reports that analyze each exposure by degree and magnitude of risk. The Finance, Treasury & Insurance function reports regularly to the Group's Executive Management.

Based on the overall evaluation of risk, Yara may seek to reduce its inherent exposures by using insurance policies, trade finance contracts, guarantees or derivative instruments such as forward contracts, options and swaps. The use of such instruments is also governed by the Board approved policies.

Yara may designate and document the use of certain derivatives and other financial assets or liabilities as hedging instruments against changes in fair value of recognized assets and liabilities (fair value hedges), highly probable forecast transactions (cash flow hedges) and net investments in foreign operations (net investment hedges). The prospective effectiveness of any such hedge is assessed at inception and verified on a quarterly basis. Derivatives not designated in a hedging relationship are classified as undesignated derivatives and acquired and managed within the framework and policies defined by the Board also when hedge accounting is not applied.

There were no principal changes in the Group's approach to capital management during the years ending 31 December 2023 and 31 December 2022. Yara's liquidity surplus, kept as short-term bank deposits, decreased during 2023, primarily reflecting distribution of dividend to the shareholders.

Funding risk

The capital structure of the Group consists of interest-bearing debt as disclosed in note 5.3 Interest-bearing debt, cash and cash equivalents as disclosed in note 3.4 Cash and cash equivalents plus equity attributable to equity holders of the parent, comprising paid-in capital and retained earnings as disclosed in note 5.1 Share information and the consolidated statement of changes in equity.

To secure access to capital markets at attractive terms and remain financially solid, Yara aims to maintain a BBB and Baa2 credit rating from Standard & Poor's and Moody's respectively.

Yara's only financial covenant refers to the debt-to-equity ratio, calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests[1]. In the most restrictive agreements, that ratio should not exceed 1.4. At the end of 2023, the ratio was 0.49 compared with 0.37 at the end of 2022. The Group is not subject to other externally imposed capital requirements, but maintains internally defined capital policy targets.

Through its financial structure, Yara has the necessary flexibility to support the development of its business and mitigate adverse events that may affect the group. Yara will seek to maintain adequate financial capacity throughout the business cycle.

[1] See pages 343–353 for definitions, explanations, and reconciliations of Alternative Performance Measures (APMs).

Currency risk

Prices of Yara's most important products are either directly denominated or determined in US dollars. In markets outside the US, local prices will generally adjust to fluctuations in the US dollar exchange rate, however with a certain time lag. Yara's raw materials costs, such as natural gas used in the production of ammonia, are either denominated in US dollars or highly correlated to changes in the US dollar exchange rate. In order to hedge Yara's overall economic exposure to fluctuations in the US dollar exchange rate, Yara incurs most of its debt in US dollars. The part of Yara's US dollar debt that constitutes a hedge of future earnings was gradually increased from around USD 2,100 million at the start of the year to around USD 3,100 million in the middle of the year, and thereafter gradually reduced to around USD 2,800 million at the end of the year. (2022: Gradually reduced from around USD 2,700 million at the start of the year to around USD 2,100 million at the end of the year.) A certain portion of the total debt is kept in various local currencies in order to finance local currency exposed business positions.

Yara thus primarily manages currency risks by adjusting the composition of the debt or liquidity portfolios to changes in Yara's overall risk exposure. Derivative instruments may also be used to manage currency risk related to future purchases and sales or to offset short-term liquidity need in one currency with surplus liquidity in another currency. Such forward contracts are not designated as hedging instruments for accounting purposes. Changes in fair value are therefore recognized in the income statement.

Sensitivity - net income

USD millions	2023	2022
A 10% weakening[1] of the below currencies at the reporting date would have increased/(decreased) net income by:		
US dollar	211	132
Euro	(382)	(229)

[1] Against functional currencies.

All other variables remain constant. This analysis is done for illustrative purposes only, taking into consideration only the effect on the value of financial instruments as at the balance sheet date. Since all other variables are assumed to remain constant, the analysis does not reflect subsequent effects on operating income. The analysis was performed on the same basis for 2022. A 10 percent strengthening of the currencies at the reporting date would have had the opposite effect of the amounts shown above.

Sensitivity - Other comprehensive income

USD millions	2023	2022
A 10% weakening[1] of the below currencies at the reporting date would have increased/(decreased) other comprehensive income by:		
Norwegian krone	(160)	(69)
Canadian dollar	(103)	(107)
Brazilian real	(69)	(79)
Euro	(71)	(187)

[1] Against US dollar (presentation currency of the Group).

All other variables remain constant. This analysis is done for illustrative purposes only, taking into consideration only the effect on equity in foreign operations as at the balance sheet date. Since all other variables are assumed to remain constant, the analysis does not reflect subsequent effects on equity. The analysis was performed on the same basis for 2022.

Interest rate risk

Yara's exposure to changes in interest rates is mainly linked to fair value risk and cash flow risk from its debt portfolio as disclosed in note 5.3 Interest-bearing debt.

Yara has a defined framework for fair value risk arising from exposure towards fixed interest rates. In accordance with that framework, all bank loans have been borrowed at floating rates. A portion of the bond debt has been retained at fixed interest rates, while the remaining part of the bond debt has been converted to floating rates through interest rate swaps and cross-currency swaps. Consequently, the interest expense related to the converted (hedged) part of the bond debt will fluctuate in line with market changes. At the reporting date, the interest rate profile of the Group's non-current interest-bearing debt is summarized in the table below.

Interest rate profile of the Group's non-current interest-bearing debt

USD millions	Notes	2023	2022
Floating interest rate loans[1]		1,037	1,352
Fixed rate loans – maturity			
2–5 years		1,498	499
More than 5 years		748	1,745
Non-current interest-bearing debt	5.3	3,284	3,597

[1] Including fixed rate bonds converted to floating rate by use of interest-rate swaps.

Yara's financial portfolio exposed to changes in interest rates comprises current and non-current interest-bearing debt, derivative financial instruments, and cash and cash equivalents. As at 31 December, an interest rate increase would have affected this portfolio as shown in the table below.

Sensitivity - net income

USD millions	2023	2022
An increase of 100 basis points of the below interest rates at the reporting date would have increased/(decreased) net income by:		
USD interest rates	(5)	(1)
NOK interest rates	(2)	1

All other variables remain constant. This analysis is done for illustrative purposes only, taking into consideration only the effect on financial instruments in the balance sheet as at year-end. The analysis was performed on the same basis for 2022. A decrease of 100 basis points at the reporting date would have had the opposite effect of the amounts shown above.

Adaptation to the interest rate benchmark reform

Publication of the USD LIBOR interest rate benchmarks ceased at the end of June 2023. Prior to the cessation, Yara's Finance, Treasury & Insurance function completed a transition program comprising a treasury system upgrade, inclusion of fallback language in applicable agreements, and a revision of benchmark references for undrawn facilities.

Yara continues to have exposure to NIBOR benchmark rates, and there are thus far no indicated cessation dates for those benchmarks.

None of Yara's existing hedging relations (see note 6.2 Hedge accounting) were affected by the benchmark reform.

Credit risk

Yara has a well-established system for credit management with established limits at both customer and country level. Yara's geographically diversified portfolio reduces the overall credit risk of the Group. Credit risk arising from the inability of the counterparty to meet the terms of Yara's financial instruments is generally limited to amounts, if any, by which the counterparty's obligations exceed Yara's obligations.

The exposure to credit risk is represented by the carrying amount of each class of financial assets, including derivative financial instruments, recorded in the consolidated statement of financial position and as disclosed in note 6.3 Financial instruments.

Yara's policy is to enter into financial instruments with various international banks with established limits for transactions with each institution. Yara also has agreed limits for credit exposure (collateral agreements) with most of its main banks. At the end of the reporting period, Yara had deposited USD 104.5 million (2022: USD 81.3 million) in cash with its counterparties to mitigate exposure from financial liabilities covered by such agreements. These deposits are reported as prepaid expenses and other current assets in the consolidated statement of financial position. Collateral deposits are made at overnight terms and required collateral is reassessed twice every month.

Due to Yara's geographical spread and significant number of customers there are no significant concentrations of credit risk. Therefore, Yara does not expect to incur material credit losses on its customer portfolio.

Yara may undertake a number of measures to reduce credit risk of particular receivables. Such measures include letters of credit, bank guarantees and credit insurance agreements. The effect of credit risk reduction from these measures is not considered to be material for the Group.

Liquidity risk

Yara manages liquidity risk by maintaining adequate reserves and committed bank facilities and by continuously monitoring forecasted and actual cash flows. Yara aims at an even debt repayment schedule and has secured committed undrawn credit facilities to provide sufficient reserves to meet unforeseen liquidity needs.

Undrawn facilities that the Group has at its disposal are presented in note 5.3 Interest-bearing debt.

Contractual maturities of financial liabilities

31 December 2023

USD millions	Notes	Carrying amount	Contractual cash flows	On demand	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Non-derivative financial liabilities									
Interest-bearing debt	5.3	(3,801)	(4,684)	(74)	(187)	(416)	(222)	(2,220)	(1,564)
Other non-current liabilities		(24)	(25)	–	–	–	(4)	(2)	(18)
Trade payables	5.5	(1,906)	(1,906)	(10)	(1,877)	(19)	–	–	–
Other current liabilities		(230)	(231)	(2)	(194)	(31)	–	–	(4)
Derivative financial instruments									
Freestanding financial derivatives	6.3	(115)							
Outflow			(934)	–	(335)	(182)	(18)	(396)	(2)
Inflow			783	–	327	114	14	327	1
Commodity derivatives	6.3	–							
Inflow			–	–	–	–	–	–	–
Hedge designated derivatives	6.2, 6.3	(2)							
Outflow			(257)	–	(100)	(23)	(27)	(83)	(23)
Inflow			246	–	87	22	30	82	25
Total		(6,079)	(7,008)	(86)	(2,280)	(536)	(228)	(2,293)	(1,585)

See note 4.5 Leases for contractual maturities of lease liabilities.

CONTENT

31 December 2022

USD millions	Notes	Carrying amount	Contractual cash flows	On demand	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Non-derivative financial liabilities									
Interest-bearing debt	5.3	(3,808)	(4,878)	(154)	(100)	(120)	(526)	(1,310)	(2,668)
Other non-current liabilities		(12)	(12)	–	–	–	(8)	(1)	(4)
Trade payables	5.5	(2,334)	(2,334)	(10)	(2,313)	(12)	–	–	–
Other current liabilities		(254)	(253)	(1)	(220)	(32)	–	–	–
Derivative financial instruments									
Freestanding financial derivatives	6.3	(113)							
Outflow			(1,903)	–	(922)	(74)	(281)	(484)	(145)
Inflow			1,764	–	906	71	238	420	132
Commodity derivatives	6.3	4							
Outflow			(3)	–	(2)	(1)	–	–	–
Inflow			4	–	–	–	7	–	–
Hedge designated derivatives	6.2, 6.3	(22)							
Outflow			(300)	–	(23)	(28)	(43)	(91)	(116)
Inflow			281	–	12	22	35	88	124
Total		(6,539)	(7,632)	(165)	(2,662)	(175)	(577)	(1,377)	(2,677)

6.2 Hedge accounting

A description of the Group's general risk management policies and principles can be found in note 6.1 Financial risk management.

Accounting policies

Yara designates certain derivatives as either hedges of the fair value of recognized assets or liabilities (fair value hedges), hedges of foreign currency risk of recognized assets or liabilities (cash flow hedges), or hedges of net investments in foreign operations.

Changes in fair value of financial instruments designated as fair value hedges are recognized in the consolidated statement of income. The carrying amount of the hedged item is adjusted for changes in the fair value attributable to the hedged risk.

Changes in fair value of financial instruments used as hedging instruments in cash flow hedges are recognized in equity until the hedged transactions are recognized. Any ineffective part of a hedge is recognized in the consolidated statement of income.

Changes in fair value of financial instruments used as hedges of net investment in foreign operations are recognized as other comprehensive income. Any ineffective part of a hedge is recognized in the consolidated statement of income.

Hedge accounting ceases when the hedging instrument expires, is sold, terminated or exercised. Hedge accounting also ceases if the hedge relationship for some reason no longer fulfills the requirements for hedge accounting.

Fair value hedges

In December 2014, Yara designated a portfolio of long-term NOK fixed-to-floating interest rate swaps as hedging instruments. The remaining hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 600 million fixed rate bond debt from 2014.

In December 2017, Yara designated a portfolio of long-term NOK fixed-to-floating interest rate swaps as hedging instruments. The remaining hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million and NOK 1,000 million fixed rate bond debt from 2017.

In November 2021, Yara designated a long-term NOK fixed-to-floating interest rate swap as hedging instrument. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million fixed rate bond debt from 2021.

In November 2022, Yara designated a long-term USD fixed-to-floating interest rate swap as hedging instrument. The hedged risk is the change in fair value due to changes in risk-free interest rates (SOFR) of the USD 600 million fixed rate bond debt from 2022.

Subsequent to initial recognition, Yara measures interest-bearing borrowings at amortized cost. However, the designation of interest rate swaps as hedging instruments and use of hedge accounting enables Yara to include the fair value of changes in interest rates in the carrying value of the bonds. The corresponding adjustment in the consolidated statement of income offsets the effects of the recognized interest rate swaps, leading to less volatility in net income.

As the key parameters of the hedging instruments (interest basis, inception dates and maturity dates) are identical to the respective hedged items, no ineffectiveness has been identified.

Cash flow hedges

Yara had no cash flow hedges in 2023 or 2022. However, Yara has used derivative instruments to hedge cash flows of planned transactions in the past and may do so also in the future.

Net investment hedges

At 31 December 2023, Yara has designated in total USD 815 million (2022: USD 815 million) of its USD denominated interest-bearing debt as hedges of net investments in foreign (USD based) entities. The hedging instruments comprise USD denominated bonds and the currency component of a portion of the Group's cross-currency swap portfolio.

The designation of interest-bearing debt as hedges of net investments leads to changes of foreign currency translation (gain/loss) being recognized in the consolidated statement of comprehensive income instead of in the consolidated statement of income.

Effect on financial position and performance in 2023

				Carrying amount of the hedged item[1]		Accumulated amount of hedge adjustment on the hedged item[2]					
USD millions	Currency	Hedge rates	Denominated amount	Assets	Liabilities	Assets	Liabilities	Line item in the consolidated statement of financial position in which the hedged item is included	Line item in the consolidated statement of financial position in which the hedging instrument is included	Change in value of the hedged item used for calculating hedge ineffectiveness	This year's change in value of the hedging instrument
Fair value hedges											
Interest rate risk											
- Fixed interest, NOK bonds (2014)	NOK	3M NIBOR	59	–	57	2	–	Non-current interest-bearing debt	Other non-current liabilities	–	–
- Fixed interest, NOK bonds (2017)	NOK	3M NIBOR	196	–	186	10	–	Non-current interest-bearing debt	Other non-current liabilities	(2)	2
- Fixed interest, NOK bonds (2021)	NOK	3M NIBOR	98	–	92	6	–	Non-current interest-bearing debt	Other non-current liabilities	–	–
- Fixed interest, USD bonds (2022)	USD	SOFR	600	–	612	–	15	Non-current interest-bearing debt	Other non-current liabilities	(17)	17
Net investment hedges											
Foreign exchange risk											
- Net equity in subsidiaries[3]	USD	Spot USDNOK	–	815	–	–	300	Retained earnings	Non-current interest-bearing debt[4]	(22)	22

[1] The designated nominal amounts of the hedging instruments equal the nominal amounts of the hedged items.
[2] Included in the carrying amount of the hedged item on fair value hedges.
[3] Amounts are after tax. See note 2.8 Income taxes for the tax effect.
[4] Includes USD (1) million related to the part of the hedging instrument (cross-currency swap) which refers to the line item Other non-current liabilities.

Effect on financial position and performance in 2022

USD millions	Currency	Hedge rates	Denominated amount	Carrying amount of the hedged item[1]		Accumulated amount of hedge adjustment on the hedged item[2]		Line item in the consolidated statement of financial position in which the hedged item is included	Line item in the consolidated statement of financial position in which the hedging instrument is included	Change in value of the hedged item used for calculating hedge ineffectiveness	This year's change in value of the hedging instrument
				Assets	Liabilities	Assets	Liabilities				
Fair value hedges											
Interest rate risk											
- Fixed interest, NOK bonds (2014)	NOK	3M NIBOR	61	–	59	2	–	Non-current interest-bearing debt	Other non-current liabilities	2	(2)
- Fixed interest, NOK bonds (2017)	NOK	3M NIBOR	204	–	192	12	–	Non-current interest-bearing debt	Other non-current liabilities	10	(10)
- Fixed interest, NOK bonds (2021)	NOK	3M NIBOR	102	–	96	6	–	Non-current interest-bearing debt	Other non-current liabilities	6	(6)
- Fixed interest, USD bonds (2022)	USD	SOFR	600	–	594	2	–	Non-current interest-bearing debt	Other non-current liabilities	2	(2)
Net investment hedges											
Foreign exchange risk											
- Net equity in subsidiaries[3]	USD	Spot USDNOK	–	815	–	–	279	Retained earnings	Non-current interest-bearing debt[4]	(70)	70

[1] The designated nominal amounts of the hedging instruments equal the nominal amounts of the hedged items.
[2] Included in the carrying amount of the hedged item on fair value hedges.
[3] Amounts are after tax. See note 2.8 Income taxes for the tax effect.
[4] Includes USD (8) million related to the part of the hedging instrument (cross-currency swap) which refers to the line item Other non-current liabilities.

For either hedging category, there are no balances remaining from a hedging relationship for which hedge accounting is no longer applied.

CONTENT

6.3 Financial instruments

Accounting policies

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Group becomes party to the contractual obligations of the instrument.

Yara classifies financial assets based on the business model in which they are managed and their contractual cash flows. The principal categories are amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Derivatives

The Group uses derivative financial instruments to hedge exposure against currency risk, interest rate risk and commodity price risk arising in operating, financing and investment activities. These derivatives are initially recognized at fair value and subsequently measured at FVTPL at each balance sheet date. Embedded derivatives are separated and treated as derivatives when the risks and characteristics of the derivative are not closely related to the host contract, and the host contract is not measured at fair value with changes in fair value recognized in the consolidated statement of income. Embedded derivatives may refer to financial transactions and sale and purchase transactions for gas, ammonia and other commodities.

Fair value of derivatives is measured based on quoted market prices when these are available. When quoted prices from active markets are not available, the Group estimates fair value by using valuation models that make maximum use of observable market data. The resulting change in fair value is recognized immediately in the consolidated statement of income. Gain or loss on derivatives that are designated and effective as hedging instruments are recognized in the consolidated statement of income together with the hedging gain or loss on the hedged item. A derivative is classified as non-current if the remaining maturity of the derivative is more than 12 months, and as current if the remaining maturity of the derivative is less than 12 months.

All commodity contracts are bilateral contracts, or embedded derivatives in bilateral contracts, for which there are no active markets. Fair value of all items in this category, is therefore calculated using valuation techniques with maximum use of market inputs and assumptions that reasonably reflect factors that market participants would consider in setting a price, relying as little as possible on entity-specific inputs. Fair values of commodity contracts are especially sensitive to changes in forward commodity prices. None of the derivatives in this category are designated in hedge relationships.

Receivables and deposits

See note 3.3 Trade receivables, note 3.4 Cash and cash equivalents and note 4.6 Other non-current assets. Yara's expected credit loss on receivables and deposits are limited. As a result, disclosures are reduced due to materiality.

Equity instruments

Equity instruments are initially recognized at fair value and subsequently measured at FVTPL. Investments that are not traded in active markets are measured based on recent market transactions and valuation techniques.

If an investment leads to control or de facto control over the investee, Yara consolidates the investee. If Yara achieves significant influence or joint control over an investee, Yara takes advantage of the accounting policy choice in IAS 28 to not apply the equity method to these investments. Strategic investments in associates and joint ventures are accounted for by applying the equity method, see note 4.3 Associated companies and joint ventures.

Yara Growth Ventures AS (YGV), the corporate venture capital organization of Yara, invests in start-ups and in venture capital funds which sit at the intersection of science and technology in the food and agriculture industry. YGV's portfolio currently consists of 19 investments, of which 16 are equity positions and 3 are fund positions. The funding round in which YGV participated is the starting point for measuring fair value. For investments held less than 12 months, these funding rounds are considered the approximate of fair value unless there have been any significant developments or events prior to the balance sheet date. For investments held for 12 months or longer, Yara applies valuation techniques considering both observable and unobservable inputs. YGV's portfolio of funds is valued based on capital balance and further drawdowns.

Yara has made an irrevocable election at initial recognition of a limited number of long-term strategic investments in equity shares not held for trading to present subsequent changes in fair value in OCI.

Financial liabilities

See note 5.3 Interest-bearing debt, note 5.5 Trade and other current payables and note 4.5 Leases.

Interest-bearing borrowings are initially recognized at fair value less direct transaction costs. Subsequently they are measured at amortized cost using the effective interest method. Fair value on long-term interest-bearing debt and other long-term liabilities differs from the carrying amounts since some of the USD debenture bonds are held with fixed interest rates and are not subject to hedge accounting. For these USD debenture bonds with fixed interest rates and for other non-current financial liabilities, no active market is available and fair value is calculated based on the present value of future principal and interest cash flows. Cash flows are estimated by using available market rates as a benchmark and adding a credit margin derived from recent transactions or other information available.

Contingent consideration is initially recognized at fair value and subsequently measured FVTPL. Fair value of contingent consideration is calculated considering the present value of expected payments, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of financial performance, the amount to be paid under each scenario and the probability of each scenario.

Financial instruments at fair value

Financial instruments at fair value (FV) refer to derivatives at FV through profit and loss (P&L), equity instruments at FV through P&L, equity instruments at FV through other comprehensive income (OCI) and financial liabilities at FV through P&L. They are valued according to different levels in the fair value hierarchy in IFRS. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CONTENT

Carrying amounts and fair value per category

31 December 2023		Derivatives		Receivables and deposits	Equity instruments		Financial liabilities		
USD millions	Notes	Fair value through P&L	Designated for hedging	Amortized cost	Fair value through P&L	FV through OCI (no recycling)	Amortized cost	FV through P&L	Total
Non-current assets									
Other non-current financial assets	4.6	3	15	28	67	20	–	–	134
Current assets									
Trade receivables	3.2	–	–	1,634	–	–	–	–	1,634
Other current financial assets	3.3	6	–	289	–	–	–	–	295
Cash and cash equivalents	3.4	–	–	539	–	–	–	–	539
Sum financial assets		9	15	2,491	67	20	–	–	2,603
Non-current liabilities									
Other non-current financial liabilities		(71)	(13)	–	–	–	(24)	–	(108)
Interest-bearing debt	5.3	–	–	–	–	–	(3,284)	–	(3,284)
Non-current lease liabilities	4.5	–	–	–	–	–	(306)	–	(306)
Current liabilities									
Trade and other payables[1)]	5.5	–	–	–	–	–	(1,906)	–	(1,906)
Other current financial liabilities		(33)	(24)	–	–	–	(324)	–	(381)
Interest-bearing debt	5.3	–	–	–	–	–	(517)	–	(517)
Current lease liabilities	4.5	–	–	–	–	–	(123)	–	(123)
Sum financial liabilities		(104)	(37)	–	–	–	(6,484)	–	(6,625)
Total net balance		(95)	(22)	2,491	67	20	(6,484)	–	(4,023
Fair value		(95)	(22)	2,491	67	20	(6,391)	–	
Unrecognized gain/(loss)		–	–	–	–	–	93	–	93

1) Excluding non-financial liabilities

Unrecognized gain on financial instruments at amortized cost is mainly related to non-current interest-bearing debt with fixed interest rate. See note 5.3 Interest-bearing debt for details.
Equity instruments at FV through P&L refer to venture investments in addition to shares in fund investments. Equity instruments at FV through OCI refer mainly to shares in Pohjolan Voima Oyj. No dividends were received in 2023 from any of the mentioned investments.

Carrying amounts and fair value per category

31 December 2022		Derivatives		Receivables and deposits	Equity instruments		Financial liabilities		
USD millions	Notes	Fair value through P&L	Designated for hedging	Amortized cost	Fair value through P&L	FV through OCI (no recycling)	Amortized cost	FV through P&L	Total
Non-current assets									
Other non-current financial assets	4.6	18	–	20	26	28	–	–	93
Current assets									
Trade receivables	3.2	–	–	2,305	–	–	–	–	2,305
Other current financial assets	3.3	6	–	269	–	–	–	–	274
Cash and cash equivalents	3.4	–	–	1,010	–	–	–	–	1,010
Sum financial assets		24	–	3,603	26	28	–	–	3,682
Non-current liabilities									
Other non-current financial liabilities		(87)	(40)	–	–	–	(15)	(9)	(151)
Interest-bearing debt	5.3	–	–	–	–	–	(3,597)	–	(3,597)
Non-current lease liabilities	4.5	–	–	–	–	–	(292)	–	(292)
Current liabilities									
Trade and other payables[1]	5.5	–	–	–	–	–	(2,334)	–	(2,334)
Other current financial liabilities		(28)	–	–	–	–	(374)	(6)	(407)
Interest-bearing debt	5.3	–	–	–	–	–	(210)	–	(210)
Current lease liabilities	4.5	–	–	–	–	–	(118)	–	(118)
Sum financial liabilities		(115)	(40)	–	–	–	(6,941)	(15)	(7,110)
Total net balance		(91)	(40)	3,603	26	28	(6,941)	(15)	(3,429)
Fair value		(91)	(40)	3,603	26	28	(6,671)	(15)	
Unrecognized gain/(loss)		–	–	–	–	–	270	–	270

[1] Excluding non-financial liabilities

Unrecognized gain on financial instruments at amortized cost is mainly related to non-current interest-bearing debt with fixed interest rate. See note 5.3 Interest-bearing debt for details.
Equity instruments at FV through P&L refer to venture investments in addition to shares in fund investments. Equity instruments at FV through OCI refer mainly to shares in Pohjolan Voima Oyj. No dividends were received in 2022 from any of the mentioned investments.

Financial instruments at fair value

31 December 2023

USD millions	Notes	Carrying amount	Level 1	Level 2	Level 3
Equity instruments					
Yara Growth Ventures		67	–	–	67
Other equity instruments		20	–	–	20
Derivatives					
Forward exchange contracts		(4)	–	(4)	–
Cross-currency swaps		(110)	–	(110)	–
Interest-rate swaps designated for hedging	6.2	(2)	–	(2)	–
Other interest-rate swaps		1	–	1	–
Embedded commodity derivatives		(3)	–	(3)	–
Financial liabilities					
Contingent consideration[1]		(3)	–	(3)	–
Net total balance		(33)	–	(120)	88

[1] Contingent consideration relates to Yara Marine Technologies, reclassed to Liabilities associated with non-current assets and disposal group classified as held for sale, see Note 7.2 Disposal of investments and Note 8.5 Post balance sheet date events.

There were no transfers between Level 1 and Level 2 in the period.

31 December 2022

USD millions	Notes	Carrying amount	Level 1	Level 2	Level 3
Equity instruments					
Yara Growth Ventures		26	–	–	26
Other equity instruments		28	–	–	28
Derivatives					
Forward exchange contracts		(19)	–	(19)	–
Cross-currency swaps		(104)	–	(104)	–
Interest-rate swaps designated for hedging	6.2	(22)	–	(22)	–
Other interest-rate swaps		2	–	2	–
Embedded commodity derivatives		12	–	12	–
Financial liabilities					
Contingent consideration		(15)	–	(15)	–
Net total balance		(92)	–	(146)	54

Reconciliation of fair value instruments at Level 3

USD millions	2023	2022
Balance at 1 January	54	(84)
Total gains/(losses)		
- in income statement	23	116
- in other comprehensive income	(8)	12
(Disposals)/additions	17	12
Foreign currency translation	1	(1)
Balance at 31 December	88	54

Sensitivity of fair value measurements of financial instruments at Level 3 at 31 December 2023

The fair value of equity instruments at FVOCI is measured using a discounted cash flow model based on forecasted electricity prices. A reasonable change in forecasted electricity priced would not materially change the fair value of the shares.

The fair values of YGV's equity instruments at FVTPL were measured applying different valuation methods, including funding rounds as proxy for their fair value where applicable, probability-weighted future cash flow model and venture capital valuation model (VC model). Under the probability-weighted future cash flow model judgement is applied in determining assumptions such as possible future outcomes, the timing of these outcomes and their probabilities. When applying the VC model, a price-equity multiple is estimated based on observable market information of comparable market participants. A reasonable change in assumptions used in the respective valuation models would not materially change the fair value of any of these investments.

Gains and losses from financial instruments at fair value and hedging instruments recognized in the consolidated statement of income and consolidated statement of other comprehensive income

2023		Derivatives		Equity instruments		Financial liabilities		
USD millions	Notes	Fair value through P&L	Designated for hedging	Fair value through P&L	FV through OCI (no recycling)	Amortized cost	Fair value through P&L	Total
Consolidated statement of income	6.1, 6.2	(63)	19	24	–	–	–	(20)
Consolidated statement of comprehensive income[1)]	6.2	–	(3)	–	(8)	(25)	–	(36)
Total		(63)	16	24	(8)	(25)	–	(57)

2022		Derivatives		Equity instruments		Financial liabilities		
USD millions	Notes	Fair value through P&L	Designated for hedging	Fair value through P&L	FV through OCI (no recycling)	Amortized cost	Fair value through P&L	Total
Consolidated statement of income	6.1, 6.2	6	(20)	(2)	–	–	2	(15)
Consolidated statement of comprehensive income[1)]	6.2	–	(8)	–	13	(81)	–	(76)
Total		6	(28)	(2)	13	(81)	2	(91)

[1)] Amounts are presented before tax. See note 2.8 Income taxes for specification of taxes.

7 Business initiatives

7.1 Business initiatives

Yara Clean Ammonia
Building on its long experience and leading position within logistics, optimization and trade, Yara established Yara Clean Ammonia (YCA) as a separate segment and business unit in 2021.

The existing strong midstream position of YCA creates a strong position for development of new downstream market segments and upstream ownership positions in competitive low emission ammonia projects. The new ammonia segments being developed will fundamentally speed up the growth of the ammonia business. Those new segments are for shipping fuel, power production, ammonia as hydrogen carrier and low carbon fertilizer for food segments.

On 31 March 2023, Yara announced the signing of a letter of intent with Enbridge Inc. to jointly develop and construct a world scale low-carbon blue ammonia production facility as equal partners, with a total project investment in the range of USD 2.6-2.9 billion, an expected capacity of 1.2-1.4 million tonnes per annum and with production start-up in 2027/2028. The facility (including autothermal reforming with carbon capture), will be located in Texas, United States.

On 29 June 2023, Yara announced that BASF and YCA are collaborating on a joint study to develop and construct a world scale low-carbon blue ammonia production facility with carbon capture in the U.S. Gulf coast region. The companies are looking into the feasibility of a plant with a total capacity of 1.2 to 1.4 million tonnes per annum.

CCS project in Sluiskil, Netherlands
In November 2023, Yara announced that it signed a binding commercial agreement, enabling the first cross-border transportation and storage of CO_2. The CO_2 will be liquefied and shipped by Northern Lights from the Netherlands to permanent storage on the Norwegian continental shelf, 2,600 meters under the seabed. The agreement is expected to reduce annual CO_2-emissions by 800,000 tonnes from the ammonia production at Yara Sluiskil, corresponding to 0.5 percent of the total annual emissions (2022) in the Netherlands. The expected capex is approximately EUR 200 million and operations is projected to start in 2026.

Acquisition of organic-based fertilizer in Italy
In December 2023 Yara announced that it is acquiring the organic-based fertilizer business of Agribios Italiana. The acquisition was completed in February 2024, with immaterial effect on the financial statements for 2024.

7.2 Disposal of investments

Disposal of Yara Dallol B.V.
On 27 January 2023, Yara completed the sale of its ownership interest in the Dallol mining project in Ethiopia. The sale had immaterial impact on Yara's 2023 financial statements.

Disposal group held-for-sale
The disposal group held for sale as at 31 December 2023 includes assets and liabilities for Yara Marine Technologies AS and Yara Côte d'Ivoire S.A. The divestment of Yara Marine Technologies AS was completed in January 2024. The disposals are not expected to significantly impact the financial statements for 2024.

8 Other disclosures

8.1 Related parties

The Norwegian State

At 31 December 2023, the Norwegian State owned 92,239,891 shares, representing 36.21 percent of the total number of shares issued. On the same date, The Government Pension Fund Norway owned 16,750,126 shares, representing 6.58 percent of the total number of shares issued.

Yara Pension fund

One of Yara International ASA's pension plans is arranged through Yara's pension fund in Norway "Yara Pensjonskasse". This plan has been closed for new members since July 2006. During 2023, Yara has contributed to the pension fund through deductions from premium fund and premium paid by the sponsoring companies Yara International ASA and Yara Norge AS.

Associated companies, Joint ventures and Joint operations

Transactions with Associated companies, Joint ventures and Joint operations are described in notes 4.3 and 4.4.

Board of Directors

Members of the Board of Directors are elected for two-year terms. Their rights and obligations as board members are solely and specifically provided for the company's articles of association and Norwegian law. The company has no significant contracts in which a Board Member has a material interest.

Executive Management

Executive Management remuneration is disclosed in the following table. The full "Yara Executive Remuneration Report 2023" can be found at www.yara.com, Annual report section.

Executive Management remuneration and Board of Directors compensation

USD thousands	Compensation earned in 2023	Compensation earned in 2022
Salary and short-term incentive	4,993	5,136
Pension	447	278
Benefits	1,162	512
Share-based remuneration[1)]	970	877
Total Executive Management	7,572	6,802
Fee to Board of Directors	533	506
Total	8,105	7,308

1) See note 8.2 Share-based remuneration for further information.

8.2 Share-based remuneration

To support the alignment between executives and shareholder interests and to ensure retention of key talents in the company, an amount equal to 30 percent of the Base Salary may be awarded by the Board on an annual basis. The net after tax amount must be invested in Yara shares within a period of one month after the grant and the shares must be retained for minimum 3 years. Executives who resign from Yara must reimburse to the company at the time of resignation the net proceeds of the selling of the shares that are still within the lock-in period.

The grant of Share-based remuneration (SBR) is conditional on Yara's Net income/(loss) excluding foreign currency exchange gain/(loss) and special items being positive in sum over the last three years. Yara's CEO can on a discretionary basis decide that SBR shall not be granted for a given year and Yara's Board of Directors can decide that SBR shall not be granted to the CEO for a given year. Such an assessment will amongst other factors be evaluated against Yara's performance towards its strategic targets of sustainable value creation, hereunder performance indicators linked to People, Planet and Prosperity.

8.3 External audit remuneration

Deloitte AS (Deloitte) is Yara's appointed auditor. A few subsidiaries of Yara International ASA have appointed other audit firms. The following table shows total audit and other services delivered to the group by the appointed auditor.

USD thousands	Audit fee	Assurance services	Tax services	Other non-audit services	Total
2023					
Deloitte Norway	953	557	7	51	1,568
Deloitte abroad	3,272	672	210	10	4,165
Total Deloitte	4,225	1,230[1]	217	61	5,734
Others	571	1	36	6	614
Total	4,796	1,231	253	67	6,347
2022					
Deloitte Norway	939	497	24	–	1,460
Deloitte abroad	3,086	360	551	11	4,008
Total Deloitte	4,025	857	575	11	5,468
Others	492	8	60	45	605
Total	4,517	865	635	56	6,073

[1] Assurance services are mainly related to sustainability reporting, debt issuance, government grants, and the potential IPO of Yara Clean Ammonia.

8.4 Composition of the group

The consolidated financial statements of Yara comprise 132 legal companies that are controlled by Yara. The material subsidiaries are disclosed in the table below, including the main parent(s). This list also includes major holding companies.

Subsidiaries	Ownership	Registered office	Main parent(s)
Yara Argentina S.A.	100.0%	Argentina	Yara Iberian S.A.U.
Chemical Holdings Pty Ltd.	100.0%	Australia	Yara Australia Pty Ltd.
Yara Australia Pty Ltd.	100.0%	Australia	Yara Technology B.V.
Yara Pilbara Fertilisers Pty Ltd.	100.0%	Australia	Chemical Holdings Pty Ltd.
Yara Environmental Technologies GmbH	100.0%	Austria	Yara Investment GmbH
Yara Belgium S.A./N.V.	100.0%	Belgium	Yara Nederland B.V.
Yara Tertre S.A.	100.0%	Belgium	Yara Belgium S.A./N.V.
Yara Trinidad Ltd.	100.0%	Trinidad and Tobago	Yara Caribbean (2002) Ltd.
Yara Brasil Fertilizantes S.A.	100.0%	Brazil	Yara South America Investments B.V.
Yara Belle Plaine Inc.	100.0%	Canada	Yara Canada Holding Inc.
Yara Canada Holding Inc.	100.0%	Canada	Fertilizer Holdings AS
Yara Canada Inc.	100.0%	Canada	Fertilizer Holdings AS (93.9%) and Yara North America Inc. (6.1%).
Yara Chile Fertilizantes Ltda.	100.0%	Chile	Yara Phosyn Ltd.
Yara Trading (Shanghai) Co. Ltd.	100.0%	China	Yara Asia Pte Ltd.
Yara Colombia S.A.	99.4%	Colombia	Yara International ASA (70.1%) and OFD Holding S. de R.L. (29.3%)
Yara Industrial Colombia S.A.S.	99.0%	Colombia	Yara Colombia S.A.
Yara Costa Rica S. de R.L.	87.56%	Costa Rica	Yara Iberian S.A.U.
Yara Danmark A/S	100.0%	Denmark	Fertilizer Holdings AS
Yarecuador Cia. Ltda.	100.0%	Ecuador	Yara Colombia S.A. (99.9%) and Yara Industrial Colombia S.A.S. (0.1%)
Yara Agri Trade Misr	51.0%	Egypt	Yara Trade Misr Ltd.
Yara Phosphates Oy	100.0%	Finland	Yara Suomi Oy
Yara Suomi Oy	100.0%	Finland	Yara Nederland B.V.
Yara France SAS	100.0%	France	Yara Nederland B.V.
Yara Besitz GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara Brunsbüttel GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara GmbH & Co. KG	100.0%	Germany	Yara Investments Germany SE
Yara Investment GmbH	100.0%	Germany	Yara GmbH & Co. KG
Yara Investments Germany SE	100.0%	Germany	Yara Nederland B.V.

Table continues >

Subsidiaries	Ownership	Registered office	Main parent(s)
Yara Ghana Ltd.	100.0%	Ghana	Yara Nederland B.V.
Yara Hellas S.A.	100.0%	Greece	Yara Nederland B.V.
Yara Guatemala S.A.	100.0%	Guatemala	Yara International ASA
Yara Fertilisers India Pvt. Ltd.	100.0%	India	Yara Asia Pte Ltd.
P.T. Yara Indonesia	100.0%	Indonesia	Yara Asia Pte Ltd.
Yara Insurance DAC	100.0%	Ireland	Fertilizer Holdings AS
Yara Italia S.p.A.	100.0%	Italy	Yara Investment GmbH (72.3%) and Yara Nederland B.V. (27.7%)
Yara Côte d'Ivoire S.A.	100.0%	Ivory Coast	Fertilizer Holdings AS
Yara East Africa Ltd.	100.0%	Kenya	Yara Overseas Ltd.
Yara International (M) Sdn Bhd	70.0%	Malaysia	Yara Asia Pte Ltd.
Yara México S. de R.L. de C.V.	100.0%	Mexico	OFD Holding S. de R.L. (71.9%) and Yara Nederland B.V. (28.1%)
Fertilizer Holdings AS	100.0%	Norway	Yara International ASA
Herøya Nett AS	100.0%	Norway	Yara Norge AS
OFD Holding S. de R.L.	100.0%	Norway	Fertilizer Holdings AS
Yara AS	100.0%	Norway	Fertilizer Holdings AS
Yara Birkeland AS	100.0%	Norway	Fertilizer Holdings AS
Yara Clean Ammonia AS	100.0%	Norway	Yara International ASA
Yara Clean Ammonia Norge AS	100.0%	Norway	Yara Clean Ammonia AS
Yara Growth Ventures AS	100.0%	Norway	Fertilizer Holdings AS
Yara LPG Shipping AS	100.0%	Norway	Yara Clean Ammonia Norge AS
Yara Marine Technologies AS	100.0%	Norway	Fertilizer Holdings AS
Yara Norge AS	100.0%	Norway	Yara International ASA
Yara Fertilizers Philippines Inc.	100.0%	Philippines	Yara Asia Pte Ltd.
Yara Poland Sp. z o.o.	100.0%	Poland	Yara Nederland B.V.
Yara Rwanda Ltd.	100.0%	Rwanda	Yara Tanzania Ltd.
Yara Asia Pte Ltd.	100.0%	Singapore	Yara International ASA
Yara Africa Fertilizers (Pty) Ltd.	100.0%	South Africa	Yara Nederland B.V.
Yara Animal Nutrition South Africa (Pty) Ltd.	100.0%	South Africa	Yara Phosphates Oy
Yara Iberian S.A.U.	100.0%	Spain	Yara Nederland B.V.
Yara AB	100.0%	Sweden	Fertilizer Holdings AS
Yara Marine Technologies AB	100.0%	Sweden	Yara Marine Technologies AS
Yara Clean Ammonia Switzerland SA	100.0%	Switzerland	Yara Clean Ammonia Norge AS

Table continues >

Subsidiaries	Ownership	Registered office	Main parent(s)
Yara Switzerland Ltd.	100.0%	Switzerland	Yara Nederland B.V.
Yara Tanzania Ltd.	100.0%	Tanzania	Fertilizer Holdings AS
Yara Thailand Ltd.	100.0%	Thailand	Yara Asia Pte Ltd.
Yara Holding Netherlands B.V.	100.0%	The Netherlands	Fertilizer Holdings AS
Yara Nederland B.V.	100.0%	The Netherlands	Yara Holding Netherlands B.V.
Yara Sluiskil B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara South America Investments B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Technology B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Vlaardingen B.V.	100.0%	The Netherlands	Yara Nederland B.V.
Yara Caribbean (2002) Ltd.	100.0%	Trinidad and Tobago	Fertilizer Holdings AS
Yara UK Ltd.	100.0%	United Kingdom	Fertilizer Holdings AS
Agoro Carbon Alliance US, Inc.	100.0%	United States	Yara North America Inc. (66%) and Agronomic Technology Corp. (34%)
Agronomic Technology Corp.	100.0%	United States	Yara North America Inc.
Freeport Ammonia LLC	100.0%	United States	Yara North America Inc.
Yara Clean Ammonia US Inc.	100.0%	United States	Yara Clean Ammonia Norge AS
Yara North America Inc.	100.0%	United States	Yara International ASA
Yara West Sacramento Terminal LLC	100.0%	United States	Yara North America Inc.
Yara Vietnam Co. Ltd.	100.0%	Vietnam	Yara Asia Pte Ltd.
Yara Fertilizer Zambia Ltd.	100.0%	Zambia	Yara Nederland B.V.

8.5 Post balance sheet date events

Disposal of Yara Marine Technologies AS
Yara Marine Technologies AS was divested in January 2024. The assets and liabilities are classified as held for sale as at 31 December 2023. The divestment is not expected to have material impact on the financial statements for 2024.

Operating segment change
The joint operation ammonia production plants Tringen and Freeport will be transferred from Americas segment to Global plants & Operational Excellence segment in second quarter 2024.

New agreement for supply of ammonia with reduced CO_2 emissions
In March 2024, Yara signed a binding agreement for supply of ammonia with reduced CO_2 emissions from Acme to Yara on a long-term basis. The long-term offtake agreement covers the supply of 10,000 tonnes per annum of renewable ammonia, and will reduce global GHG emissions by up to 5.0 million CO_2 equivalents.

Dividends
Yara's Board is proposing to the Annual General Meeting a dividend of NOK 5 per share for 2023.

Financial statements for Yara International ASA

Yara International ASA

Income statement

NOK millions	Notes	2023	2022
Revenue	4	3,988	3,307
Revenue and other income		3,988	3,307
Raw materials, energy costs and freight expenses		(30)	(28)
Change in inventories of own products		–	2
Payroll and related costs	2	(1,387)	(1,250)
Depreciation, amortization and impairment loss	3	(149)	(161)
Other operating expenses	4	(3,179)	(2,773)
Operating costs and expenses		(4,745)	(4,210)
Operating income/(loss)		(757)	(903)
Financial income/(expense), net	5	14,707	13,701
Income/(loss) before tax		13,950	12,798
Income tax expense	6	178	(162)
Net income/(loss)		14,128	12,636
Appropriation of net income/(loss) and equity transfers			
Dividend proposed		1,274	14,010
Retained earnings		12,854	(1,374)
Total appropriation	11	14,128	12,636

CONTENT

Yara International ASA

Balance sheet

NOK millions	Notes	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Deferred tax assets	6	1,167	827
Intangible assets	3	402	397
Property, plant and equipment	3	84	72
Shares in subsidiaries	7	29,457	29,457
Non-current intercompany receivables	13	47,045	41,063
Other non-current assets	1, 8	668	414
Total non-current assets		78,822	72,229
Current assets			
Inventories	8	48	35
Trade receivables		2	8
Current intercompany receivables	13	22,895	17,975
Prepaid expenses and other current assets	10	1,492	1,099
Cash and cash equivalents		3,028	6,922
Total current assets		27,465	26,038
Total assets		106,287	98,267

NOK millions	Notes	31 Dec 2023	31 Dec 2022
Liabilities and shareholders' equity			
Equity			
Share capital reduced for treasury stock		433	433
Premium paid-in capital		117	117
Total paid-in capital		550	550
Retained earnings		24,068	11,097
Shareholders' equity	11	24,619	11,648
Non-current liabilities			
Employee benefits	1	1,081	1,114
Interest bearing debt	12	32,659	34,817
Other non-current liabilities	8	820	1,245
Total non-current liabilities		34,560	37,176

NOK millions	Notes	31 Dec 2023	31 Dec 2022
Current liabilities			
Trade and other current payables		405	378
Bank loans and other current interest bearing debt	8	1,611	1,651
Current portion of interest-bearing debt	12	3,393	300
Dividends payable	11	1,274	14,010
Intercompany payables	13	39,112	32,037
Income tax	6	180	14
Other current liabilities		1,132	1,053
Total current liabilities		47,108	49,443
Total liabilities and shareholders' equity		106,287	98,267

The Board of Directors Yara International ASA,
Oslo 20 March 2024

Trond Berger Chair	Jannicke Hilland Vice Chair	John Thuestad Member of the Board
Rune A. Bratteberg Member of the Board	Tove Feld Member of the Board	Geir O. Sundbø Member of the Board
Eva S. Aspvik Member of the Board	Ragnhild F. Høimyr Member of the Board	Therese Log Bergjord Member of the Board
Harald Thorstein Member of the Board	Tina Lawton Member of the Board	Svein Tore Holsether President and CEO

Yara International ASA

Cash flow statement

NOK millions	Notes	2023	2022
Operating activities			
Income/(loss) before tax		13,950	12,798
Adjustments to reconcile income/(loss) before tax to net cash provided by (used in) operating activities			
Depreciation, amortization and impairment loss	3	149	161
(Gain)/loss on disposal of non-current assets	3	10	–
Write-down of inventory and trade receivables		1	–
Dividends and group relief from subsidiaries	5	(15,607)	(15,956)
Finance income and expense	5	809	855
Foreign currency exchange (gain)/loss	5	92	1,400
Income taxes paid	6	(28)	(25)
Group relief received		9,400	15,000
Dividends received		607	6,556
Interest paid	5	(4,237)	(2,174)
Interest received	5	2,929	1,187
Other		6	(159)
Change in working capital			
Trade receivables		6	–
Short term intercompany receivables/payables	13	6,220	(4,102)
Prepaid expenses and other current assets		535	433
Trade payables		10	(16)
Other current liabilities		(550)	(436)
Net cash provided by/(used in) operating activities		14,302	15,523

NOK millions	Notes	2023	2022
Investing activities			
Purchase of property, plant and equipment	3	(29)	(12)
Purchase of other non-current assets	3	(147)	(88)
Net cash (to)/from non-current intercompany loans	13	(3,494)	(1,436)
Inflows due to capital increase in subsidiary	7	–	225
Net cash provided by/(used in) investing activities		(3,670)	(1,311)
Financing activities			
Loan proceeds	12	55	5,498
Principal payments		(401)	(4,318)
Dividends paid	13	(14,180)	(10,188)
Net cash provided by/(used in) financing activities		(14,526)	(9,008)
Net increase/(decrease) in cash and cash equivalents		(3,894)	5,204
Cash and cash equivalents at 1 January		6,922	1,718
Cash and cash equivalents at 31 December		3,028	6,922

CONTENT

Basis of preparation

General

The financial statements of Yara International ASA have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). Preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingencies. Actual results may differ from estimates.

Yara International ASA primarily holds shares in subsidiaries and provides financing to entities in the Yara Group. The information in note 5.3 Interest-bearing debt to the consolidated financial statements also applies to Yara International ASA. Revenue mainly stems from allocation of costs related to intragroup services provided.

The accompanying notes are an integral part of the financial statements.

Shares in subsidiaries

Shares in subsidiaries are presented according to the cost method. Dividends and group reliefs are recognized in the income statement when these are proposed by the subsidiary. Group relief received is included in dividends. Shares in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. Indications may be operating losses or adverse market conditions. Fair value of the investment is estimated based on valuation model techniques. If it is considered probable that the fair value is below Yara's carrying value, the investment is impaired. The impairment is reversed if the impairment situation is no longer present.

Foreign currency transactions

The functional currency of Yara International ASA is Norwegian kroner (NOK). Transactions in currencies other than the functional currency are recognized by applying the exchange rate at the date of transaction. Monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

All realized and unrealized currency gains and losses on transactions, assets and liabilities are included in net income if they do not qualify for hedge accounting.

Revenue

In all material respects, revenue stem from sale of intercompany services. These are recognized when the services are delivered based on intragroup allocation of costs.

Interest income is recognized in the income statement as it is accrued, based on the effective interest method.

Receivables

Trade receivables and current intercompany receivables are recognized at nominal value, less an accrual for expected losses. The accrual for losses is based on an individual assessment of each receivable.

Cash and cash equivalents

Cash and cash equivalents include bank deposits and monetary items which are due in less than three months.

The cash held by Yara International ASA reflects that most external bank deposits are channeled through the group treasury function. Consequently, the level of cash held should be seen in context with the intercompany receivables and payables.

Payables

Trade payables and current intercompany payables are recognized at nominal value.

Financial assets and liabilities

Financial assets, other than derivatives, are initially recognized in the balance sheet at fair value (cost) and subsequently at the lower of cost or fair value. Financial liabilities are initially recognized in the balance sheet at fair value (cost) and subsequently at amortized cost.

Cost of sales and other expenses

Cost of sales and other expenses are recognized in the same period as the revenue to which they relate. If there is no clear connection between the expense and revenue, an estimated allocation is done. Other exceptions to this matching criteria are disclosed where appropriate.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Deferred income tax expense is calculated using the liability method in accordance with the preliminary Norwegian Accounting Standard on Income Taxes "NRS(F) Resultatskatt". Under this standard, deferred tax assets and liabilities are measured based on the differences between the carrying values of assets and liabilities for financial reporting and their tax basis, which is considered temporary in nature. Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for deferred tax related to items charged to equity. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates are adopted.

The Yara Group is within the scope of the OECD Pillar 2 model rules. The Pillar 2 legislation has been enacted in Norway, which is the jurisdiction of the ultimate parent entity of the Yara Group, Yara International ASA. As no guidance is available under Norwegian GAAP, Yara has applied amendments to IAS 12 Income taxes for recognition and disclosure purposes. These amendments introduce a temporary exception to the accounting for deferred tax assets and liabilities related to Pillar 2 income taxes, as well as disclosure requirements. See note 6 Income taxes for more information.

Intangible assets
Intangible assets acquired individually or as a group are initially recognized at cost, and subsequently amortized on a straight-line basis over their useful life. They are tested for impairment whenever indications of impairment are present.

Software as a Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. They are normally not subject to recognition of configuration or customization costs as intangible assets because Yara does not control the software being configured. Related configuration or customizations activities is normally expensed. Licensed software hosted on-premises or in third-party data centers as well as software acquired in a business combination and internally developed software are recognized as intangible assets if they meet the certain defined criteria.

Research costs are expensed as incurred. Costs incurred in development of internally generated intangible assets are capitalized if defined recognition criteria are met. If these recognition criteria are not met, development cost are expensed in the period they incur.

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is determined using the straight-line method over the assets' useful life. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Inventories
Inventories are valued at the lower of cost, using weighted average, and net realizable value. The cost of inventories comprise all costs incurred in bringing the inventories to their present location and condition, including direct materials, direct labor, and an appropriate portion of production overhead, or the purchase price of the inventory.

Leased assets
Assets which are leased on conditions which substantially transfer all the economic risks and rewards to Yara (finance lease) are accounted for as property, plant and equipment at the present value of minimum lease payments, or fair value if this is lower. The corresponding finance lease liabilities are initially included in non-current debt. Property, plant and equipment are depreciated over the estimated useful lives of the assets, or the lease term if shorter. The related liabilities are reduced by the amount of lease payments less the effective interest expense. Other leases are accounted for as operating leases with lease payments recognized as an expense over the lease term.

Forward currency contracts
Forward currency contracts are initially recognized in the balance sheet at fair value. Subsequent changes in fair value are recognized in the income statement.

Shared-based remuneration
Yara has a shared-based remuneration program which provides a fixed cash amount to eligible top executives. Yara purchases the shares on behalf of the executives at market prices. The executives hold all shareholder rights from the date of purchase but cannot sell the shares in the three years vesting period. This program does not have dilutive effect since it represents ordinary shares outstanding.

The fair value of the purchased shares is recognized as reduction in equity. The costs for the Shared Based Remuneration program are expensed in the year when the shares are granted. However, the costs are re-invoiced within the same year to Yara units globally as part of the shared cost model. The employee tax is calculated and expensed at the grant date.

Employee retirement plans
Employee retirement plans are measured in accordance with IAS 19 Employee Benefits, as this is permitted by the Norwegian accounting standard on pensions ("NRS 6 Pensjonskostnader"). Past service cost is recognized immediately in the income statement together with any gains and losses arising from curtailments and settlements. Remeasurement gains and losses are recognized directly in retained earnings.

1 Employee benefits

Yara International ASA has incurred obligations under a funded defined benefit plan. The pension plan was closed to new entrants in 2006 and employees under the age of 55 received a paid-up policy for previously earned benefit entitlements.
The defined benefit plan was replaced by a defined contribution plan from the same date, which requires Yara International ASA to make agreed contributions when employees have rendered service entitling them to the contributions. Yara International ASA has no legal or constructive obligation to pay further contributions. This new plan applies to the future pension earnings of existing employees under the age of 55 in 2006 and all new employees. Pension liabilities for defined benefit plans also include certain unfunded obligations.

Other long-term employee benefits include a provision for jubilee benefits.

Yara International ASA is obliged to and does fulfill the requirements of the act regarding mandatory occupational pension scheme ("Lov om obligatorisk tjenestepensjon").

Defined benefit plans
The Company's net obligation in respect of defined benefit plans is calculated separately for each plan. The amount is an estimation of future benefits that the employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value, and the fair value of plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds or government bonds where no market for high quality corporate bonds exists. If the bond has a different maturity from the obligation, the discount rate is adjusted. Qualified actuaries using the projected credit unit method perform the calculations.

Past service costs arising from the amendment of plan benefits are recognized immediately in profit or loss. Remeasurement gains and losses are recognized as retained earnings through other comprehensive income in the period they occur, and will not be reclassified to profit or loss in subsequent periods.

Defined contribution plans
Obligations for contributions to defined contribution plans are recognized as an expense in the statement of income when employees have rendered services entitling them to the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or deduction in future payments is available.

Other long-term benefits
The Company's obligation in respect of other long-term benefits is the amount of future benefits that the employees have earned in return for their service in current and prior periods. The obligation is discounted based on the same principles as defined benefit plans.

Long-term employee benefit obligations recognized in the Balance sheet

NOK millions	2023	2022
Pension liabilities for defined benefit plans	(1,071)	(1,105)
Termination benefits and other long-term employee benefits	(10)	(9)
Surplus on funded defined benefit plan	494	372
Net long-term employee benefit obligations	(587)	(743)

Expenses for long-term employee benefit obligations recognized in the Income statement

NOK millions	2023	2022
Defined benefit plans	(47)	(39)
Defined contribution plans	(82)	(72)
Termination benefits and other long-term employee benefits	(13)	(10)
Net expenses recognized in the statement of income	(142)	(122)

Defined benefit plans, outlined
Yara International ASA is the sponsor of Yara Pensjonskasse, a funded pension plan which also covers employees of its subsidiary Yara Norge AS. Plan benefits are based on years of service and final salary levels. Determination of the required annual contribution to Yara Pensjonskasse from each of the participating legal entities is defined by the bylaws of the pension fund, and is based on actuarial calculations. The distribution of pension costs to the participating entities is based on the same calculations. At 31 December 2023, the number of active participants in the funded defined benefit plan who were employed by Yara International ASA, was 0 and the number of retirees was 126. In addition, 357 current and previous employees of Yara International ASA have earned paid-up policies in the pension fund.

Yara International ASA participates in a multi-employer plan (AFP - "Avtalefestet pensjon") which entitles most of its employees the right to retire from the age of 62. Participating entities are required to pay an annual fee for each of its active employees. As the information required to account for this part of the plan as a defined benefit plan is not available from the plan administrator, it is accounted for as if it were a defined contribution plan. The provision for defined benefit plans includes however the calculated obligation to pay a percentage of benefits paid to its employees who have chosen early retirement under this plan. A further defined benefit obligation is recognized to account for a gratuity offered by Yara International ASA to its employees who retire with the AFP scheme.

Norwegian employees at position level of department manager or above are members of an unfunded early retirement plan. The plan covers the period from age 65 to 67 with a defined benefit equal to 65 percent of final salary. From 2006 accrual of pension in this plan has been limited to a salary of 12G (i.e., 12 times the Norwegian Social Security Base Amount, which from 1 May 2023 was NOK 118,620).

Effective 1 January 2015 Yara International ASA implemented changes to the early retirement schemes, both the AFP gratuity plan and the plan for early retirement from 65 to 67 for positions as department manager or above, in which all employees under age 50 were transferred to new contribution-based plans which offer increased contribution rates compared to the ordinary defined contribution plan, as well as compensation contributions, where applicable. Employees aged over 50 retained their rights from the old plans, however, with the option to choose a transfer to the new contribution-based plans. As the compensation contribution plans are unfunded and Yara International ASA retains investment risk, they are accounted for as defined benefit plans.

Norwegian employees with salary above 12G as of 3 December 2015 are members of an unfunded plan which requires Yara International ASA to contribute for active plan members with an amount equal to 25 percent of pensionable salary in excess of 12G for each year of service, with the addition of annual return on the accumulated balance. The plan was closed to new members from 3 December 2015. As the plan is unfunded and investment risk is retained by Yara International ASA, the plan is included in the obligation for defined benefit plans.

Valuation of defined benefit obligations

The defined benefit plans are valued at 31 December using updated financial and demographical assumptions and taking into account relevant economic environment factors.

It is the opinion of the management of Yara International ASA that there is a sufficiently deep market for high quality corporate bonds in Norway, which is therefore used as reference for determination of the discount rate. Normal assumptions for demographical and retirement factors have been used by the actuary when calculating the obligation. Estimated future mortality is based on published statistics and mortality tables. The actuary has used the K2013BE mortality table. According to K2013BE a current employee aged 45 today would be expected to live 25.1 years after reaching the retirement age of 65, whereas an employee aged 65 today would on average be expected to live 23.5 years.

The following financial assumptions have been applied for the valuation of liabilities (in %):

In percentages	2023	2022
Discount rate	3.30	3.20
Expected rate of salary increases	3.35	3.35
Future rate of pension increases	2.70	3.25

Actuarial valuations provided the following results:

NOK millions	2023	2022
Present value of unfunded obligations	(939)	(969)
Present value of wholly or partly funded obligations	(790)	(815)
Total present value of obligations	(1,728)	(1,784)
Fair value of plan assets	1,284	1,187
Social security on defined benefit obligations	(132)	(137)
Total recognized liability for defined benefit plans	(577)	(733)

Duration of liabilities at the end of the year:

Duration of liabilities (in years)	2023
Funded plan	12
Unfunded plans	8

Pension cost recognized in the Income statement

The assumptions used to value the defined benefit obligations at 31 December are used in the following year to determine the net pension cost. The discount rate is used to calculate the interest income from plan assets.

The following items have been recognized in the Income statement:

NOK millions	2023	2022
Current service cost	(20)	(23)
Administration cost	(2)	(2)
Social security cost	(7)	(6)
Payroll and related costs	(29)	(31)
Interest expense on obligation	(56)	(32)
Interest income from plan assets	37	23
Interest expense and other financial items	(18)	(8)
Total expense recognized in the Income statement	(47)	(39)

Sensitivity of assumptions

Measurement of defined benefit obligations and pension costs requires the use of a number of assumptions and estimates. Below table indicates the sensitivity of the most material financial assumptions applied to the defined benefit obligation, by showing the result from an increase or decrease in any one of the assumptions applied (all other assumptions held constant).

NOK millions	2023	2022
Actual valuation	(1,728)	(1,784)
Discount rate +0.5%	(1,644)	(1,692)
Discount rate -0.5%	(1,821)	(1,885)
Expected rate of salary increase +0.5%	(1,740)	(1,794)
Expected rate of salary increase -0.5%	(1,717)	(1,774)
Expected rate of pension increase +0.5%	(1,807)	(1,873)
Expected rate of pension increase -0.5%	(1,656)	(1,701)
Expected longevity +1 year	(1,791)	(1,846)
Expected longevity -1 year	(1,671)	(1,723)

Development of defined benefit obligations

NOK millions	2023	2022
Defined benefit obligation as of 1 January	(1,784)	(1,700)
Current service cost	(20)	(23)
Interest expense on obligation	(56)	(32)
Experience adjustments	(10)	(17)
Effect of changes in financial assumptions	61	(89)
Benefits paid	80	74
Transfer of obligation (in)/out[1]	–	3
Defined benefit obligation as of 31 December	(1,728)	(1,784)

[1] This is an obligation for two employees that are now employed by Yara Clean Ammonia Norge AS.

Development of plan assets

NOK millions	2023	2022
Fair value of plan assets as of 1 January	1,187	1,238
Interest income from plan assets	37	23
Administration cost	(2)	(2)
Return on plan assets (excluding calculated interest income)	90	(45)
Employer contributions	8	8
Benefits paid	(37)	(35)
Fair value of plan assets as of 31 December	1,284	1,187

Yara Pensjonskasse (the pension fund) is a separate legal entity, independently governed by its Board of Directors. It is the responsibility of the pension fund’s Board of Directors to determine the investment strategy, and to review the administration of plan assets and the funding level of the pension fund. If needed, Yara International ASA will be required to increase the capital buffer of the pension fund.

Yara International ASA’s defined benefit plan obligations are inherently exposed to inflation risk, interest rate risk, disability risk and longevity risk. The investment strategy of the pension fund ensure diversification of investments in order to keep market volatility risk at a desired level. The pension fund Board of Directors is targeting a satisfactory level of risk and return corresponding to the maturity profile of future pension benefit payments.

At the end of the year, the plan assets were invested as follows:

NOK millions, except percentages	2023	2023	2022	2022
Cash and cash equivalents	41	3.19%	13	1.10%
Shares	497	38.71%	451	37.99%
Other equity instruments	176	13.71%	169	14.24%
Investment grade debt instruments	550	42.83%	532	44.82%
Properties	20	1.56%	23	1.94%
Total plan assets	1,284	100%	1,187	100%

Yara Pensjonskasse (the pension fund) does not hold any investments that do not have a quoted market price in an active market. Nor does it hold any financial instruments issued by Yara Group companies.

Contributions expected to be paid by Yara International ASA to the defined benefit plans for 2024 are NOK 47 million. The amount includes any premium to be paid to Yara Pensjonskasse and all benefits to be paid for unfunded plans.

At the end of the year, the plan assets were invested as follows:

NOK millions	2023	2022
Cumulative amount recognized directly in retained earnings pre-tax at 1 January	(377)	(222)
Remeasurement gains / (losses) on obligation for defined benefit plans	51	(106)
Remeasurement gains / (losses) on plan assets for defined benefit plans	90	(45)
Social security on remeasurement gains / (losses) recognized directly in equity this year	5	(4)
Cumulative amount recognized directly in retained earnings pre-tax at 31 December	(231)	(377)
Deferred tax related to remeasurement gains / (losses) recognized directly in retained earnings	51	83
Cumulative amount recognized directly in retained earnings after tax at 31 December	(180)	(294)

2 Remunerations and other

Remuneration and direct ownership of shares of the Chairperson and of the Board of Directors are disclosed in Yara Executive Remuneration Report for 2023. The full report can be found at www.yara.com, Annual report section.

Remuneration to the President and Yara management, as well as number of shares owned and Shared Based Remuneration, are disclosed in Yara Executive Remuneration Report for 2023.

Partners and employees of Yara's independent auditors, Deloitte AS, own no shares in Yara International ASA, or in any of its subsidiaries. Audit remuneration for the Group is disclosed in note 8.3 External audit remuneration to the consolidated financial statements. The following table shows total audit and other services delivered to Yara International ASA by the appointed auditor.

NOK millions	Audit fee	Assurance services	Other non-audit services	Total
2023				
Deloitte Norway	(10)	(2)	(1)	(13)
Deloitte abroad	–	(6)	–	(6)
Total	(10)	(8)	(1)	(19)
2022				
Deloitte Norway	(7)	(4)	–	(11)
Deloitte abroad	–	(3)	–	(3)
Total	(7)	(7)	–	(14)

At 31 December 2023, the number of employees in Yara International ASA was 714 (2022: 677).

NOK millions	2023	2022
Payroll and related costs		
Salaries	(1,091)	(997)
Social security costs	(173)	(139)
Net periodic pension costs	(123)	(113)
Total	(1,387)	(1,250)

In 2023, Yara continued to give employees in Norway an opportunity to take part in a share purchase program. All permanent employees in Norway were offered Yara shares at market price, funded through company provided single purpose interest-free employee loans with a 12-month repayment profile. In order to handle this arrangement in an efficient way, Yara has established a foundation for employees' shares in Yara. During 2023, the foundation purchased 44,000 Yara shares and sold 43,955 Yara shares to 624 employees, whereof 35 employees bought 20 shares each, 123 employees bought 41 shares each, and 466 employees bought 82 shares each. As at 31 December 2023, the foundation owns 665 Yara shares.

3 Intangible assets, property, plant and equipment

2023

NOK millions, except percentages and years	Intangible assets[1]	Property, plant and equipment[2]	Asset under construction	Total
Cost				
Balance at 1 January	1,474	171	144	1,790
Addition at cost	79	26	72	176
Derecognition	(3)	–	(8)	(12)
Transfers	82	2	(84)	–
Balance at 31 December	1,631	200	123	1,955
Depreciation, amortization and impairment loss				
Balance at 1 January	(1,171)	(105)	(45)	(1,321)
Depreciation, amortization and impairment loss	(132)	(17)	–	(149)
Derecognition	1	–	–	1
Balance at 31 December	(1,302)	(122)	(45)	(1,469)
Carrying value				
Balance at 1 January	303	67	99	469
Balance at 31 December	329	78	78	486
Useful life in years	3–5	4–50		
Depreciation rate	20–35%	2–25%		

[1] Intangible assets mainly consist of computer software systems.
[2] Property, plant and equipment for Yara International ASA consists mainly of buildings and furnishings. There were no assets pledged as security at 31 December 2023.

2022

NOK millions, except percentages and years	Intangible assets[1]	Property, plant and equipment[2]	Asset under construction	Total
Cost				
Balance at 1 January	1,333	159	198	1,690
Addition at cost	54	7	38	100
Transfers	87	5	(92)	–
Balance at 31 December	1,474	171	144	1,790
Depreciation, amortization and impairment loss				
Balance at 1 January	(1,026)	(89)	(45)	(1,160)
Depreciation, amortization and impairment loss	(145)	(16)	–	(161)
Balance at 31 December	(1,171)	(105)	(45)	(1,321)
Carrying value				
Balance at 1 January	307	70	153	531
Balance at 31 December	303	67	99	469
Useful life in years	3–5	4–50		
Depreciation rate	20–35%	2–25%		

[1] Intangible assets mainly consist of computer software systems.
[2] Property, plant and equipment for Yara International ASA consists mainly of buildings and furnishings. There were no assets pledged as security at 31 December 2022.

4 Specification of items in the income statement

Sales to geographical areas[1)]

	2023			2022		
NOK millions	External	Other Yara entities	Total	External	Other Yara entities	Total
Norway	–	177	177	1	134	135
European Union	–	3,301	3,284	20	2,751	2,770
Europe, outside European Union	35	30	83	2	29	31
Africa	–	31	31	–	25	25
Asia	–	120	120	–	86	86
North America	–	58	58	–	41	41
Latin America	–	211	211	–	199	199
Australia and New Zealand	2	23	24	–	20	20
Total	37	3,951	3,988	22	3,285	3,307

1) Figures are based on customer location.

Other operating expenses

NOK millions	2023	2022
Selling and administrative expense	(2,661)	(2,217)
Rental and leasing[1)]	(76)	(70)
Travel expense	(55)	(38)
Other	(386)	(448)
Total[2)]	(3,179)	(2,773)
Of which research costs[3)]	(617)	(605)

1) Expenses mainly related to office and lease contracts for company cars.
2) Of which relates to transactions with related parties NOK 1,391 million (2022: NOK 1,112 million).
3) Over the last few years, Yara has focused on orienting research and development resources towards commercial activities, both with respect to process and product improvements and agronomical activities.

5 Financial income and expenses

NOK millions	Notes	2023	2022
Dividends and group relief from subsidiaries	13	15,607	15,956
Interest income group companies	13	2,773	1,264
Other interest income		315	97
Interest expense group companies	13	(1,702)	(686)
Other interest expense		(2,200)	(1,378)
Interest expense on obligation	1	(56)	(32)
Interest income from plan assets	1	37	23
Foreign currency exchange gain/(loss)		(92)	(1,400)
Other financial income/(expense)		24	(143)
Financial income/(expense), net		14,707	13,701

CONTENT

6 Income taxes

Specification of income tax expense

NOK millions	2023	2022
Current tax expense[1]	(194)	(25)
Deferred tax income/(expense) recognized in the current year	372	(137)
Income tax income/(expense)	178	(162)

[1] Withholding taxes and prior years adjustment, see specification in the table below.

Reconciliation from nominal statutory tax rate to effective tax rate

NOK millions	2023	2022
Income before taxes	13,950	12,798
Statutory tax rate	22%	22%
Expected income taxes at statutory tax rate	(3,069)	(2,816)
The tax effect of the following items:		
Dividends and group relief received from subsidiary with no tax effect	3,433	2,761
Withholding taxes	(28)	(25)
Prior years adjustment[1]	(166)	–
Non-deductible expenses	(22)	(69)
Other	30	(14)
Income tax income/(expense)	178	(162)
Effective tax rate	1%	(1%)

[1] See section "Transfer pricing audit of Yara International ASA".

Specification of deferred tax assets/(liabilities)

NOK millions	Opening balance	Charged to income	Charged to equity	Closing balance
Non-current items				
Intangible assets	15	(6)	–	9
Property, plant and equipment	7	–	–	7
Pension liabilities	200	(2)	(32)	166
Other non-current assets	(1,299)	(577)	–	(1,876)
Other non-current liabilities and accruals	941	176	–	1,117
Total	(135)	(409)	(32)	(576)
Current items				
Accrued expenses	(197)	219	–	21
Total	(197)	219	–	21
Tax loss carry forwards	1,159	562	–	1,721
Net deferred tax asset/(liability)	827	372	(32)	1,167

Tax loss carry forwards are expected to be fully utilized by future taxable interest income on group funding and taxable group contributions from Yara's operating companies in Norway.

Transfer pricing audit of Yara International ASA

On 25 October 2023, Yara announced that it had received a draft tax reassessment from the Norwegian Tax Authorities (NTA) related to a transfer pricing audit for the years 2015, 2016 and 2017. Yara is currently preparing its response. The position of the NTA is to increase the Yara International ASA tax results by approximately NOK 7.3 billion in total for the years 2015 to 2017, which would increase tax cost by an estimated NOK 1.7 billion. When applying the same principles for the years up to and including 2023, the total tax cost would increase by an additional NOK 2.5 billion. Although Yara disagrees with the draft reassessment and still considers its transfer pricing to be in line with applicable tax legislation, it is recognized that transfer pricing is a complex tax area that involves a level of discretion. When calculating the related accounting provision, Yara has reflected the uncertainty by probability-weighting amounts in a range of outcomes. The total provision in relation to the transfer price audit is NOK 180 million at year-end 2023, and this amount covers all years from 2015 to 2023.

Pillar 2

The Yara group is within the scope of the OECD Pillar 2 model rules. The Pillar 2 legislation has been enacted in Norway, which is the jurisdiction of the ultimate parent entity of the Yara group, Yara International ASA. The Pillar 2 legislation will have effect for the Yara group from the financial year 2024.

Since the Pillar 2 legislation was not effective at the reporting date (31 December 2023), the Yara group has no related current tax exposure. For 2023 the group applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12 issued in May 2023.

For 2024 the Yara group is contemplating to elect the application of the transitional Country by Country Report (CbCR) safe harbors approved by the OECD on 15 December 2022, which have been implemented in the Norwegian Pillar 2 legislation. These safe harbor rules will simplify the compliance process for the Yara group by excluding some qualifying countries from the Pillar 2 computation on a transitory basis, i.e., for fiscal years 2024, 2025 and 2026. No top up tax liability will arise from these qualifying countries during the transitory period.

Based on the 2023 preliminary CbCR numbers, it is expected that Yara entities incorporated in five countries (Hungary, Peru, Poland, Singapore and Tanzania) will not qualify for any of the CbCR transitory safe harbors and, thus, the Yara group will be required to make a calculation of fully adjusted GloBE Income and pay a top up tax for these jurisdictions.

Assuming that the Pillar 2 rules had been enacted with effect for income year 2023 we estimate that the total top up tax liability of the Yara group for the five countries mentioned above would not have exceeded USD 10 million for income year 2023.

7 Shares in subsidiaries

Company name	Ownership[1)]	Ownership by other group companies	Registered office	Functional currency	Total equity in the company 2023 functional currency millions	Net income/ (loss) 2023 in functional currency millions	Carrying value 2023 NOK millions	Carrying value 2022 NOK millions
Subsidiaries owned by Yara International ASA								
Fertilizer Holdings AS	100%	–	Norway	NOK	20,302	17,244	16,108	16,108
Yara Clean Ammonia AS	100%	–	Norway	USD	951	2	9,757	9,757
Yara Norge AS	100%	–	Norway	NOK	1,349	(431)	1,303	1,303
Yara Asia Pte. Ltd.	100%	–	Singapore	USD	847	93	1,114	1,114
Yara Colombia S.A.	70%	29%	Colombia	COP	1,064,533	141,485	763	763
Yara North America Inc.	100%	–	USA	USD	859	26	363	363
Yara Guatemala S.A.	100%	–	Guatemala	GTQ	183	44	24	24
Yara Lietuva, UAB	100%	–	Lithuania	EUR	3	2	23	23
Yara International Employment Co. AG	100%	–	Switzerland	EUR	2	–	1	1
Total							29,457	29,457

1) Percentage of shares owned equals percentage of voting shares owned. A number of the above mentioned companies also own shares in other companies as specified in their annual reports. See also note 8.4 Composition of the group in the consolidated financial statements for further details.

8 Specification of other balance sheet items

NOK millions	Notes	2023	2022
Other non-current assets			
Surplus on funded defined benefit plans	1	494	372
Non-current fair value derivative hedging instrument		155	–
Interest rate swap designated for hedging (external)		–	14
Other		19	28
Total		668	414
Inventories			
Finished goods		20	20
Raw materials		27	15
Total		48	35
Other non-current liabilities			
Non-current fair value hedging instruments		131	216
Non-current financial derivate instruments		689	1,029
Total		820	1,245
Bank loans and other interest-bearing debt			
Interest-bearing loans from group associates and joint arrangements	13	1,583	1,510
Bank overdraft		28	141
Total		1,611	1,651

9 Guarantees

NOK millions	2023	2022
Guarantees (off-balance sheet)		
Guarantees for debt in subsidiaries	10,603	8,817
Non-financial guarantees	21,193	20,482
Total	31,796	29,299

Yara International ASA provides guarantees arising in the ordinary course of business, including performance bonds and various payment or financial guarantees. See note 5.8 Secured debt and guarantees to the consolidated financial statements for further information about guarantees.

10 Financial risks and hedge accounting

Financial risks in Yara and the use of derivative instruments are described in note 6.1 Financial risk management the consolidated financial statements.

Liquidity and funding risk

Yara International ASA manages liquidity risk by maintaining adequate reserves and committed bank facilities and by continuously monitoring forecasted and actual cash flows. Non-current intercompany receivables are related to funding of subsidiaries and have a maturity profile matching the external debt maturities (see note 12 Interest-bearing debt). Current intercompany receivables and payables mainly reflect intercompany current account balances and will fluctuate with fertilizer seasons. Committed liquidity reserves are maintained to meet unforeseen events.

Yara International ASA's derivative instruments outstanding at 31 December are shown in the following table.

NOK millions	2023	2022
Fair value of derivatives		
Forward foreign exchange contracts (external)	(442)	(26)
Forward foreign exchange contracts (Yara Group internal)	434	999
Cross currency swaps (external)	(689)	(1,016)
Interest rate swaps designated for hedging (external)	24	(216)
Balance at 31 December	(674)	(258)
Derivatives presented in the balance sheet		
Non-current assets	155	14
Current assets	480	1,040
Non-current liabilities	(820)	(1,245)
Current liabilities	(488)	(67)
Balance at 31 December	(674)	(258)

Forward foreign exchange contracts

Yara is committed to the following outstanding forward foreign exchange contracts.

NOK millions	2023	2022
Forward foreign exchange contracts (external), notional amount	3,571	7,753
Forward foreign exchange contracts (Yara Group internal), notional amount	4,179	10,681

All outstanding external forward foreign exchange contracts at 31 December 2023 have maturity in 2024. External buy positions are mainly in US dollars against Norwegian kroner or Brazilian reals. External sell positions are in various operating currencies towards Norwegian kroner.

Credit risk

The exposure to credit risk is represented by the carrying amount of each class of financial assets, including derivative financial instruments, recorded in the balance sheet.

Hedge accounting

Fair value hedges

In December 2014, Yara designated a portfolio of non-current NOK fixed-to-floating interest rate swaps as hedging instruments. The remaining hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 600 million fixed rate bond debt from 2014.

In December 2017, Yara designated a portfolio of non-current NOK fixed-to-floating interest rate swaps as hedging instruments. The remaining hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million and NOK 1,000 million fixed rate bond debt from 2017.

In November 2021, Yara designated a non-current NOK fixed-to-floating interest rate swap as hedging instrument. The hedged risk is the change in fair value due to changes in risk-free interest rates (NIBOR) of the NOK 1,000 million fixed rate bond debt from 2021.

In November 2022, Yara designated a non-current USD fixed-to-floating interest rate swap as hedging instrument. The hedged risk is the change in fair value due to changes in risk-free interest rates (SOFR) of the USD 600 million fixed rate bond debt from 2022.

Subsequent to initial recognition, Yara measures interest-bearing borrowings at amortized cost. However, the designation of interest rate swaps as hedging instruments and use of hedge accounting enables Yara to include the fair value of changes in interest rates in the carrying value of the bonds. The corresponding adjustment in the statement of income offsets the effects of the recognized interest rate swaps, leading to less volatility in net income.

As the key parameters of the hedging instruments (interest basis, inception dates and maturity dates) are identical to the respective hedged items, no ineffectiveness has been identified.

Cash flow hedges

Yara had no cash flow hedges in 2023 or 2022. However, Yara has used derivative instruments to hedge cash flows of planned transactions in the past and may do so also in the future.

Effect on financial position and performance in 2023

NOK millions	Currency	Hedge rates	Denominated amount	Carrying amount of the hedged item[1)		Accumulated amount of hedge adjustment on the hedged item included in the carrying amount of the hedged item		Line item in the Balance sheet in which the hedged item is included	Line item in the Balance sheet in which the hedging instrument is included	Change in value of the hedged item used for calculating hedge ineffectiveness[2)	Change in value of the hedging instrument[2)
				Assets	Liabilities	Assets	Liabilities				
Fair value hedges											
Interest rate risk											
- Fixed interest, NOK bonds (2014)	NOK	3M NIBOR	600	–	584	16	–	Non-current interest-bearing debt	Other Non-current liabilities	(3)	3
- Fixed interest, NOK bonds (2017)	NOK	3M NIBOR	2,000	–	1,897	102	–	Non-current interest-bearing debt	Other Non-current liabilities	(13)	13
- Fixed interest, NOK bonds (2021)	NOK	3M NIBOR	1,000	–	940	59	–	Non-current interest-bearing debt	Other Non-current liabilities	(1)	1
- Fixed interest, USD bonds (2022)	USD	SOFR	6,109	–	6,230	–	155	Non-current interest-bearing debt	Other Non-current liabilities	(176)	176

1) The designated nominal amounts of the hedging instruments equal the nominal amounts of the hedged items.
2) All amounts are pre-tax.

For either hedging category, there are no balances remaining from a hedging relationship for which hedge accounting is no longer applied.

Effect on financial position and performance in 2022

NOK millions	Currency	Hedge rates	Denominated amount	Carrying amount of the hedged item[1)		Accumulated amount of hedge adjustment on the hedged item included in the carrying amount of the hedged item		Line item in the Balance sheet in which the hedged item is included	Line item in the Balance sheet in which the hedging instrument is included	Change in value of the hedged item used for calculating hedge ineffectiveness[2)	Change in value of the hedging instrument[2)
				Assets	Liabilities	Assets	Liabilities				
Fair value hedges											
Interest rate risk											
- Fixed interest, NOK bonds (2014)	NOK	3M NIBOR	579	–	580	19	–	Non-current interest-bearing debt	Other Non-current liabilities	21	(21)
- Fixed interest, NOK bonds (2017)	NOK	3M NIBOR	1,930	–	1,884	115	–	Non-current interest-bearing debt	Other Non-current liabilities	99	(99)
- Fixed interest, NOK bonds (2021)	NOK	3M NIBOR	965	–	938	60	–	Non-current interest-bearing debt	Other Non-current liabilities	57	(57)
- Fixed interest, USD bonds (2022)	USD	SOFR	5,894	–	5,839	22	–	Non-current interest-bearing debt	Other Non-current liabilities	22	(2)

1) The designated nominal amounts of the hedging instruments equal the nominal amounts of the hedged items.
2) All amounts are pre-tax.

For either hedging category, there are no balances remaining from a hedging relationship for which hedge accounting is no longer applied.

11 Number of shares outstanding, shareholders, equity reconciliation etc.

Yara International ASA was established 10 November 2003. The company was established with a share capital of 108,610,470 consisting of 63,888,512 shares at NOK 1.70 per share. At 31 December 2023, the company has a share capital of NOK 433,033,566 consisting of 254,725,627 ordinary shares at NOK 1.70 per share.

Yara has no own shares at 31 December 2023. For further information on these issues see note 5.1 Shareholders' equity to the consolidated financial statements.

Shareholders holding 1 percent or more of the total 254,725,627 shares issued as of 31 December 2023 are according to information in the Norwegian securities' registry system (Verdipapirsentralen).

Name	Number of shares	Holding (%)
Ministry of Trade, Industry and Fisheries	92,239,891	36.21%
The Government Pension Fund Norway	16,750,126	6.58%
State Street Bank[1]	8,801,959	3.46%
State Street Bank[1]	5,208,195	2.04%
Clearstream Banking[1]	3,900,821	1.53%
JPMorgan Chase Bank[1]	3,422,367	1.34%

1) Nominee accounts.

Shareholders' equity

NOK millions	Paid in capital	Retained earnings	Total shareholders' equity
Balance 31 December 2021	550	15,139	15,689
Net income of the year	–	12,636	12,636
Dividend proposed	–	(14,010)	(14,010)
Actuarial gain/(loss[1]	–	(121)	(121)
Additional dividend to proposed dividend for 2022[2]	–	(2,547)	(2,547)
Adjustment to proposed dividend previous years	–	3	3
Correction previous years	–	(2)	(2)
Balance 31 December 2022	550	11,097	11,648
Net income of the year	–	14,128	14,128
Dividend proposed	–	(1,274)	(1,274)
Actuarial gain/(loss)[1]	–	114	114
Adjustment to proposed dividend previous years	–	3	3
Balance 31 December 2023	550	24,068	24,619

1) Yara International ASA has decided to use the option in NRS 6A to adopt IAS19. For further information, see Basis of preparation.
2) Additional dividend as approved in Extraordinary General Meeting 6 December 2022, NOK 10 per share.

12 Interest-bearing debt

			31 December 2023		31 December 2022	
NOK millions, except percentages and denominated amounts	Maturity	Weighted average interest rates[1]	Denominated amount	Carrying value[2]	Denominated amount	Carrying value[2]
Unsecured debenture bonds in NOK (Coupon 3.000%)	2024	3.00%	600	584	600	580
Unsecured debenture bonds in NOK (Coupon 2.450%)	2024	2.50%	1,000	970	1,000	960
Unsecured debenture bonds in USD (Coupon 3.800%)	2026	3.90%	5,091	5,088	4,912	4,906
Unsecured debenture bonds in NOK (Coupon 2.410%)	2026	2.50%	1,000	940	1,000	938
Unsecured debenture bonds in NOK (Coupon NIBOR + 0.640%)	2026	4.10%	1,150	1,149	1,150	1,148
Unsecured debenture bonds in NOK (Coupon 2.900%)	2027	2.90%	1,000	927	1,000	924
Unsecured debenture bonds in USD (Coupon 4.750%)	2028	4.80%	10,181	10,168	9,824	9,806
Unsecured debenture bonds in USD (Coupon 3.150%)	2030	3.20%	7,636	7,614	7,368	7,342
Unsecured debenture bonds in USD (Coupon 7.378%)	2032	7.50%	6,109	6,230	5,894	5,839
Unsecured bank loans in USD		5.60%	2,383	2,383	2,674	2,674
Outstanding interest-bearing debt				36,053		35,116
Less: Current portion				(3,393)		(300)
Total				32,659		34,817

[1] Weighted average interest rates calculated excluding effect of interest rate swap agreements.
[2] The carrying values include issuance discount, capitalized issuance costs and effect of interest rate swaps.

At 31 December 2023, the fair value of the non-current debt, including the current portion, is NOK 35,105 million and the carrying value is NOK 35,116 million. See note 5.3 Interest-bearing debt and note 6.1 Financial risk management to the consolidated financial statements for further information about non-current debt.

Payments on non-current debt fall due as follows

NOK millions	Debentures	Bank loans	Other long-term debt	Total[1]
2024	1,554	1,839	–	3,393
2025	–	311	–	311
2026	7,177	233	–	7,410
2027	927	–	–	927
2028	10,168	–	–	10,168
Thereafter	13,844	–	–	13,844
Total	33,670	2,383	–	36,053

[1] Including current portion.

13 Transactions with related parties

Transactions with related parties are mainly associated with the group treasury function and rendering of group services by the employees of Yara International ASA.

NOK millions	Notes	2023	2022
Income statement			
Yara Belgium S.A./N.V.		2,611	2,220
Yara Norge AS		136	110
Yara Brasil Fertilizantes S.A.		124	127
Yara Suomi Oy		113	88
Yara Sluiskil B.V.		111	91
Other		855	648
Internal revenues	4	3,951	3,285
Yara GmbH & Co. KG		(413)	(334)
Yara Asia Pte Ltd.		(295)	(244)
Yara Belgium S.A./N.V.		(134)	(155)
Yara Brasil Fertilizantes S.A.		(78)	(51)
Yara UK Ltd.		(45)	(43)
Yara Digital Farming India Pvt. Ltd.		(62)	(13)
Yara Sluiskil B.V.		(49)	(35)
Other		(314)	(237)
Other operating expenses	4	(1,391)	(1,112)
Fertilizer Holdings AS		15,000	8,629
Yara Asia Pte Ltd.		522	3,748
Yara Guatemala S.A.		86	58
Yara Norge AS		–	2,600
Yara AS		–	800
Other		–	121
Dividends and group relief from subsidiaries	5	15,607	15,956

NOK millions	Notes	2023	2022
Yara Holding Netherlands B.V.		896	271
Yara Norge AS		497	193
Yara Suomi Oy		261	59
Yara Sluiskil B.V.		220	68
Yara Investments Germany SE		169	37
Yara AS		130	324
Yara Investment GmbH		86	29
Yara France SAS		77	23
Yara Brunsbüttel GmbH		64	16
Other		373	244
Interest income group companies	5	2,773	1,264
Fertilizer Holdings AS		(407)	(7)
Yara North America Inc.		(174)	(68)
Yara AS		(173)	(314)
Yara Canada Holding Inc.		(118)	(69)
Yara Nederland B.V.		(90)	(20)
Yara Asia Pte Ltd.		(86)	(35)
Yara Pilbara Fertilisers Pty Ltd.		(81)	(31)
Yara GmbH & Co. KG		(81)	(11)
Other		(492)	(132)
Interest expense group companies	5	(1,702)	(686)

NOK millions	Notes	2023	2022
Non-current assets			
Yara Holding Netherlands B.V.		16,356	15,414
Yara Norge AS		6,478	3,623
Yara Sluiskil B.V.		5,600	5,403
Yara Suomi Oy		5,148	4,799
Yara Investments Germany SE		3,539	3,299
Yara Investment GmbH		1,883	1,755
Yara AB		1,678	1,566
Yara France SAS		1,577	1,470
Other		4,786	3,733
Intercompany receivables		47,045	41,063
Current assets			
Fertilizer Holdings AS		15,000	8,233
Yara Norge AS		2,438	3,122
Yara Clean Ammonia AS		1,205	2,164
Yara Italia S.p.A.		735	605
Yara Belgium S.A./N.V.		576	62
Yara AS		–	800
Other		2,940	2,990
Intercompany receivables		22,895	17,975
Yara Pensjonskasse		5	1
Stiftelsen for ansattes aksjer i Yara		12	12
Other related parties receivables[1]		17	13

NOK millions	Notes	2023	2022
Current liabilities			
Fertilizer Holdings AS		(15,880)	–
Yara North America Inc.		(3,132)	(5,007)
Yara Asia Pte Ltd.		(2,533)	(1,549)
Yara GmbH & Co. KG		(2,435)	(2,511)
Yara Canada Holding Inc.		(1,800)	(1,882)
Yara Insurance DAC		(1,753)	(1,488)
Yara Nederland B.V.		(1,476)	(7,086)
Yara Tertre S.A.		(1,025)	(1,602)
Yara Pilbara Fertilisers Pty Ltd.		(739)	(2,821)
Yara Switzerland Ltd.		(650)	(1,798)
Other		(7,689)	(6,293)
Intercompany payables		(39,112)	(32,037)
Trinidad Nitrogen Company Ltd.		(1,284)	(1,142)
Yara Freeport LLC DBA Texas Ammonia		(291)	(367)
Yara Pilbara Nitrates Pty Ltd.		(8)	(1)
Interest-bearing loans from group associates and joint arrangements	8	(1,583)	(1,510)

[1] Yara International ASA has transactions with Yara Pensjonskasse (pension fund) and Stiftelsen for ansatte aksjer i Yara. See note 1 Employee benefits for more information.

Remuneration to the Board of Directors and Yara Management are disclosed in note 8.1 Related parties and 8.2 Share-based remuneration to the consolidated financial statements.

Statement from the Board and the CEO of Yara International ASA

The Board of Directors and the CEO have today considered and approved the integrated report for Yara International ASA ("Company") and the Yara Group ("Group") for the 2023 calendar year and as of 31st December, 2023.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by EU, European Single Electronic Format (ESEF) regulations as well as additional information requirements as per the Norwegian Accounting Act. The financial statements for the Company have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway.

We confirm to the best of our knowledge that:

- The 2023 financial statements for the Company and the Group have been prepared in accordance with applicable accounting standards
- The 2023 consolidated financial statements have been prepared in accordance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act
- The information in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and result as of 31st December, 2023
- The integrated report 2023 has been prepared in accordance with the International Integrated Reporting Framework (IR)[1] and meets the information requirements of the Norwegian accounting act with regard to the Report of the Board of Directors and statements on corporate governance and corporate social responsibility
- The integrated report for the Company and the Group;
  - gives a true and fair view of the Company's and the Group's development, performance and financial position, and
  - includes a description of the principal risks and uncertainty factors facing the Company and the Group
- That the country-by-country report for 2023 has been prepared in accordance with the Norwegian Accounting Act § 3-3d and the Norwegian Security Trading Act § 5-5a

The Board of Directors Yara International ASA,
Oslo 20 March 2024

Trond Berger Chair	Jannicke Hilland Vice Chair	John Thuestad Member of the Board
Rune A. Bratteberg Member of the Board	Tove Feld Member of the Board	Geir O. Sundbø Member of the Board
Eva S. Aspvik Member of the Board	Ragnhild F. Høimyr Member of the Board	Therese Log Bergjord Member of the Board
Harald Thorstein Member of the Board	Tina Lawton Member of the Board	Svein Tore Holsether President and CEO

[1] 2013 edition of the International Integrated Reporting Framework as published by the International Integrated Reporting Council (IIRC) on https://integratedreporting.org/

Auditor's report

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To the General Meeting of Yara International ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yara International ASA, which comprise:

- The financial statements of the parent company Yara International ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of Yara International ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Board Audit and Sustainability Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 20 years from the incorporation of the Company on 12 November 2003 for the accounting year 2004 following the demerger from Norsk Hydro ASA. We were auditors in Norsk Hydro ASA at the time for the demerger, and have been auditors for Yara International ASA and Norsk Hydro ASA in total for more than 20 years.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Tax assets and liabilities

Description of the Key Audit Matter

As detailed in note 1.2 and 2.8, the Group has recognized deferred tax assets of USD 522million. Total unrecognized deferred tax assets are USD 517 million, of which USD 309 million represent unused tax losses in Brazil. Recognition of these assets are based on management assumptions related to future operating results and timing of utilization.

As detailed in note 1.2 and 2.8, management applies judgment to determine to what extent these deferred tax assets qualify for recognition in the statement of financial position. This involves judgment as to the likelihood of the realization of deferred tax assets. The expectation that the benefit of these deferred tax assets will be realized is dependent on sufficient taxable profits in future periods.

As detailed in note 1.2 and 5.6, the Group is engaged in a number of juridical and administrative proceedings related to disputed tax matters with uncertain outcome. Management is required to make certain judgments and estimates to recognize and measure the effect of uncertain tax positions.

Due to the significant management judgment involved in estimation and recognition of deferred tax assets and uncertain tax positions, we have assessed this to be a Key Audit Matter.

How the matter was addressed in the audit

Our audit procedures included the following, among others:

- We evaluated relevant controls associated with accounting for tax balances, including deferred tax assets and uncertain tax positions.
- We involved our tax specialists in evaluating management's judgments and conclusions.
- We challenged the appropriateness of management's assumptions and estimates in relation to the likelihood of generating future taxable profits to support the recognition of deferred tax assets. We evaluated the forecasted taxable profits and consistency of these forecasts with historical performance.
- We evaluated management's assessment of the probable outcome related to uncertain tax positions.
- We reviewed applicable third-party evidence and correspondence with tax authorities.
- We considered the adequacy of the Group's disclosures related to uncertain tax positions and deferred tax assets.

CONTENT

Impairment of goodwill and property, plant and equipment

Description of the Key Audit Matter

As disclosed in note 1.2, 4.1 and 4.2, the Group has recognized goodwill of USD 760 million and property, plant and equipment (PP&E) of USD 7,232 million. The Company's goodwill is tested for impairment on an annual basis while PP&E is tested for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Determining whether goodwill and PP&E are impaired requires estimation of the value in use. As disclosed in note 4.7, the value in use calculation requires management to make significant estimates and assumptions related to future commodity prices, gas prices as well as assumptions related to discount rates, future production levels, capital expenditures and impact from climate changes. Changes in these assumptions could have a significant impact on the value of goodwill and PP&E.

Net impairment losses of USD 220 million were recognized in the year ended 31 December 2023.

Due to the significant judgment involved in determining the assumptions used in the testing for impairment of goodwill, property, plant and equipment we have assessed this to be a Key Audit Matter.

How the matter was addressed in the audit

Our audit procedures included the following, among others:

- We evaluated relevant controls associated with the impairment review process.
- We challenged management's key assumptions used in the cash flow forecasts included within the impairment models.
- We challenged specifically the urea- and ammonia prices, gas prices, assumed production levels, capital expenditure, impact from climate changes and discount rate assumptions, including consideration of the risk of management bias.
- We compared urea- and ammonia and gas prices to third party publications.
- We used internal valuation specialists in assessing discount rate assumptions used and testing the models.
- We validated the mathematical accuracy of cash flow models and agreed relevant data to the latest production plans and approved budgets.
- We considered the adequacy of the disclosures provided by the Group in relation to its impairment reviews.

CONTENT

Other information

The Board of Directors and the President and CEO (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual integrated report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance, Corporate Social Responsibility, and to the report on payments to governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board Audit and Sustainability Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Yara International ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual integrated report, with the file name YAR-2023-12-31-EN.zip,

have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual integrated report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual integrated report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual integrated report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual integrated report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 March 2024

Deloitte AS

Espen Johansen

State Authorised Public Accountant

This document is signed electronically

CONTENT

Sustainability assurance report

Deloitte.

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To the Board of Directors of Yara International ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON YARA INTERNATIONAL ASA'S SUSTAINABILITY REPORTING FOR 2023

We have performed an assurance engagement for the Board of Directors of Yara International ASA on selected Environmental, Social and Governance ("ESG") information (the "Selected Information") within the Integrated Report for the reporting period ended 31 December 2023.

Limited Assurance Conclusion
Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023, as described below, has not been prepared, in all material respects, in accordance with the Applicable Criteria related to GRI Index 2023 and Taxonomy KPIs.

Reasonable Assurance Opinion
In our opinion, the Selected Information for the year ended 31 December 2023, as described below, is prepared, in all material respects, in accordance with the Applicable Criteria related to Greenhouse gas (GHG) emission intensity.

Scope of our work
Yara International ASA has engaged us to provide limited assurance on GRI Index 2023 and Taxonomy KPIs in accordance with International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised) and reasonable assurance in accordance with International Standard on Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board ("IAASB") and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented in the Integrated Report for the year ended 31 December 2023, is as follows:

Limited Assurance Selected Information	Applicable Criteria
GRI Index 2023	Reporting in accordance with GRI Standards, published by the Global Reporting Initiative (globalreporting.org).
Taxonomy KPIs	Article 8 of EU Regulation 2020/852 from the European Parliament and the Council of 18 June 2020, as well as Annex I and Annex II in the Delegated Act supplementing Article 8 of the Taxonomy Regulation (EU Commission's Delegated Regulation 2021/2178 of 6 June 2021), as interpreted by the management as described in the Basis for preparation included in the EU Taxonomy Report 2023. Compliance with technical screening criteria is not in scope for the assurance engagement.

Reasonable Assurance Selected Information	Applicable Criteria
Greenhouse gas (GHG) emission intensity	Reporting in accordance with the Yara definition and explanation provided in the Integrated Report in relation to the KPI.

CONTENT

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information

We obtained limited and reasonable assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

GHG quantification is subject to inherent uncertainty because of possibility of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Greenhouse gas (GHG) emission intensity as defined by Yara International ASA; the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Board of Directors' responsibilities

The Board of Directors are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting, and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.

Our responsibilities

Our objectives are to:

- Related to GRI Index 2023 and Taxonomy KPIs, plan and perform the assurance engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error and to issue and assurance report that includes our conclusion.
- related to Greenhouse gas (GHG) emission intensity, plan and perform the assurance engagement to obtain reasonable assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our opinion.

As part of both limited and reasonable assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

For a limited assurance engagement:

- Perform risk procedures, including obtaining an understanding of internal processes relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error.
- Design and perform procedures responsive to disclosures in the Selected Information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, or misrepresentations.

CONTENT

For a reasonable engagement:

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement of the disclosures in the Selected Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our independence and quality management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the Work Performed for Limited Assurance Conclusion

A limited assurance engagement involves performing procedures to obtain evidence about the Selected Information. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Selected Information.

In conducting our limited assurance engagement, we have performed the following procedures:

- Through inquiries of relevant personnel, we have obtained an understanding of the Company, its environment, processes, and information systems relevant to the preparation of the Selected Information sufficient to identify areas where material misstatement in the Selected Information is likely to arise, providing a basis for designing and performing procedures to respond to address these areas and to obtain limited assurance to support a conclusion.
- Through inquiries of relevant personnel, we have obtained an understanding of the internal processes relevant to the Selected Information and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information.
- Performed procedures on a sample basis to assess whether the Selected Information has been collected and reported in accordance with the Applicable Criteria, including comparing to source documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 20 March 2024

Deloitte AS

Espen Johansen
State Authorised Public Accountant

This document is signed electronically

Reconciliation of Alternative performance measures in the Yara Group

Yara makes regular use of certain non-GAAP financial Alternative performance measures (APMs), both in absolute terms and comparatively from period to period. On a yearly basis, the following APMs are used and reported:

- Operating income/(loss)
- EBITDA
- EBITDA, excluding special items
- Return on invested capital (ROIC)
- Premium generated
- Fixed cost in core business
- Net operating capital (days)
- Net interest-bearing debt
- Net debt / equity ratio
- Net debt / EBITDA, excluding special items ratio
- Basic earnings/(loss) per share, excluding foreign currency exchange gain/(loss) and special items
- Green bond ratio

Definitions and explanations for the use of these APMs are described herein, including reconciliations of the APMs to the most directly reconcilable line item, subtotal or total presented in the financial statements.

Operating income/(loss)

Operating income/(loss) is directly identifiable from Yara's consolidated statement of income and is considered key information in understanding the Group's financial performance. It provides performance information covering all activities which normally are considered as "operating". Share of net income/(loss) in equity-accounted investees is not included.

EBITDA

Earnings before interest, tax, depreciation and amortization (EBITDA) is used for providing consistent information on Yara's operating performance and debt servicing ability. EBITDA, as defined by Yara, includes operating income/(loss), share of net income/(loss) in equity-accounted investees, and interest income and other financial income. It excludes depreciation, amortization and impairment loss, as well as amortization of excess values in equity-accounted investees. Yara's definition of EBITDA may differ from that of other companies.

EBITDA, excluding special items

EBITDA, excluding special items is used to better reflect the underlying performance in the reporting period, adjusting for items which are not primarily related to the period in which they are recognized. Yara defines "special items" as items in the results which are not regarded as part of underlying business performance for the period. These comprise restructuring related items, contract derivatives, impairments and other items which are not primarily related to the period in which they are recognized, subject to a minimum value of USD 5 million per item within a 12-month period. "Contract derivatives" are commodity-based derivative gains or losses which are not the result of active exposure or position management by Yara. Together with impairments, these are defined as special items regardless of amount. For details on special items, see page 39–40 in chapter 2, Yara in review, section Profit

Reconciliation of operating income/(loss) to EBITDA, excluding special items

USD millions		2023	2022
Operating income/(loss)		312	3,827
Share of net income/(loss) in equity-accounted investees		1	25
Interest income and other financial income		159	108
Depreciation and amortization		1,018	964
Impairment loss		220	35
Earnings before interest, tax, depreciation and amortization (EBITDA)		1,709	4,959
Special items included in EBITDA[1]		(3)	70
EBITDA, excluding special items	A	1,712	4,889

[1] For details on special items, see page 39–40 in chapter 2, Yara in review, section Profit

Special items included in EBITDA per operating segment

USD millions	2023	2022
Europe	(48)	(11)
Americas	11	(26)
Africa & Asia	–	106
Global Plants & Operational Excellence	13	(2)
Clean Ammonia	–	(1)
Industrial Solutions	28	6
Other and Eliminations	(6)	(2)
Total special items included in EBITDA[1]	(3)	70

[1] For details on special items, see page 39–40 in chapter 2, Yara in review, section Profit

EBITDA per operating segment, excluding special items

USD millions		2023	2022
Europe		97	1,237
Americas		823	1,878
Africa & Asia		188	554
Global Plants & Operational Excellence		170	398
Clean Ammonia		101	251
Industrial Solutions		225	636
Other and Eliminations		107	(63)
EBITDA, excluding special items[1)]	A	1,712	4,889

[1)] For details on special items, see page 39–40 in chapter 2, Yara in review, section Profit

Reconciliation of net income/(loss) to EBITDA

USD millions	2023	2022
Net income/(loss)	54	2,782
Income tax expense	136	857
Interest expense and other financial items	249	260
Foreign currency exchange (gain)/loss	32	61
Depreciation and amortization	1,018	964
Impairment loss	220	35
EBITDA	1,709	4,959

ROIC

Return on invested capital (ROIC) is defined as Net Operating Profit After Tax (NOPAT) divided by average invested capital calculated on a 12-months rolling average basis. NOPAT is defined as operating income/(loss) adding back amortization and impairment of intangible assets other than goodwill, as well as adding interest income from external customers and net income/(loss) from equity-accounted investees, reduced with a tax cost calculated based on a 25% flat rate. Average invested capital is defined as total current assets excluding cash and cash equivalents and adding a normalized cash level of USD 200 million, reduced for total current liabilities excluding current interest-bearing debt and current portion of non-current debt, and adding property, plant and equipment, right-of-use assets, goodwill and associated companies and joint ventures.

NOPAT and average invested capital are defined and reconciled as components in the reporting of ROIC as an APM. They are not considered to be separate APMs.

Reconciliation of operating income/(loss) to net operating profit after tax

USD millions		2023	2022
Operating income/(loss)		312	3,827
Amortization and impairment of intangible assets other than goodwill		33	33
Interest income from external customers		87	81
Calculated tax cost (25% flat rate) on items above		(108)	(985)
Share of net income/(loss) in equity-accounted investees		1	25
Net operating profit after tax (NOPAT)	B	325	2,981

Reconciliation of net income/(loss) to net operating profit after tax

USD millions		2023	2022
Net income/(loss)		54	2,782
Amortization and impairment of intangible assets other than goodwill		33	33
Interest income from external customers		87	81
Interest income and other financial income		(159)	(108)
Interest expense and other financial items		249	260
Foreign currency exchange (gain)/loss		32	61
Income tax expense, added back		136	857
Calculated tax cost (25% flat rate)		(108)	(985)
Net operating profit after tax (NOPAT)	B	325	2,981

Reconciliation of invested capital and ROIC calculation

USD millions		2023	2022
Total current assets		6,213	8,620
Cash and cash equivalents		(539)	(1,010)
Normalized level of operating cash		200	200
Total current liabilities		(3,714)	(4,338)
Current interest-bearing debt		517	210
Current lease liabilities		123	118
Property, plant and equipment		7,232	6,970
Right-of-use assets		418	403
Goodwill		760	754
Associated companies and joint ventures[1)]		136	143
Adjustment for 12-months average		–	(468)
Invested capital	C	11,346	11,602
Return on invested capital (ROIC)	D=B/C	2.9%	25.7%

[1)] Associated companies and joint ventures excludes long-term loans to associates. See note 4.3 Associates and joint ventures for further details.

Premium generated

Yara reports the measure Premium Generated to provide information on its commercial performance for selected Premium Products, reflecting Yara's ability to grow premium offerings and to generate a positive price premium compared with alternative commodity products.

The definition of Premium Generated is total tonnage of delivered Premium NPKs and straight Nitrate fertilizers, multiplied by their associated price premiums. NPK premium is defined as Yara's average realized price for Premium NPKs benchmarked against a comparable and theoretically calculated blend of global nitrogen (N), phosphorus (P) and potassium (K) prices, adjusted for variable bagging costs and logistical costs.

The blend model is calculated based on market references for the main nutrients. Following the situation in Ukraine, the Urea Prilled FOB Black Sea reference, which was used to reflect the N-component within the blend model for the NPK premium benchmark calculation, has become illiquid. Hence, Yara has performed a comprehensive revision of the market references. As a result, the now illiquid Urea Prilled FOB Black Sea reference was from 2023 substituted by the Urea Granular Arab Gulf (excl. US). This reference is considered the best alternative to reflect the N-component globally. In addition, the MOP reference (reflecting the K-element) has been changed from the MOP Standard FOB Vancouver to MOP Granular FOB Vancouver. The rationale is that the latter reference better reflects the product characteristics which would typically be used in a blend. The revision of the market references is also reflected in the comparison figures for 2022. The other references used within the blend model remain unchanged, i.e., DAP FOB North Africa (for the P-element), and SOP FOB West Europe (for the K-element). These commodity prices are derived from external publications. Costs for content of secondary and micronutrients in Yara deliveries are deducted for comparability.

The Nitrate premium is defined as Yara's average sales price for straight nitrates versus the comparable value of urea. Comparability is achieved through adjusting the measures for relevant freight components and nitrogen content, such that both are represented in a theoretical delivered CIF bulk Germany value of CAN 27%. The urea reference applied is Urea Granular FOB Egypt, and the measure is adjusted for sulfur content. The measurement includes estimates and simplified assumptions; however, it is considered to be of sufficient accuracy to assess the premium development over time.

Reconciliation of premium generated

USD millions		2023	2022 Restated[1]
Revenues[1] from premium NPKs and straight nitrates		5,719	8,032
Adjustments to revenues[2]		(552)	(677)
Adjusted revenues as basis for premium generated	E	5,167	7,355
Benchmark revenue for premium generated[3]	F	3,290	5,760
Calculated premium generated	G=E–F	1,877	1,594

[1] The comparison figures for 2022 are changed following a revision of the market references applied.
[2] IFRS revenues, ref. note 2.1 Revenue from contracts with customers, page 228–231 in the financial statement part of Yara Integrated Report 2023.
[3] Adjustments for logistical and bagging costs, incoterms, sulfur content, and homogenization of nutrient content (for nitrates).
[4] Value of commodity fertilizers adjusted by nutrient content, secondary and micronutrients in NPK, cost of coloring and incoterms. The commodity prices are derived from the external publications Fertecon, Fertilizer Week, Profercy, The Market and FMB.

Yara Improvement Program (YIP)

Yara has a corporate program to drive and coordinate existing and new improvement initiatives, the Yara Improvement Program. The program distinguishes between three defined pillars: a) higher production returns and lower variable costs, b) leaner cost base, and c) smarter working capital management. Yara reports operational metrics on underlying value drivers to provide information on project performance to management, which Yara also considers to be relevant for external stakeholders. YIP target is set for 2025.The operational metrics are reported on a rolling 12-months basis and include:

- production volume (kt),
- fixed cost in core business (USD millions), and
- net operating capital (days).

In 2023, Yara's scorecard was simplified. The metric energy efficiency (Gj/T) was removed from YIP as it was assessed to be partially overlapping with another key performance indicator included in Yara's scorecard, the greenhouse gas (GHG) emissions intensity (t CO_2e/tN). The fixed cost in core business and the net operating capital measures represent financial Alternative performance measures and are defined below.

Fixed cost in core business is defined as the subtotal "Operating costs and expenses" in the consolidated statement of income, minus variable product cost (raw materials, energy, freight), other variable operating expenses, depreciation, amortization and impairment loss. The reported amounts are adjusted for items which are not considered to be part of underlying business performance for the period (for details on special items, see page 39–40 in chapter 2, Yara in review, section Profit as well as items which relate to portfolio and structural changes. Previously the reported number was total fixed cost for Yara. In 2023, Yara changed the definition of this KPI to exclude five portfolio units. These units are Yara Clean Ammonia, Agoro, Varda, Yara Marine Technologies and Yara Growth Ventures. The KPI is renamed "Fixed cost in core business" to reflect this change. The rational for this change is to better reflect Yara's ambition to beat inflation in core business in the current inflationary environment.

Net operating capital days are reported on a 12-months average basis and is defined as the net of credit days, inventory days and payable days. Credit days are calculated as trade receivables, adjusted for VAT payables, relative to total revenue and interest income from customers. Inventory days are calculated as the total inventory balance relative to product variable costs. Payable days are calculated as trade payables adjusted for payables related to investments, relative to supplier related operating costs and expenses.

Reconciliation of operating costs and expenses to fixed cost in core business

USD millions	2023	2022
Operating costs and expenses	15,236	20,224
Variable part of Raw materials, energy costs and freight expenses	(11,399)	(16,762)
Variable part of Other operating expenses	(25)	(64)
Depreciation and amortization	(1,018)	(964)
Impairment loss	(220)	(35)
Special items within fixed cost	(61)	(21)
Adjustment for portfolio units	(162)	(127)
Fixed cost in core business	2,351	2,252

Reconciliation of net operating capital days

USD millions		2023	2022
Trade receivables, as reported		1,634	2,305
Adjustment for VAT payables		(110)	(164)
Adjustment for 12-months average		256	257
Adjusted trade receivables (12-months average)	H	1,780	2,398
Revenue from contracts with customers		15,431	23,902
Interest income from external customers		81	78
Total revenue and interest income from customers	I	15,511	23,979
Credit days	J=(H/I)*365	42	36
Inventories, as reported		3,058	4,365
Adjustment for 12-months average		441	219
Inventories (12-months average)	K	3,499	4,584
Raw materials, energy costs and freight expenses		11,445	18,078
Change in inventories of own products		650	(725)
Fixed product costs and freight expenses external customers		(1,536)	(1,606)
Product variable costs	L	10,558	15,747
Inventory days	M=(K/L)*365	121	106
Trade and other payables, as reported		2,049	2,549
Adjustment for other payables		(142)	(214)
Adjustment for payables related to investments		(202)	(221)
Adjustment for 12-months average		182	733
Trade payables (12-months average)	N	1,886	2,846
Operating costs and expenses		15,236	20,224
Depreciation and amortization		(1,018)	(964)
Impairment loss		(220)	(35)
Other non-supplier related costs		(2,107)	(733)
Operating costs and expenses, adjusted	O	11,891	18,493
Payable days	P=(N/O)*365	58	56
Net operating capital days	Q=J+M–P	105	87

Capital structure measures

Yara reports the Group's net interest-bearing debt, net debt / equity ratio and net debt / EBITDA, excluding special items ratio to provide information on the Group's financial position with reference to the targeted capital structure, as communicated in Yara's financial policy. In addition, Yara's reporting of net interest-bearing debt highlights key development factors which supplement the consolidated statement of cash flows. Net interest-bearing debt is defined by Yara as cash and cash equivalents and other liquid assets, reduced for current and non-current interest-bearing debt, and lease liabilities. The net debt / equity ratio is calculated as net interest-bearing debt divided by shareholders' equity plus non-controlling interests. The net debt / EBITDA, excluding special items ratio is calculated as net interest-bearing debt divided by EBITDA, excluding special items on a 12-months rolling basis.

Net interest-bearing debt

USD millions		31 Dec 2023	31 Dec 2022
Cash and cash equivalents		539	1,010
Other liquid assets		1	1
Current interest-bearing debt		(517)	(210)
Current lease liabilities		(123)	(118)
Non-current interest-bearing debt		(3,284)	(3,597)
Non-current lease liabilities		(306)	(292)
Net interest-bearing debt	R	(3,690)	(3,206)

Net debt / equity ratio

USD millions		31 Dec 2023	31 Dec 2022
Net interest-bearing debt	R	(3,690)	(3,206)
Total equity	S	(7,570)	(8,600)
Net debt / equity ratio	T=R/S	0.49	0.37

Net debt / EBITDA, excluding special items ratio

USD millions		31 Dec 2023	31 Dec 2022
Net interest-bearing debt	R	(3,690)	(3,206)
EBITDA, excluding special items (last 12 months)	A	1,712	4,889
Net debt / EBITDA, excluding special items ratio	U=(R)/A	2.16	0.66

Basic earnings/(loss) per share, excluding foreign currency exchange gain/(loss) and special items

Basic earnings/(loss) per share (EPS), excluding foreign currency exchange gain/(loss) and special items is an adjusted EPS measure which reflects the underlying performance in the reporting period by adjusting for currency effects and items which are not primarily related to the period in which they are recognized. This APM represents net income/(loss) after non-controlling interests, excluding foreign currency exchange gain/(loss) and special items after tax, divided by average number of shares outstanding in the period. The tax effect on foreign currency exchange gain/(loss) and special items is calculated based on relevant statutory tax rate for simplicity.

Earnings/(loss) per share

USD millions, except earnings/(loss) per share and number of shares		2023	2022
Weighted average number of shares outstanding	V	254,725,627	254,725,627
Net income/(loss) attributable to shareholders of the parent	W	48	2,777
Foreign currency exchange gain/(loss)	X	(32)	(61)
Tax effect on foreign currency exchange gain/(loss)	Y	10	25
Non-controlling interest's share of foreign currency exchange (gain)/loss, net after tax	Z	(2)	(3)
Special items within income/(loss) before tax[1)]	AA	(222)	37
Tax effect on special items	AB	9	(22)
Special items within income/(loss) before tax, net after tax	AC=AA+AB	(213)	15
Net income/(loss), excluding foreign currency exchange gain/(loss) and special items	AD=W–X–Y+Z–AC	282	2,797
Basic earnings/(loss) per share	AE=W/V	0.19	10.90
Basic earnings/(loss) per share, excluding foreign currency exchange gain/(loss) and special items	AF=AD/V	1.11	10.98

1) For details on special items, see page 39–40 in chapter 2, Yara in review, section Profit

Green bond ratio

Yara reports the Group's green bond ratio to show the extent to which its decarbonization efforts are underpinned by green financing, in accordance with the International Capital Market Association ("ICMA") 2021 Green Bond Principles and the Loan Market Association ("LMA") 2021 Green Loan Principles. Following the EU Guidelines on reporting climate-related information, the climate-related green bond ratio is calculated as the carrying amount of green bonds outstanding at year-end divided by a 5-year rolling average of total unsecured debenture bonds, as reported in in the financial statement part of Yara's Integrated Report 2023, note 5.3 Interest-bearing debt on page 272–273. In November 2022, Yara announced the Group's first offering of Green Notes amounting to USD 600 million due 2032.

Reconciliation of green bond ratio

USD millions	2023	2022
Carrying amount of green bonds outstanding	(612)	(594)
5-year rolling average of total unsecured debenture bonds	(2,942)	(2,719)
Green bond ratio	20.8%	21.8%

Total unsecured debenture bonds[1)]

USD millions	31 Dec 2023	31 Dec 2022
2023	(3,307)	–
2022	(3,302)	(3,302)
2021	(3,059)	(3,059)
2020	(2,940)	(2,940)
2019	(2,139)	(2,139)
2018	(2,905)	(2,905)
2017		(1,968)
Calculated 5-year rolling average of total unsecured debenture bonds	(2,942)	(2,719)

1) See note disclosures on interest-bearing debt in Yara's consolidated financial statements for the respective periods.


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