



Knowledge grows

## Sharing best practices

Yara Ethics & Compliance  
12 October 2017



## Born in Norway, pioneers for over 100 years

1900-1905



Birkeland's  
invention

1906-1939



Attracting Royal  
attention

1940-1959



Extending  
our reach

1960-2003



Going  
global

2004-2014



Going public —  
industry shaper

2015 →



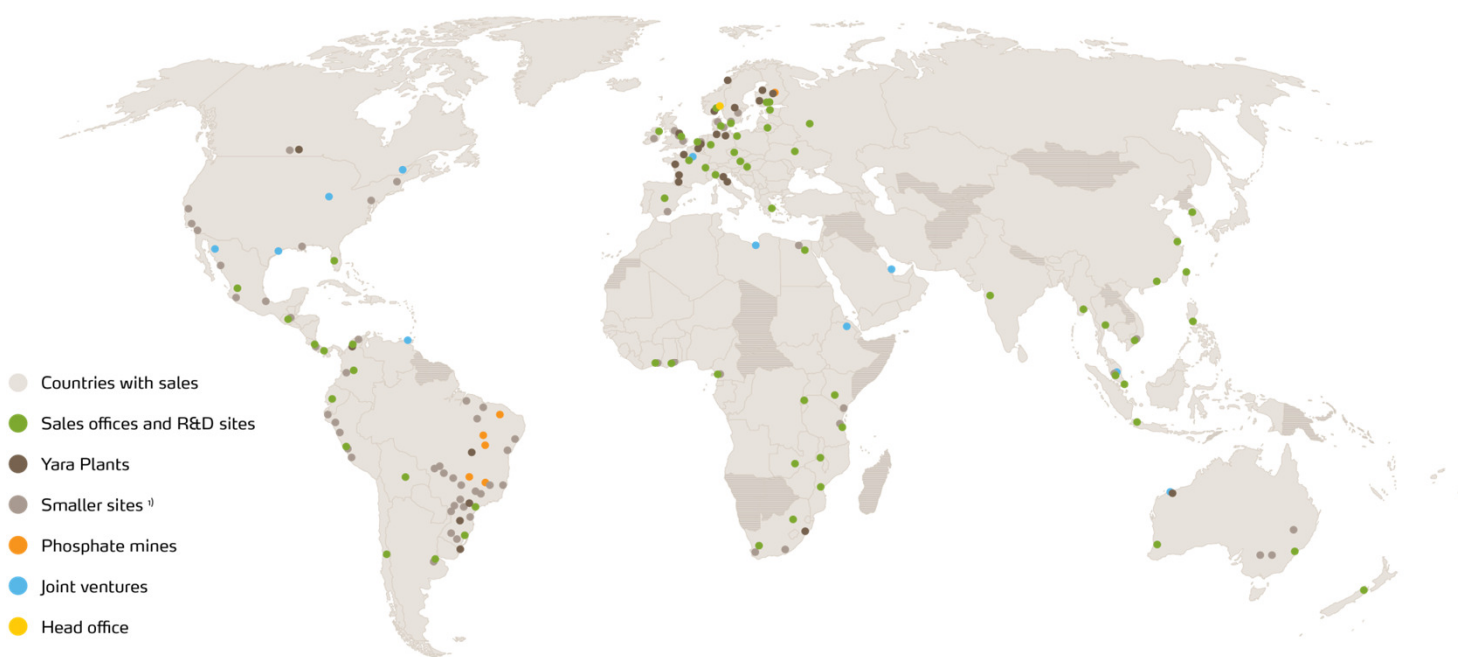
Knowledge grows  
— providing  
shared value



Knowledge grows



## A global presence



<sup>1)</sup> Yara operated terminals and logistical production sites

Close to  
**15,000**  
employees

Sales to about  
**160**  
countries

Revenue  
**NOK 95.2**  
**Billion**  
(USD 11.4 Billion)

In 2016





## Our planet faces massive challenges

9,7 billion

People

+ 50 %

Increased  
food production

-40 to -70 %

Reduced greenhouse gas  
emissions\*



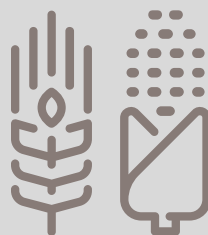
Source: OECD and FAO

\* To stay within the 2°C goal by 2050

## Our response



**Resources**  
Resource Efficiency



**Food**  
Sustainable Agriculture



**Environment**  
Reduced Emissions

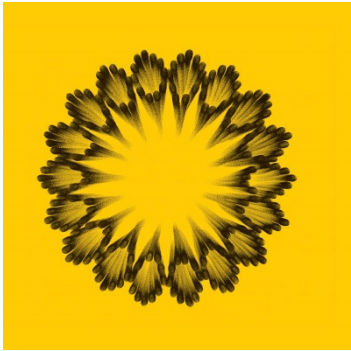
# Sustainable Development Goals



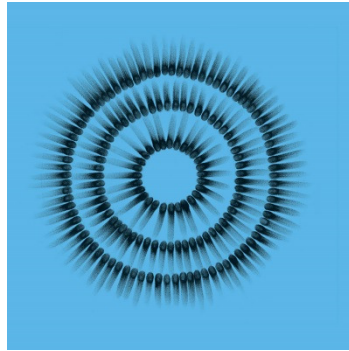
## Our Mission

*Responsibly feed  
the world and  
protect the planet.*

## Our Values



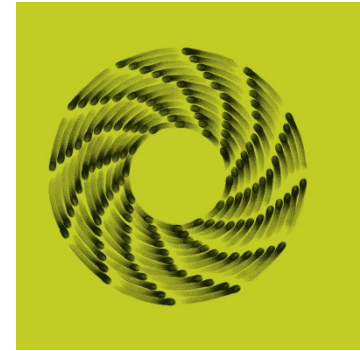
***Ambition***



***Curiosity***



***Collaboration***



***Accountability***



## Yara's Anti-corruption Program 15 elements

1. Culture and Tone at the Top

2. Risk Management

3. Compliance Organization

4. Policies and Procedures

5. Internal Controls

6. Training and Communication

7. Consultation and Guidance

8. Whistleblowing / Internal Reporting

9. Investigation

10. Incentives and Discipline

11. Business Partner Due Diligence

12. M&A Due Diligence

13. Post-Acquisition Implementation

14. Contract Management

15. Monitoring

1. Culture and Tone at  
the Top

## Culture & tone at the top - leadership matters



*“Success can only be  
celebrated when it is achieved  
in the right way”*

## Culture & Tone at the Top

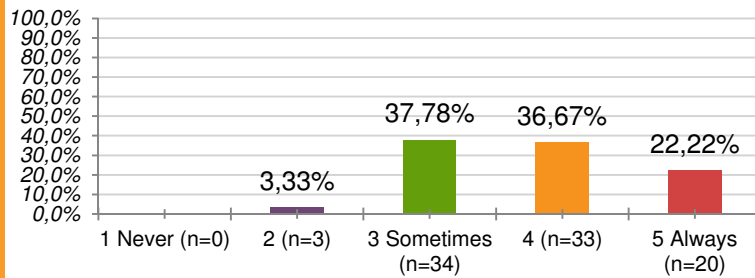
- Survey responses from **100 of Yara's most senior** and risk-exposed managers.
- The responses are **not anonymous**.

Area	Number of people
Corporate Management	12
Crop Nutrition	28
Production	12
Supply Chain	12
Industrial	8
Brazil - Production	4
Brazil - Crop Nutrition	3
Brazil - Industrial	1
Brazil - other	1
EXP - Finance	9
EXP - S&BD	4
EXP - HESQ	3
EXP - Legal	2
EXP - IT	1
Total	100

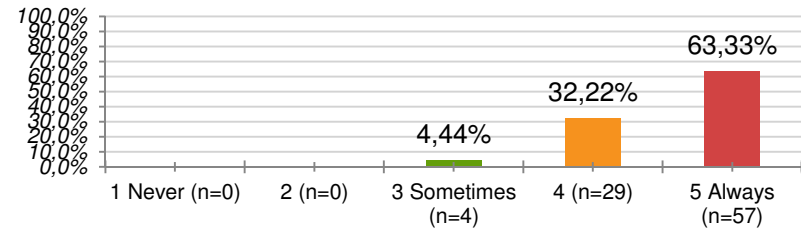
Table – survey respondents, by segment

## Project - Tone at the top

### 1) I regularly include ethics and compliance topics in staff meetings



### 8) I feel that I am aware of Yara's compliance policies and procedures, and ensure that they are followed.

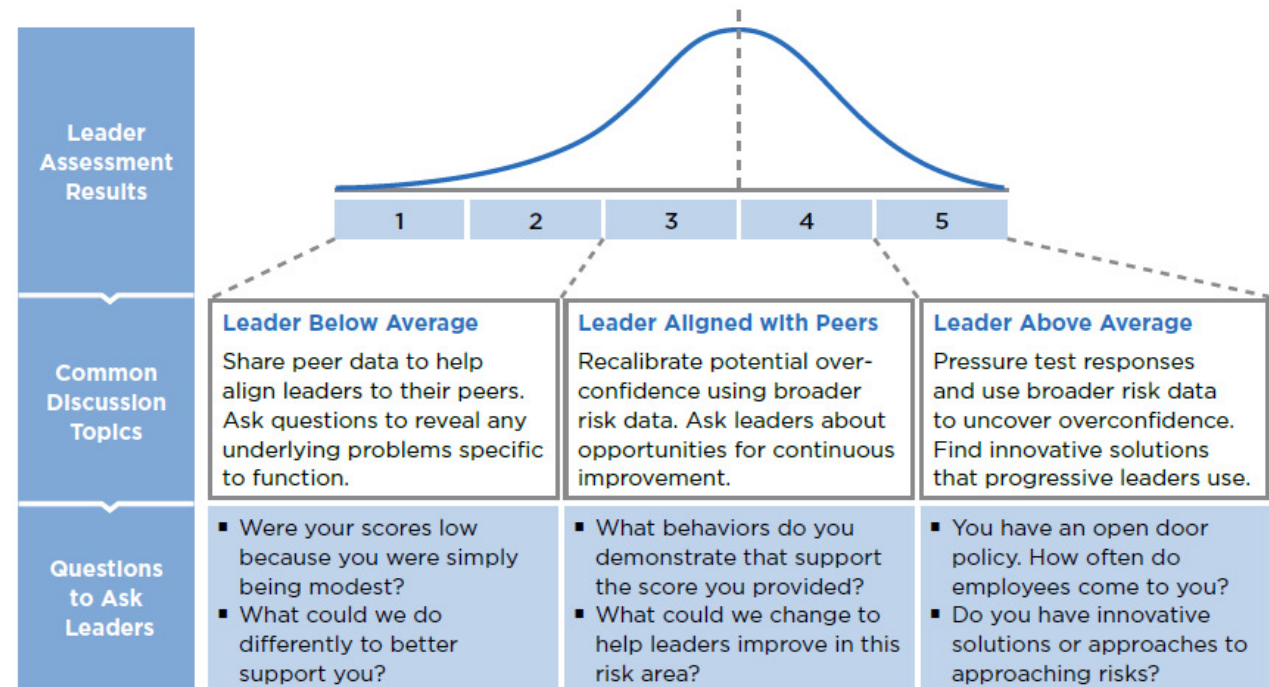


### Free text questions:

- 15) What are your ambitions for your area of the business over the next 6-12 months?
- 16) How can the Ethics Compliance Department assist you?
- 17) I am hoping to have the following 3 take aways from the in-person meeting with the Chief Compliance Officer
- 18) Do you have any feedback (good or bad) or suggestions for the development of Yara's Compliance Program?

## Sharing data amongst peers to drive alignment

- These responses have been followed up with **one to one meetings** with Yara's Chief Compliance Officer throughout 2017.



Source: Yara International ASA; CEB analysis.

## 2. Risk Management



- The risk assessment is your story, your defence. Look after it.



### 3. Compliance Organization

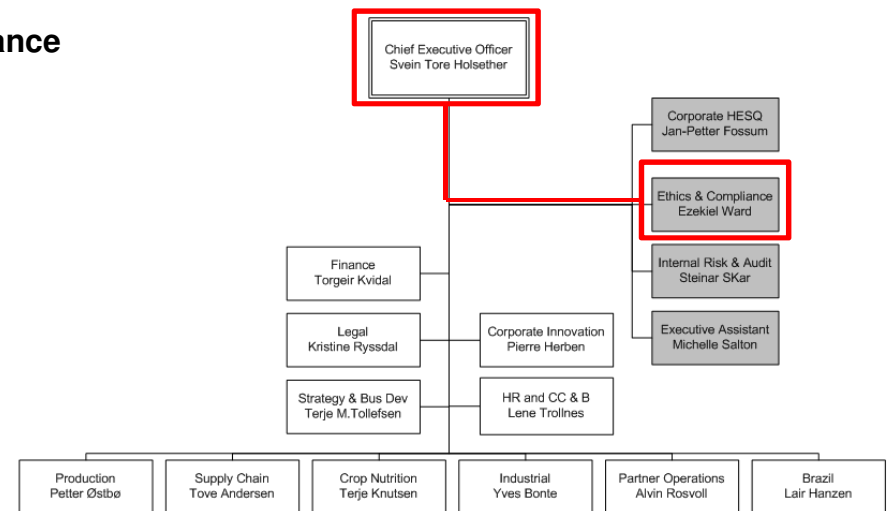
## Board leadership, CEO anchoring

- Yara's **Chief Compliance Officer** leads our **Ethics and Compliance Department**:

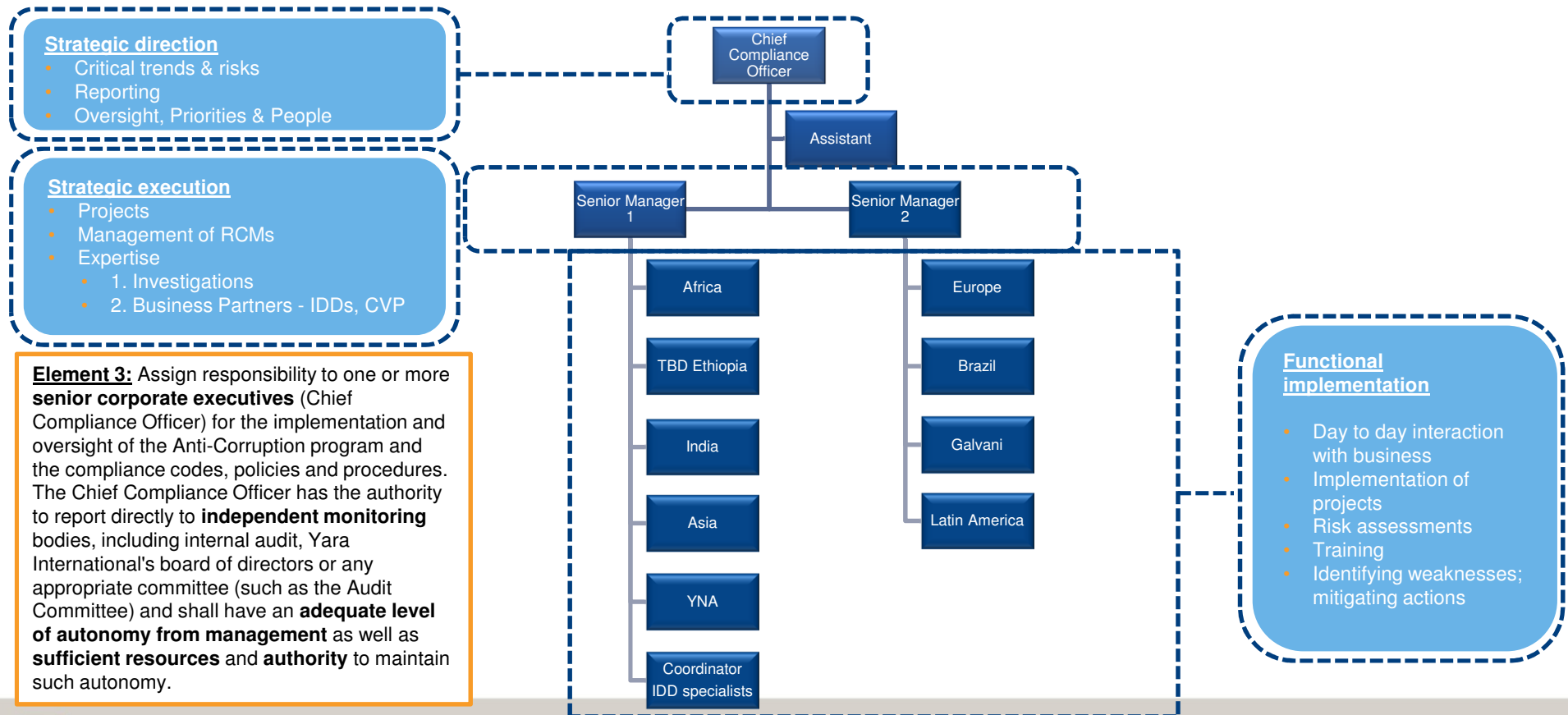
- Reporting to the CEO
- Board of Directors – twice annually
- Audit Committee – quarterly

- Yara has a quarterly **Compliance Committee**

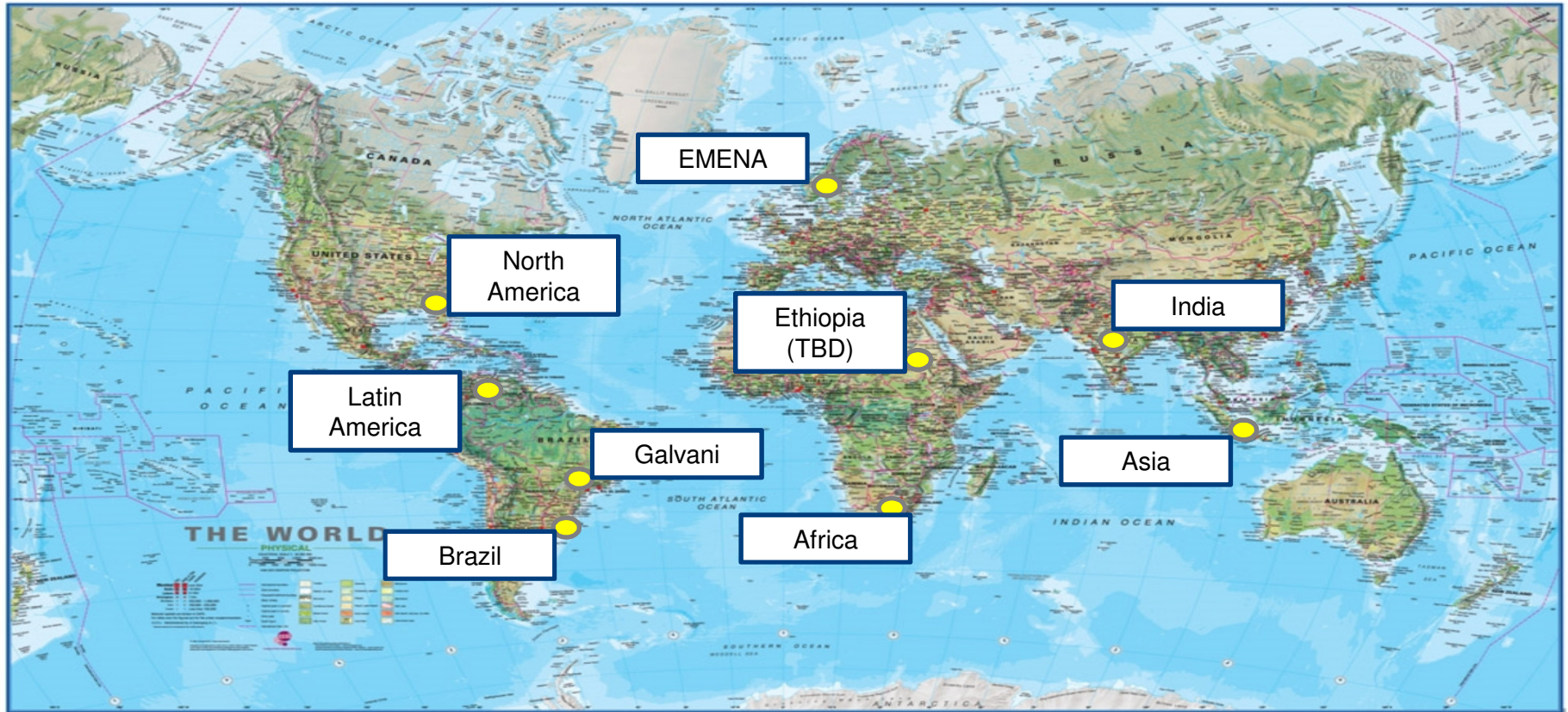
- Chaired by the CEO
- Executive Management Team



## Compliance Organization – strong lines, independence & resources

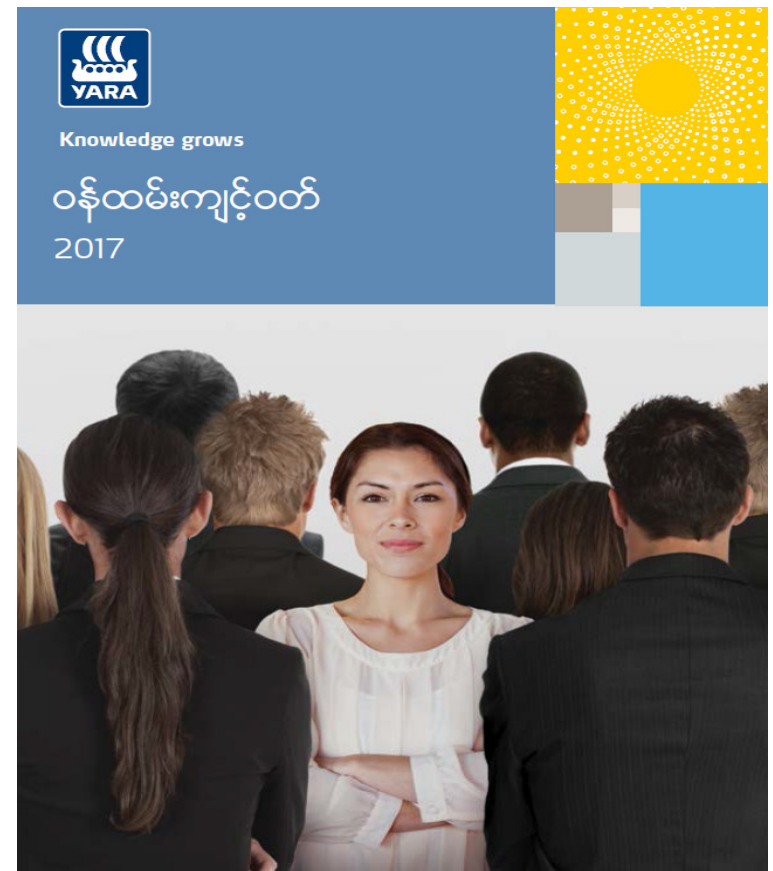


## Global presence, strong reporting lines

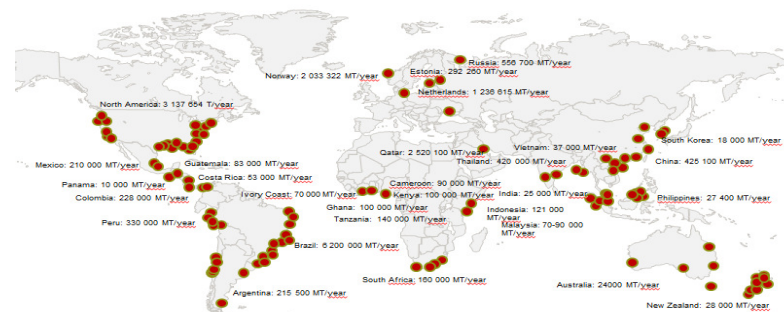
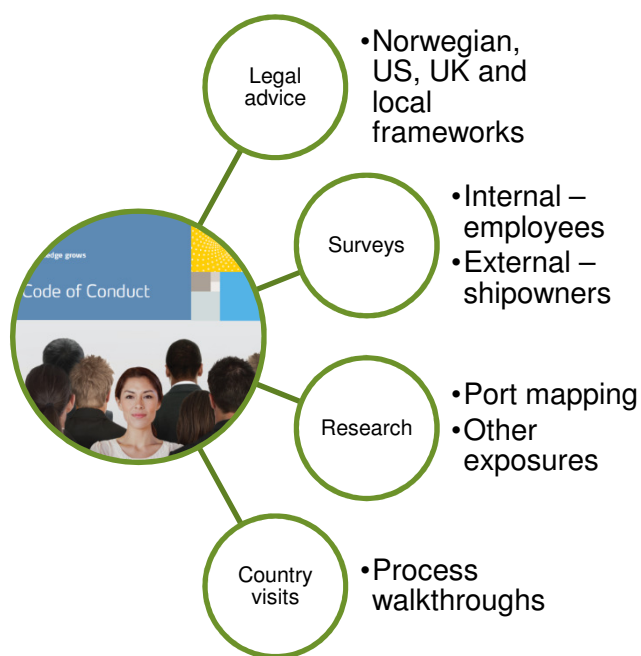


#### 4. Policies and Procedures

- Annual review
  - Code of Conduct
  - Business Partner Code of Conduct
  - Investigations Procedure
  - IDD Procedure
  - Compliance in the Capital Value Process



# Facilitation payments – movement to a zero tolerance policy



## 6.1 Facilitation Payments

Payments, in cash or in kind, made for the timely completion of a routine action, are often referred to as facilitation payments or “grease payments.” These are actions that the recipient is obliged to perform and may include processing papers and issuing permits. The payment is of a nominal value relative to the local economy.

You shall never make facilitation payments on behalf of Yara. This applies regardless of whether the payment is made directly or indirectly through Business Partners, and whether the payment is in cash or in kind.



## Facilitation payments

<b>CEA Project Logistics</b> Add-on service for your project solutions		บริษัท เคอนส์ แอนด์ อีควิปเม้นท์ เอเชีย จำกัด (สำนักงานใหญ่) <b>CRANES AND EQUIPMENT ASIA Co., Ltd. (Head Office)</b> 41/13 Moo 1 Ao-Udom Road, Tambol Thungsukla, Amphur Sriracha Chonburi 20230, Thailand. Tax ID No. 0205548034250 Tel : +66 (038) 354 773, 354 019 , Fax : +66 (038) 354 772			
Customer Code : 1300 Customer Name : Yara (Thailand) Limited Address : 689 Bhum Tower at EonQuater, unit 2709-2713, 27th Fl., Sukhumvit Rd., Klongton Nua, Vadhana, Bangkok 10110 Attention : Kham Kaewwan Yuenwong Tel : 0-2961-3949 E-mail :		<b>ORIGINAL INVOICE</b> (Customer) Invoice No : S-XXXXXX Date : 30/06/2016 Our Ref. no : CEA-Contract No :			
Reference No.	Contact Person	PO No.	PO Date	Term Of Payment	Due Date
				0	30/06/2016
Item No.	Description	Quantity / Unit	Unit Price	Amount	
- 1	SERVICE	1 Unit	0.00	0.00	
- 2	SERVICE	1 Unit	0.00	0.00	
- 3	SERVICE	1 Unit	0.00	0.00	
- 4	SERVICE	1 Unit	0.00	0.00	
- 5	SERVICE	1 Unit	0.00	0.00	
"We confirm NO Facilitation Payments have been paid- for this services, nor will be, paid on behalf of Yara."					
All cheques made payable to Cranes and Equipment Asia Co., Ltd. T/T : Bank Name : Siam Commercial Bank Public Company Limited Branch : Thanonlachaichadomtien (Kongdongtem) Account Name : Cranes and Equipment Asia Co., Ltd. Account Number : 855-261320-6 Swift Code : SICOTHBK				Sub Total	0.00
				Vat % 7	0.00
				Total amount	0.00
Prepared by		Verified by		Authorized	
Date : _____		Date : _____		Date : _____	
Received by					
Date : _____					

We confirm NO  
Facilitation Payments  
have been paid for  
these services, nor will  
be paid on behalf of  
Yara

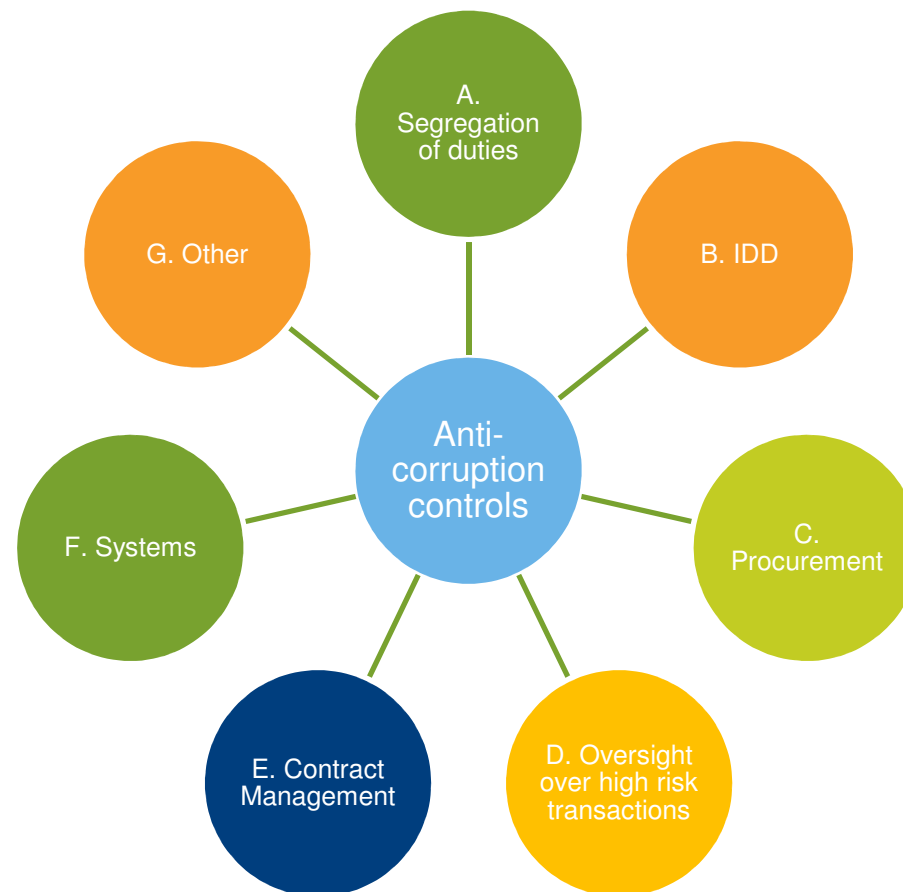


Truck drivers with «Zero tolerance to  
facilitation payments» stickers. Our  
policy is their defence.





## 5. Internal Controls

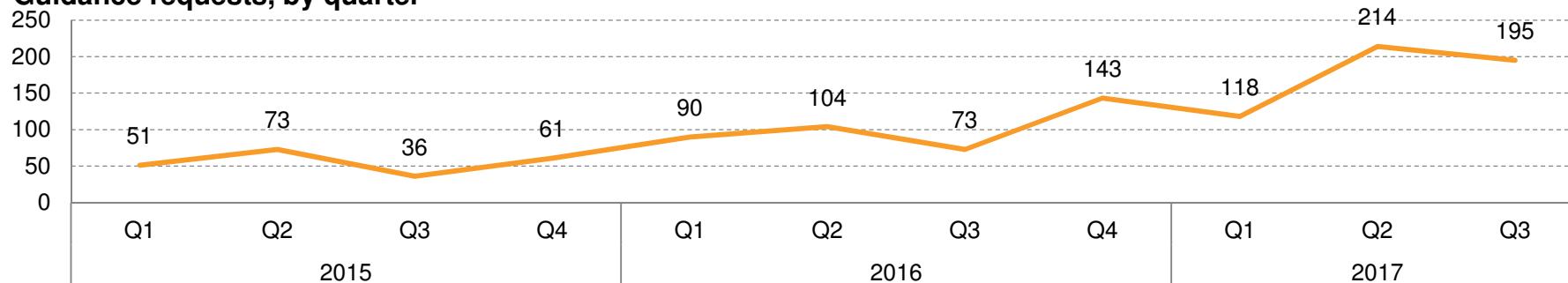


## 6. Training and Communication

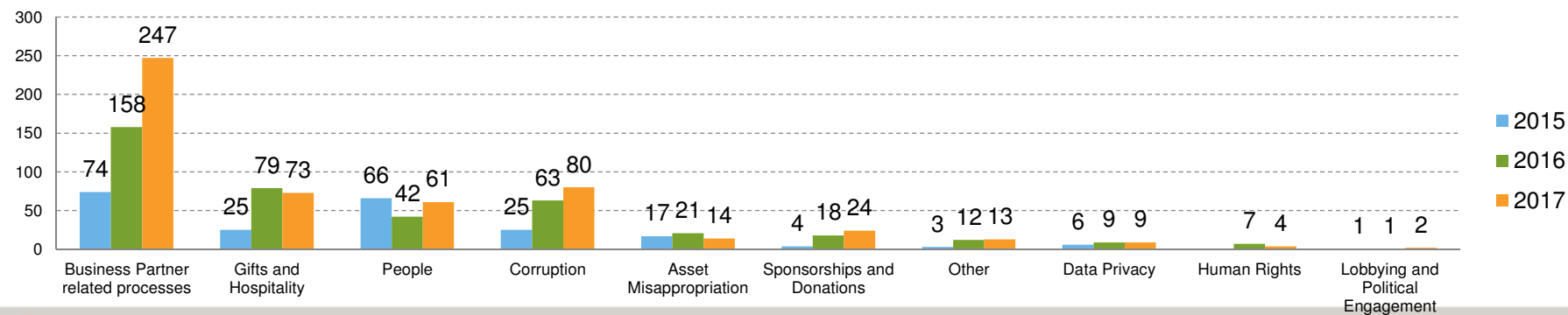


## 7. Consultation and Guidance

Guidance requests, by quarter

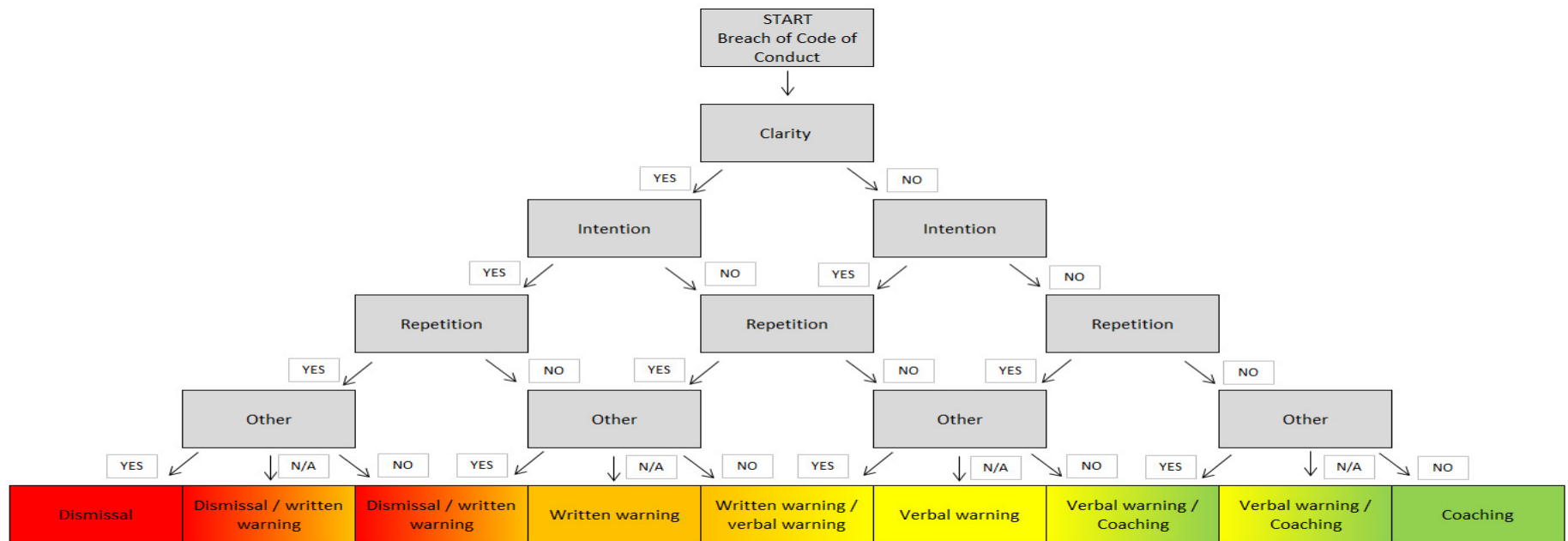


Number of GRs by main categories



## 10. Incentives and Discipline

- Disciplinary measures for breaches of the Code of Conduct:



Quality Assurance

### **M&A**

- Clear process
- Decision gates
- PMI

### **Joint ventures**

- Risk appetite
- Minority positions
- Board representation
- E&C, HESQ

### **Supply chain**

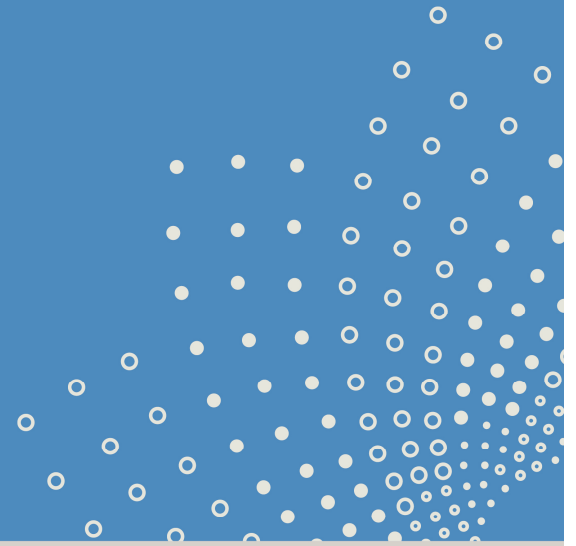
- Reinforce the importance
- Up and down... think customers also!

A good reputation; a “virtuous circle”





# Group discussions



## Tone at the top

- Group discussions – share an example of how your companies have developed tone at the top on anti-corruption
- Nominate one group spokesperson
- 10 minutes

## Choosing our Business Partners

- Group discussion – Share a good practice on how you assess the integrity of your business partners.
- Nominate one group spokesperson
- 10 minutes



Knowledge grows



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