29 APRIL 2026

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Yara International feedback to the Industrial Accelerator Act

Yara welcomes the proposal for the Industrial Acceleration Act (IAA) and supports its objective to strengthen industrial capacity and accelerate decarbonization in Europe. The explicit inclusion of the chemical sector and other energy-intensive industries is a positive and necessary step. However, as currently designed, the practical impact of the IAA on the fertilizer sector remains limited. The proposal places a strong emphasis on public procurement, while key levers to stimulate market demand and enable transformation across value chains are insufficiently developed**. To deliver meaningful results for energy-intensive sectors such as fertilizers, the IAA should be better aligned with sector-specific initiatives, provide predictable and harmonized frameworks, and introduce credible demand-side incentives for low-carbon products across the agri-food value chain**. **Moreover, to ensure a sufficient scope of products, Article 16 should explicitly refer to low-carbon products alongside sustainable carbon sources.** In addition, the heavy reliance on future delegated acts creates legal uncertainty, limiting the ability of both industry and Member States to plan and invest with confidence. Strengthening these elements would enhance the Act's effectiveness in supporting industrial decarbonization and Europe's strategic autonomy.

1. Align the IAA with sector-specific measures

The IAA should not be viewed in isolation. Its success depends on clear alignment with parallel and upcoming initiatives, notably the Critical Chemicals Alliance, specifically the working group on demand creation, and the imminent Fertilizer Action Plan. For fertilizer producers, coherence between horizontal industrial policy instruments and sector specific measures is essential to avoid fragmentation, duplication, or contradictory incentives. **The IAA should explicitly reference and reinforce these initiatives, ensuring that support instruments, certification frameworks, and demand-side measures are mutually reinforcing.**

To accelerate decarbonization, it is essential, particularly in the context of the IAA, to ensure predictability and stability within the EU's core climate framework. The EU Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM) are the central pillars of EU climate policy and should remain so. The scale-up of low-carbon production and the development of lead markets depend on a credible carbon pricing framework that provides long-term certainty for both industry and consumers.

2. Expand Article 16 to include low-carbon products

Article 16 (Delegation of Powers) currently refers to sustainable carbon sources but does not explicitly mention low-carbon products. This omission risks limiting the scope and effectiveness of future delegated acts. **Article 16 (a) and (b) should therefore be widened to explicitly include low-carbon products alongside sustainable carbon sources.** This would ensure that delegated acts can effectively stimulate demand for certified low-carbon products across key industrial sectors, including fertilizers, and provide a clear signal to the market.

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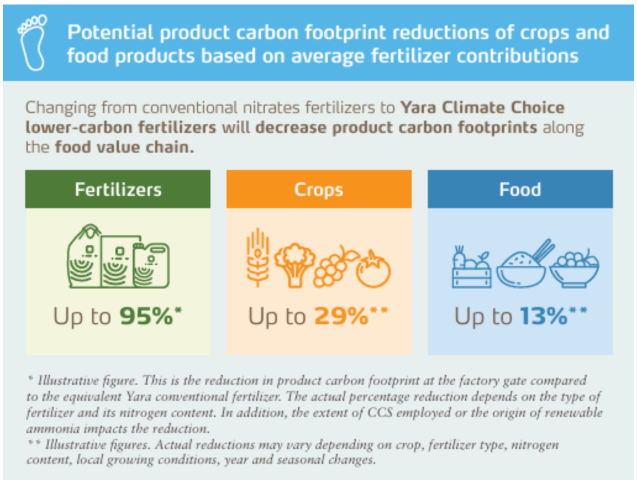
3. Create demand for low-carbon fertilizers and decarbonized food

To unlock decarbonization in the fertilizer sector, the IAA needs to go beyond horizontal principles and provide more practical enablers, including:

- predictable frameworks for producers, farmers, processors and retailers across the value chain;
- incentives enabling customers to choose food products with a lower carbon footprint;
- measures that recognize fertilizers as a critical upstream lever for reducing agri-food emissions.

Without such demand-side signals, investments in low-carbon fertilizer production risk remaining niche and economically unsustainable.



Moreover, downstream targets mirroring existing upstream obligations have proven effective in other sectors as a powerful driver of market transformation. For example, in maritime transport, both supply and demand are addressed:

- In the Renewable Energy Directive (RED) targets are set for fuel producers;
- In the FuelEU Maritime Regulation, demand side obligations are created.

Although these targets are relatively modest, their existence has proven effective in shaping investment and uptake. However, a comparable mechanism is currently missing in the agri-food sector. Given the complexity of the value chain – from fertilizer production to farming, processing, and retail – targets should be placed where they deliver maximum impact with minimal administrative burden.

We therefore recommend gradual obligations for crop processors regarding their uptake of certified lower-carbon fertilizers. This would effectively scale adoption, create a reliable demand signal upstream, and enable a robust assessment of crop and food product carbon footprints, as seen in the above figure. The AGRI ETS consultation in 2023 is an example where food processors were identified as the most effective and socially acceptable point for placing obligations to address agricultural emissions across the value chain, a conclusion supported by a broad majority of respondents.

4. Accelerate the creation of harmonized labels for low-carbon products in line with existing standards

Harmonized certification is essential to distinguish lower-carbon products from conventional ones and to shift markets from commodity-based competition toward value-added, premium products. Therefore, Yara welcomes the Commission's proposal under the IAA to develop voluntary labels as a first step and strongly recommends that fertilizer products are explicitly included. Today, Yara calculates the carbon footprint of its lower-carbon fertilizers using: the ISO 14067 methodology, and Fertilizers Europe's Carbon Footprint Methodology. However, methodological fragmentation remains a barrier. Clear and harmonized EU rules

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for calculating the carbon footprint of fertilizers are a prerequisite for credible footprinting of crops and food products. The uptake of harmonized carbon footprint labels for fertilizers should be accelerated by establishing a specific sub-category for CE-marked lower-carbon fertilizers under EU Regulation 2019/1009, which governs EU fertilizing products.

Yara is leading the way by partnering with agrifood players

Yara is Europe's largest crop nutrition company and a front-runner in decarbonizing fertilizer production. In Porsgrunn, Norway, Yara operates a 24MW electrolyser for renewable ammonia production, which is among the largest currently running in Europe. Moreover, from the second half of 2026, a Carbon Capture and Storage (CCS) project in Sluiskil, the Netherlands, will capture and store around 800 000 tons of CO2 annually. The efforts made by the fertilizer sector show that large-scale decarbonization is possible. However, it cannot be done without mobilization by both the private and public sectors.

In the Clean Industrial Deal Communication, the Commission called on industry to illustrate bottom-up leadership with initiatives that could be scalable at EU level. Yara has already initiated projects to address demand creation for low-carbon fertilizers by partnering with agrifood players in Europe, including PepsiCo Europe, Lantmännen, and Reitan Retail. By supplying producers and retailers with lower-carbon fertilizers, we are doing our part to help decarbonize agrifood value chains, resulting in end-products with a lower carbon footprint. These partnerships illustrate that there is an appetite from the downstream production, as long as the cost is distributed along the food value chain. The full potential of the market for lower-carbon fertilizers can be unlocked by applying measures that can scale-up such practices.

Conclusion

With the above points in mind, Yara calls on co-legislators to strengthen the IAA so it can fully deliver on Europe's industrial decarbonization objectives, particularly for the fertilizer and agri-food sectors. This requires reducing uncertainty by limiting reliance on delegated acts, ensuring coherence with sector-specific initiatives, and explicitly including low-carbon products within the scope of the framework. In parallel, the IAA should establish harmonized certification and labelling for fertilizers and introduce demand-side incentives through value chain-based targets that ensure an even cost distribution. Taking these steps is essential to unlock the full potential of the IAA and to ensure it drives both industrial competitiveness and increased climate ambition.

For more information, please contact:

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