

Communication on Engagement

Period Covered: October 2018 - December 2020

December 2020

To our stakeholders,

I am pleased to confirm that the International Fertilizer Association (IFA) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this Communication on Engagement, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Patrick Heffer

Interim General Director, IFA



About the International Fertilizer Association:

The <u>International Fertilizer Association</u> promotes the efficient and responsible production, distribution and use of plant nutrients to enable sustainable agricultural systems that contribute to a world free of hunger and malnutrition. IFA is the only global fertilizer association with a membership of more than 430 entities, encompassing all actors in the fertilizer value chain from producers through traders and distributors, as well as service providers, advisors, research organizations and NGOs.

IFA is a member of the Global Compact since 2014 and is pleased to submit this description of strategic activities in line with Global Compact Principles and the Sustainable Development Agenda.

As of 2020, a total of 23 IFA member companies have joined the UN's Global Compact, representing virtually all continents in the world: Agrifields DMCC (United Arab Emirates), Arkema (France), BASF S.E. (Germany), CF Industries (United States), Engro (Pakistan), GCT- Groupe Chimique Tunisien (Tunisia), Groupe Roullier (France), Gulf Petrochemical Industries Company GPIC (Bahrain), Haifa Group (Israel), Indorama (Thailand), K+S Aktiengesellschaft (Germany), Mosaic (United States), Nutrien (Canada), PhosAgro (Russian Federation), Profertil (Argentina), Rio Tinto (United Kingdom), Saudi Basic Industries Corporations SABIC (Saudi Arabia), Sinochem Group (China P.R.), TIFERT Tunisian Indian Fertilizers (Tunisia), Yara International (Norway), and IFA Associated Members: Mitsui (Japan), Orica (Australia) and Olam (Singapore).

Description of Actions

Upholding the Global Compact Principles and actively working towards the achievement of Sustainable Development Goals remains of paramount importance to IFA. Between 2018 and 2020, IFA has accelerated its sustainability efforts and has developed new commitments, conferences, reports and webinars to that end. These efforts feed particularly in Global Compact's Food and Agriculture Principles, namely "1. Aim for Food Security, Health and Nutrition"; "2. Be Environmentally Responsible" and "6. Promote Access and Transfer of Knowledge, Skills and Technology".

Commitments:

In July 2019, IFA adopted <u>Industry Nutrient Stewardship Commitments</u>, which reaffirm the overarching goal of IFA Members to help farmers to improve nutrient use efficiency and effectiveness, in order to optimize plant nutrient uptake and minimize nutrient losses to the environment. These Commitments contribute to Global Compact Principles 7, 8 and 9; and to SDG Goal 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture), 6 (Ensure availability and sustainable management of water and sanitation for all), and 15 (Protect, restore and promote sustainable use of terrestrial ecosystems). In addition to these Commitments, IFA members are invited to adopt the <u>IFA SHE Principles</u>, that commit them to establish and improve their Safety, Health and Environmental performance through annual objectives, targets or key performance indicators.



In November 2020, IFA developed an Industry **Code of Practice on Nutrient Stewardship,** aimed at assessing actions and engagements in nutrient stewardship and reporting progress over time. It is also designed to help with the implementation of the FAO's <u>International Code of Conduct for the sustainable use and management of fertilizers</u> by the fertilizer value chain. 20 Members have already taken part in a "trial period" for the Code between April and November 2020.

Recognition of Members' Safety, Health and Environment performance:

IFA has created an Industry Stewardship Champion distinction for Members that have a valid Protect & Sustain certification (or an equivalent: valid ISO 14001 + ISO 45001 or OSHAS 18001 or with Responsible Care) and have participated in IFA's latest safety, environment, and energy benchmarks. In 2019, 34 Members became Industry Stewardship Champions, and an additional 15 joined this category in 2020, bringing them to 49.

Inception of an independent Scientific Panel on Responsible Plant Nutrition

In June 2019, IFA's Board of Directors decided to establish an independent group of distinguished scientists to provide expertise, data and advice not only to the fertilizer industry, but also to the broader community of stakeholders engaged with agrifood systems. The Scientific Panel on Sustainable Plant Nutrition was created in November 2019, with the mission to provide a sound scientific basis for principles and practices of responsible plant nutrition in farming systems. Its first issue brief on a New Paradigm for plant nutrition was published in 2020.

Further activities:

• Attracting new participants to the UN Global Compact through outreach efforts and awareness raising:

The 2019 Global Sustainability Report

IFA developed its first <u>Global Sustainability Report</u> in 2019, which showcases IFA's membership's multiple commitments to sustainability and the UN's Sustainable Development Goals, and demonstrates IFA's product and nutrient stewardship initiatives. IFA has called on its Members to further contribute to the Report's next edition (in 2021/2022) by joining the Global Compact and sharing their corporate sustainability activities.

• Organize learning and dialogue events, workshops and training for their members on the UN Global Compact and specific topics relevant to corporate sustainability:

New IFA Conferences

In February 2020, IFA held its first <u>Global Stewardship Conference</u> in New York City. The Conference focused on sustainability reporting, innovative stewardship initiatives and brought together a wide range of stakeholders from governmental organizations, NGOs, UN representatives



and the science community. The event covered all aspects of industry stewardship (production and application of fertilizers).

In November 2019, IFA launched its <u>High-Level Forum on Sustainable Plant Nutrition</u>, chaired by Dr. David Nabarro (2018 World Food Prize Laureate) in Versailles, France. The first edition of this event concentrated on finding a <u>new paradigm for plant nutrition</u>, at the heart of more sustainable agricultural systems.

The second <u>High Level Forum</u>, held virtually in November 2020, concentrated on the resilience of agricultural systems facing the Covid-19 crisis. More than 20 distinguished experts from international organizations, agribusinesses, research, farming communities and the fertilizer industry shared their insights on the transformations in their activities brought on by the Covid-19 pandemic, and their vision for a more sustainable future, including the development of new models, strategies and partnerships.

Webinars

IFA has been organizing a range of educational webinars on nutrient stewardship since 2016, focusing on the role of plant nutrients in achieving all relevant Sustainable Development Goals for the industry.

In 2020, IFA increased the frequency of its webinars, and expanded topics to product stewardship, the Covid-19 crisis, human health and wider agricultural and environmental topics:

- o IFA's View: COVID-19 Implications for the Fertilizer Industry (March 2020)
- How can the fertilizer industry play a role in the transition towards a low carbon food secure future? (May 2020)
- o Covid-19 Best Practices and Lessons Learned (May 2020)
- Methods for Estimating Soil N2O Emissions from Mineral N Fertilization (June 2020)
- o Carbon Pricing and Soil Carbon Projects: State of Play and Future Prospects (June 2020
- o Phosphogypsum: Core Principles of Management and Use (June 2020)
- Protect & Sustain Product Stewardship Certification for Fertilizer Companies (Aug. 2020)
- o Protect & Sustain How to get certified (Sept. 2020)
- o the "Excellence in Agronomy 2030" project in Africa (Sept. 2020)
- o Improving Human Health with Micronutrient Fertilization (Oct. 2020)

Trainings:

In 2019, IFA organized a training on the production of Slow- and Controlled- Release and Stabilized Fertilizers in Frankfurt for 50 students and 10 teachers from 21 countries. Discussions included changing market dynamics, slow-release fertilizers, fertilizers with inhibitors and controlled-release fertilizers.



Publications:

IFA published a series of reports and infographics on SDG- and sustainability- related topics between 2018 and 2020, to educate and raise awareness on solutions. These include:

- o Plant Nutrients and Soil Carbon Sequestration (May 2019)
- o Goal 13: Plant Nutrients and Climate Action (December 2019)
- Micronutrients: How Fertilizers help to address the problems of hunger and malnutrition (April 2020)
- o *Infographic*: 14 Essential Nutrients For Improving and Protecting Plant Health (May 2020)
- Regional Nutrient Use Efficiency Trends and Sustainable Fertilizer Management (June 2020)
- COVID-19 and Beyond: Responsible Plant Nutrition for Food Security and Human Health (June 2020)
- o Core Principles of Phosphogypsum Management and Use (July 2020)
- o *Infographic:* An Introduction to Crop NUE (July 2020)

• Engage members in collective action efforts on Global Compact- related issues

As part of its commitment to the UN, IFA supports and strongly promotes the Global Compact's events and programs and ensures, whenever possible, that IFA Member companies are aware of them and can participate.

New Gender Diversity Task Force

With the objective to increase visibility, facilitate exchange and mutual learning of particularly successful gender diversity initiatives and programs in the fertilizer industry, a new taskforce had been created in 2019. One important part of the Taskforce is also aimed to raise awareness on gender gaps in agriculture and on the farm and help to promote solutions.

New Food Systems Task Force

IFA has convened a new Task Force in September 2020, dedicated to the preparation of the upcoming <u>UN Food Systems Summit</u>. The Task Force is leading the industry's reflection on game-changing solutions for plant nutrition that can be scaled up to regional and global level; and will develop backgrounders and position papers feeding into <u>Action Tracks</u> 1 (*Ensure access to safe and nutritious food for all*) and 3 (*Boost nature-positive production*). CEOs of IFA member companies are also taking part in the CEO consultations that are being organized in the months leading to the Summit.

UN Engagement

Between October 2018 and December 2020, the IFA Secretariat and IFA Members also organized regular outreach missions to UN Agencies and UN Conferences, such as:

- Consultations on defining indicators to measure the progress towards meeting the SDGs.



- The High-Level Political Forum: IFA led a Member delegation to the HLPF in 2019 to meet with ambassadors, high-level member state representatives and high-level UN officials; and organized a special lunch debate on "Fertilizers to address SDG 13 (Climate Change)".
- The Committee of World Food Security: IFA led a Member delegations to the 2019 and 2020 CFS, with the latter taking place virtually.
- **UN Environment**: IFA organized several outreach missions to UN Environment between 2018 and 2020, including:
 - o a 3-day agriculture educational tour in November 2018
 - At UNEA-4 in March 2019: IFA co-organized two side-events with UNEP, the FAO and WHO on "Healthy Food for a Sustainable Planet"
- **FAO:** IFA is currently finalizing a renewal of its MoU to contribute to implement nutrient stewardship on global scale and further knowledge sharing and data exchange on fertilizer statistics.
- The UN Framework Convention on Climate change: IFA participated in all on-line consultations of the Koronivia Workgroup on Agriculture, led two Member delegations to COP24 in Katowice (2018) and COP25 in Madrid (2019) to monitor the UNFCCC's agricultural negotiations, liaise with Member State delegates, and share the industry's position on climate change adaptation and mitigation. IFA has also organized side-events with partner organizations to showcase its Members' climate change projects. In 2020, IFA remained engaged with UNFCCC and attended the virtual Climate Dialogues.

IFA continues its work as a Steering Committee member of **the Global Partnership on Nutrient Management (GPNM)**, hosted by UNEP, and is a member of the project Towards and International Nitrogen Management System (INMS), implemented by UNEP.

With regards to private sector groups engaged with the UN, IFA is a Consortium Member of the UNEP Science-Policy-Business Forum, the Global Business Alliance for Environment (GBA4E) and an active member of the Private Sector Guiding Group for the upcoming UN Food Systems Summit.

The Low- Carbon Roadmap for the global Nitrogen Fertilizer Industry

IFA is supporting the International Energy Agency (IEA) in its development of a Low-Carbon Roadmap for the global Nitrogen fertilizer industry. Several IFA Members have contributed to this project since 2019, which is entirely sponsored by the European Bank for Reconstruction and Development (EBRD). The Roadmap will be published in 2021, and is likely to become the basis for local roadmaps that will significantly shape Ammonia production until 2050.



Measurement of outcomes

Objective/Goal	Performance Measure	Results
Attract new participants to the UN Global compact through outreach efforts and awareness raising	Outcome: IFA and its members participate in Global Forum programs	IFA continues to impress upon its Members the benefits of joining Global Compact, and 4 more joined between 2018 and 2020, bringing the number to 23.
Organize learning and dialogue events, workshops and training for their members on the UN Global Compact and specific topics relevant to corporate sustainability	Outcome: number of activities to support Global Compact Principles, especially its Food and Agriculture Principles, namely "1. Aim for Food Security, Health and Nutrition"; "2. Be Environmentally Responsible" and "6. Promote Access and Transfer of Knowledge, Skills and Technology".	Between 2018 and 2020, IFA has developed over 10 sustainability-related webinars: 10 infographics and over 30 backgrounders and position papers (in English and translated into Russian, French and Chinese) on key nutrient and product stewardship topics.
Engage their members in collective action efforts on Global Compact related issues	Outcomes: mutually reinforcing activities	Nearly 50 Members are now Industry Stewardship champions, which requires them to benchmark their Safety, Health and Environment performance and take part in the Protect & Sustain certification, carried out by external auditors.