ICL STATEMENT

0.- BACKGROUND

Records suggest peat has been harvested at Hillhouse Farm, near Sandilands, since 1963; initially for fuel and then for growing media (GM) production for UK horticulture. The area has not been designated a site of special scientific interest.

This site was purchased by ICL in 2011 and the peat extracted is used in the production of GM for use in production horticulture (food), forestry and professional horticulture (ornamentals).

ICL supplies GM to UK professional horticulture, food production and forestry industries – professional growers of trees and ornamental plants and also fulfils an estimated 80% of the requirements of UK professional plant raisers (propagators of vegetable and salad plants predominantly for mechanical planting).

1.- REGULATIONS

At the end of the extended licence period, ICL will comply – as always – with any planning obligations restoring the moss in line with the planning consent. ICL is not in breach of any regulations in connection with peat harvesting.

2. - CONTINUED RESEARCH & DEVELOPMENT INVESTMENT

ICL is at the forefront of exploring sustainable alternatives to peat and as an industry partner has committed resources in the recently completed 5-year Agriculture and Horticulture Development Board (AHDB) project: Responsible Sourcing and Manufacturing Scheme, part-funded by the Department for Environment, Food & Rural Affairs (DEFRA).

https://ahdb.org.uk/cp-138-transition-to-responsibly-sourced-growing-media-use-within-uk- horticulture

As an active member of the Growing Media Association, ICL supports the Growing Media Association Initiative's 'Responsible Sourcing Calculator', helping professional growers choose more sustainable GM materials, it takes in to account areas such as biodiversity, renewability, energy, water use and pollution.

To produce quality plants, edible crops and trees requires a consistent performing substrate with the requisite water and nutrient holding capacity and air-filled porosity. While the AHDB project CP-138 tested many alternatives, only three were deemed suitable considering factors such as performance, consistency and sustainability.

Production challenges for growers, reducing or eliminating peat, vary greatly depending on the stage and type of crop.

In 2015 ICL launched its own branded professional grade peat-free GM which is gaining traction, particularly with growers of trees and hardy nursery stock.

With the volume of suitable professional grade peat alternatives insufficient to meet current UK demand, ICL completed a significant capital investment in 2020 at its Scottish site, building a new manufacturing plant utilising a locally sourced peat alternative for incorporation into its professional GM mixes.

ICL has also invested in significant Research and Development resources pioneering new, innovative wetting agents and controlled release nutrient technologies to optimise performance of peat-reduced/peat-free professional GM (which tends to have lower water holding capacity and higher nitrogen leaching characteristics).

While fully supporting and working with the latest research to phase out peat usage in professional GM, ICL in the meantime continues to support UK professional horticulture and forestry by, where possible, sourcing local peat rather than importing from mainland Europe.

3.- LICENCE EXTENSION

ICL has applied for a licence to extend peat extraction for a further ten years at its Hillhouse Farm site.

The company continues to support R&D into peat alternatives and has committed significant investment to the production of professional grade peat alternatives.

The voluntary target to phase out peat use in the amateur gardening market by 2020 has not been met. Demand for professional-grade sustainable peat-alternatives is high and exceeds current supplies.

With the precedent already set in the amateur gardening market – where the target has not been realised - ICL believes it is important to have a contingency plan in place to safeguard GM supplies for professional horticultural food production, forestry and ornamental production beyond the voluntary target date of 2030.

As a company, ICL plays a role in the UK food chain, providing GM for the propagation of UK-grown leafy salad and brassica crops; as well as for the production of UK forestry; and in the production of ornamental plants by professional growers to support the UK's number one hobby - gardening.

It has been estimated that gardens account for over 5000 sq km of green space in the UK. Green spaces have been shown to be vital to the public's wellbeing, while gardening provides huge benefits for the environment and for health. It is estimated that over 550,000 jobs are supported by the UK horticulture industry. Having a strong and vibrant horticultural industry is essential to underwrite the Government's 25-year environmental plan, its biosecurity ambitions and climate change in general.

3 June 2020