



Haifa Group Communication on Progress UN Global Compact Policy 2019



December 2019

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1. Message from Haifa Group CEO



25 November 2019

H.E. Mr. António Guterres
Secretary-General
United Nations
New York, NY 10017, USA

Dear Secretary-General,

We are pleased to confirm that Haifa Group reaffirm its support of the seventeen principals of the United Nations Global Compact, among them; human rights, labor, education, environment and anti-corruption .

Since Haifa Group committed to Support the Global Compact initiative, it became one of our main missions. In this Annual Communication on Progress, 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.

Bringing advanced plant nutrition solutions to the world's framers, striving to ensure sustainable food sources for the planet's population is our mission. As a Group that Pioneering and Knowledge Sharing are its business DNA, we found the SDG agenda matching our core values. Therefore we are not only committed to continue and support Global Compact but also to recommend and urge our business partners to choose this path and support the program.

Sincerely yours,



Mordchai Levin,

Chief Executive Officer, Haifa Group

2. About Haifa Group

Haifa Group is a multinational corporation, and a leading global supplier of potassium nitrate for agriculture and industry, specialty plant nutrients and food phosphates.

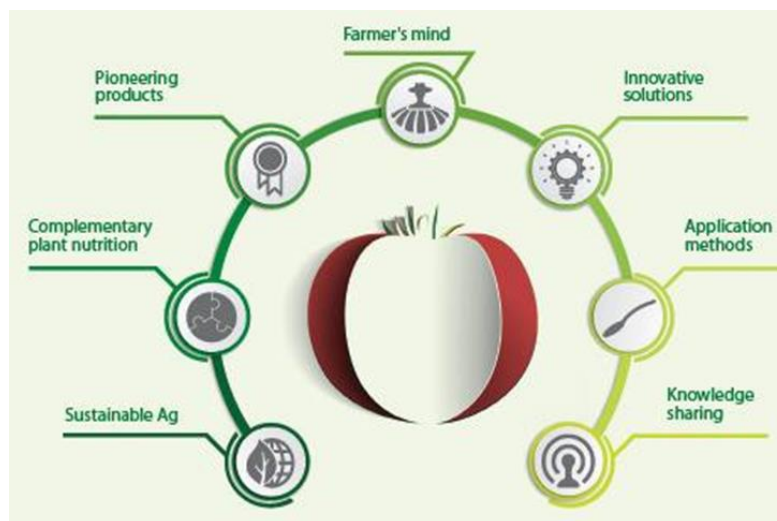
Renowned for its pioneering spirit and innovative solutions for over five decades, Haifa Group leverages natural resources of potash and phosphate rocks.

Rooted in pioneering agriculture, Haifa Group is a leading global expert in specialty fertilizers, delivering exceptional plant nutrition products. Committed to support growers and agriculture experts worldwide, Haifa Group combines vision and leadership, technology and innovation, all while striving to create cutting-edge solutions for tomorrow's challenges in agriculture and industry.

Haifa Group owns four production facilities in Israel, France and the US. With 15 subsidiaries, Haifa Group's global operations span across 5 continents in over 100 countries.

3. Haifa-Group's Commitment to the Sustainable Development Goals

Haifa Group has set itself the challenge of being part of the global effort and to act in accordance with the goals of the UN Sustainable Development Program. By using innovative, pioneering and groundbreaking measures that integrate the economic, social and environmental aspects Haifa Group is working to achieve the 17 principles of the Sustainable Development Program, which include, inter alia, human rights and equality between genders, empowering women and girls, eradicating poverty in all its forms and preserving the environment.



4. Advancing the SDG's principles in 2019

4.1 Human Rights

Haifa Group is active in the community in many ways. The main activities of the Group addressing Human Rights in 2019 were:

Training against gender harassment and gender discrimination

A special training program was conducted at the company's headquarters and all subsidiaries to prevent gender harassment and gender discrimination. In each subsidiary and production facility a commissioner was nominated to stress the important of the issue and to deal with any employee's complaints.

Employees safety

Performing risk assessment and control, the Company is committed to do its utmost in order to prevent accidents and occupational diseases. In the first nine months of 2019 the occurrence of accidents in Haifa Group's facilities decreased by 50% for Haifa employees and by 80% for contractors, compared to 2018.

Special activities undertaken to improve work safety in 2019 were:

- **Nomination of safety officer** to ensure the compliance with the company's safety procedures in all subsidiaries and manufacturing plants.
- **Fire safety** multi-year plan was established to employ improved fire safety measures and to ensure efficient handling in any case of fire .
- **Emergency response to hazardous materials transportation incidents** - Investing in new methods and improving existing measures to increase the efficiency of immediate response to any incident related to the transportation of hazardous materials.

Community Involvement

Haifa Group is active in the community in many ways. These were Haifa Group's main activities in 2019:

- **Scholarships** - In 2019 Haifa Group granted university and college students with variety of scholarships summing in tens of thousands of dollars. Some of the scholarships were given to life sciences students, and others supported the academic studies of employees' children.

- **Supporting the Family Center for people with disabilities in Dimona-** In 2019 Haifa Group continued to support the Family Center for People with Disabilities in Dimona, a unique institute in the peripheral area where it is located that provides important service for people with special needs in this region.
- **Packing meals for children-** Haifa Group's subsidiary in North America supported the "Second Harvest" organization, which serves as the food safety net for tens of thousands of children, senior citizens, low-income families, and people with disabilities at risk of hunger. The Haifa North America helped in packing thousands of meals for the children to take home on weekends.
- **"Big in Uniforms" program-** Haifa Group supports a group of 12 young men and women with special needs on the "Big in Uniforms" program of the "Lend a Hand to a Special Child" organization. This program allows disabled young people to volunteer for military service in a suitable military role and provides volunteers with job satisfaction. In this program trainees acquire life skills that will help them adapt to relationships with the normative society and subsequently integrate into the community and the labor market.



4.2 Labor

The Company's main production facility is located in a peripheral area of Israel which provides home to hundreds of employees from various sectors, and produce advanced fertilizer products using advanced technologies. The achievements of Haifa Group in the field of labor in 2019 were:

Creation of new jobs- The large investments of Haifa Group in the production plant in southern Israel created many new jobs. Directly and indirectly, Haifa Group is one of the main sources of income for residents in southern Israel.

Labor rights - A collective labor agreement was signed between Haifa Group and the workers union at the Haifa South plant. This agreement increases the workers' employment security and expected to increase their income by 9.5% within 3.5 years.

4.3 Environment

Following Haifa Group's "Pioneering the future" vision, the Company's production processes implement the best available technology (BAT) in its production procedures. The Company prides itself on advanced and unique production technology that includes a self-developed advanced production processes. Under the supervision of the Israeli Environmental Protection Ministry, Haifa Group not only complies with the stringent environmental regulations in the world, but prepares itself to the new environmental standards that are expected to be implemented in the near and distant future.

In 2019, the Haifa Group continued to carry out the projects that have been initiated in recent years, for cleaner production. These projects, that involve investment of over \$ 55 million, include:

Clean air

The air emission permit that Haifa Group holds according to the Israeli "Clean Air Law" specifies general requirements, emission values and action items. It also sets a timeframe for implementing the requirements.

In 2019 Haifa Group invested in the following measures to meet current emission standards and future requirements:

Pollution factor	Invested technologies
Reduction of VOC emissions	Combination of scrubbers & RTO system
Reduction of particles	Confining systems, filtration, scrubbers
Reduction of Acids	Scrubbers
Reduction of NO _x & N ₂ O	Catalyst systems
Reduction of Ammonia	Scrubber system

Waste Water treatment

In recent years, a series of projects have been carried out to improve the quality the wastewater of Haifa Group's production facilities in order to reduce the concentrations of nitrogen and organic matter, thus meeting stricter standards.

Landscape restoration

The wastewater treatment has improved the quality of effluents and allowed the closing of some of the plant's evaporation ponds. In 2019, a process of landscape reclaiming of the closed evaporation ponds began. The first stage of the engineering and environmental planning was carried out, aiming to form hills that will merge with the natural landscape.

Fertilizer package recycling

Haifa Group's subsidiary in Australia has signed up to the Australian Farm Waste Recovery program (FWR) for the collection and recycling of packing bags. Used fertilizer packages bags have become a scourge on the landscape and at landfill sites in various areas, and FWR commenced to manage the packaging waste disposal for manufacturers, industry operators, producers and associations, and local councils.

Haifa Australia is one of the first specialty fertilizer suppliers to join other major companies in the FWR stewardship program and recycling of fertilizer packaging.



Stephen Richards (right), Farm Waste Recovery (FWR), welcomes Haifa Australia Managing Director Trevor Dennis and the company to FWR's stewardship program and recycling of fertilizer packaging.

4.4 Anti Corruption thrust

Haifa Group is committed to combat corruption by implementing rules such as no cooperation with organizations and individuals who give or take bribes, maintaining transparency and keeping fair trade conditions. Haifa Group prohibits its employees from cooperating with any party that does not act in the spirit of these values.

Audits were conducted at all branches of the company to check that the company's operations are done according to these rules, and company employees went through training on these issues.

5. About this report

This Communication on Progress follows the reporting criteria of the UNGC framework and lays out our approach, policies and performance in the areas of human rights, ethics, society and the environment. All data relates to the 2019 calendar year unless otherwise stated.

More information can be found on Haifa Group corporate website: <https://www.haifa-group.com/>

