



# Simply. Grow. Together.

Adama Corporate Social  
Responsibility Report 2016-2017







**Farmer**



**Farming**



**World**

ADAMA is one of the world's leading crop protection companies. We strive to Create Simplicity in Agriculture – offering farmers effective products and services that simplify their lives and help them grow. With one of the most comprehensive and diversified portfolios of differentiated, quality products, our strong team reaches farmers in over 100 countries, providing them with solutions to control weeds, insects and disease, and improve their yields



# About the Report

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This is the sixth ADAMA Corporate Social Responsibility Report (CSR). The disclosures and performance data in this report address our globally owned and managed facilities and assets for the fiscal years 2016–2017, unless otherwise noted.

We issue our Global Reporting Initiative (GRI) report on a 2-year basis, produced in accordance with the GRI Standards framework at the “Core” level.

The report intends to provide useful information to all our stakeholders including our customers, employees, investors, business partners, community members, and governmental and non-governmental organizations.

As in the last report, an independent limited assurance regarding specific parts of this report was performed by KPMG Somekh Chaikin. This is in accordance with the International Standard on Assurance Engagements (ISAE) 3000 for performing Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by

the International Auditing and Assurance Standards Board (IAASB). This standard emphasizes the need for comprehensive procedures for evidence gathering processes and assurer independence, and outlines the steps to be followed and conditions to be met by auditors who provide assurance on behavior, Global Reporting Initiative (GRI), or information.

The information assured is considered to be significant to the organization’s activities and reporting. As part of an ongoing process of developing our corporate social responsibility reporting, we are committed to the continued expansion of the scope of our assurance.

In 2017, we conducted a materiality process to identify the sustainability issues. For more details see page 37.

The scope of this report entails information regarding all the companies that make up “Solutions,” unless otherwise noted. When referring to the combined company, together with Hubei

Sanonda (see page 18), the referred entity is then noted as “Adama”.

Additional information about ADAMA can be found on our global corporate website, <https://www.adama.com>

For questions, please contact our Global CSR officer: Michal Arlosoroff, [Michal.Arlosoroff@adama.com](mailto:Michal.Arlosoroff@adama.com)





## Somekh Chaikin

KPMG Millennium Tower  
17 Ha'arba'a Street, PO Box 609  
Tel Aviv 61006, Israel  
+972 3 684 8000

18 September 2018

### **Independent Limited Assurance Report to the users/ readers of Adama Agricultural Solutions Ltd. 2016- 2017 Corporate Responsibility Report**

We were engaged by the management of Adama Agricultural Solutions Ltd. (further referred to as "Adama") to provide limited assurance on the specified parts as mentioned in the table below (further referred to as "Specified parts"), marked with (A) in the report, regarding the information presented on Adama's 2016-2017 Corporate Responsibility Report for the years ended 31 December 2016 and 31 December 2017 (further referred to as "The Report").

Management is responsible for A. the preparation and the presentation of the report in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative ("GRI-SRS") as described in page 94 of the Report, and the information and assertions contained within it B. for determining Adama's objectives in respect of sustainable development performance and reporting C. for establishing and maintaining appropriate performance management and internal control systems from which the information is derived, to be free from omissions and material misstatements whether due to fraud or error. D. the identification of stakeholders and material issues for reporting.

Our responsibility is to provide a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. A limited assurance engagement, regarding data and information in the specified parts on the corporate responsibility report, consists of making interviews and inquiries, primarily of persons responsible for the preparation of information presented in the report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Examination of the specified parts in the report, for the purpose of performing a limited assurance, based on public information sources, knowledge of Adama business and other comparative information of similar organizations.

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- Inquiries of management to gain an understanding regarding the specified parts.
- Interviews with senior management and relevant staff at group level and selected business unit level concerning corporate responsibility strategy and policies for specified parts, and the implementation of these across the business.
- Interviews with relevant staff at corporate and business unit level responsible for providing the information in the Report.
- Visits and communication with Adama's headquarters located in Airport City, Lod, Israel, and communicating with other relevant sites on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria regarding the specified parts.
- Comparing the information regarding the specified parts presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the report.

- Where relevant, conducting interviews regarding the calculation, aggregation and methods used to collect and report the specified parts in the report.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the corporate responsibility performance of Adama.

Limited assurance is less than absolute assurance and reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the evidence-gathering procedures performed in response to the assessed risks, which vary in nature from and are substantially less in scope than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

We believe that the procedures we have performed and the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Conclusion


Based on the limited assurance procedures performed and the evidence we have obtained, described in this report, nothing has come to our attention to indicate that the specified parts as mentioned in the table below, in Adama's 2016-2017 Corporate Responsibility Report are not presented, in all material respects, in accordance with the GRI-SRS and Adama's reporting criteria..

Our limited assurance report is made solely to Adama in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Adama those specified parts we have been engaged to state in this limited assurance report and for no other purpose or in any other context. We do not accept or assume responsibility to anyone other than Adama for our work, for this limited assurance report, or for the conclusions we have reached.

Somekh Chaikin  
Certified Public Accountants  
Tel Aviv, Israel  
18 September 2018

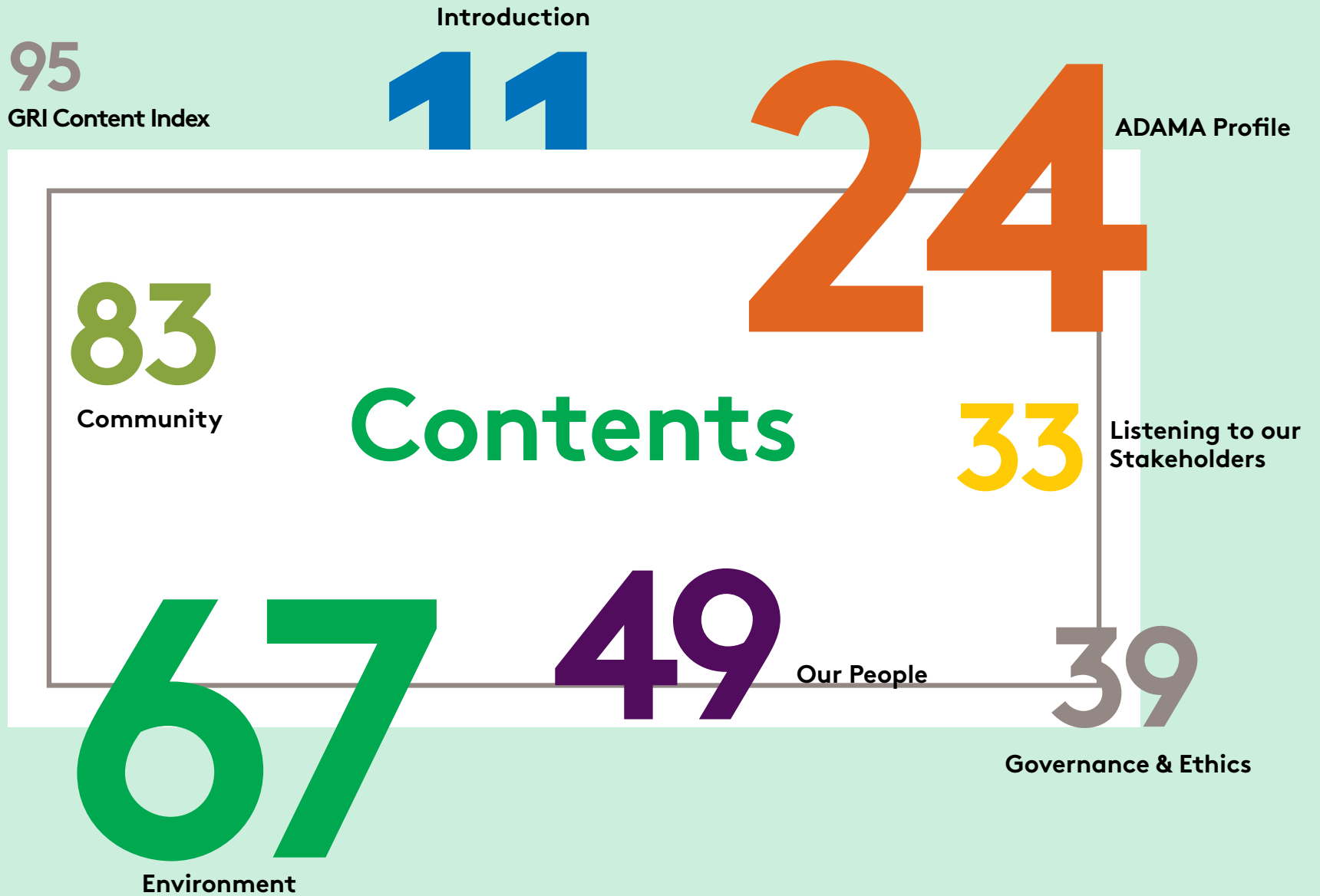


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<sup>1</sup> The  mark included as part of a given paragraph, refers to the information and/or data included in the relevant sentence only.

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## Chapter 1

# Introduction





# Message from Our Chairman

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Since 2011, when ADAMA became part of ChemChina and began its strategic journey into China, the company's achievements have culminated in a position of unprecedented opportunity. Not only are we now the only integrated Global-China crop protection company, but we are the first global company to be publicly traded on the flagship A-share market. As such, we are the first to set foot on an enormous new playing field.

With milestones like the formation of our China Cluster, the launch of our new cutting-edge R&D Centers in Neot Hovav and Nanjing, and the buildup of our integrated Global Operations infrastructure, we are determinedly expanding our capacity, our organizational excellence, and our capabilities in the agricultural and chemical fields. As we continue to develop this position, our achievements motivate us to aim higher, reach further and deepen our commitment to responsible growth.

We are moving into the future at a steady speed and on an upward trajectory. With the valuable contribution of our dedicated people, we are investing great effort into making our world a better place and being socially responsible.

ADAMA is committed to constant improvement, and equally committed to transparency with all of our stakeholders and the communities in which we operate.

I hope you will find that this report reflects our sincere efforts to do business in a way that is as responsible and sustainable as it is successful.

Sincerely,  
**Yang Xingqiang**  
Chairman



# Message from Our CEO

## Tending our Crops of Corporate Responsibility



The year of 2017 marked an important milestone for us as we completed the combination of ADAMA and Sanonda, creating the only integrated Global-China crop protection company, to be named ADAMA.

Our opportunities are many.

As a global leader in crop protection, serving farmers and stakeholders across more than 100 countries, we look ahead with excitement at a future defined by continuous growth and innovation.

At the same time, we see a world that is facing incredible challenges: Populations are rising, resources are shrinking, and weather patterns are changing, all of which raise concerns about humanity's collective ability to feed the world.

Through this report, I invite you to learn about programs and initiatives designed to help us serve our stakeholders more effectively – both internally and externally. In 2017, we launched a new leadership program to support the development of our promising people. We also continued to engage our communities through our agriculture education signature programs and other youth-focused initiatives. To strengthen our core capabilities and enable us to provide more solutions to farmers, we

established a cutting-edge R&D centers in Neot Hovav and Nanjing.

In the recent year a materiality assessment was conducted to identify and map key global issues that impact our business. In the coming year, we will analyze these issues and determine a clear approach for addressing each of them.

As ADAMA moves forward, our success depends on our ability to help farmers grow more with less. In that sense, our role is inextricably tied to making a positive impact around the world. Our commitment to creating **simplicity in agriculture**—to empowering farmers across the globe with simple, efficient, accessible crop solutions and products—is one that requires us to engage with the world's most pressing challenges.

This is a responsibility we take to heart, and it's one that feeds the passion and pride we bring to everything we do. We are united in our purpose, our values, and our promise. And we're ready to *get it done*.

**Chen Lichtenstein**  
President and CEO

# Message from Our CSR Officer

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I am happy to present our sixth Corporate Responsibility Report, reflecting ADAMA's ongoing commitment to accountability and transparency regarding our operations.

This report provides meaningful insights into the challenges and opportunities we

face in becoming not only a global supplier of crop protection products, solutions, and services, but one that aims to bolster food security in a world where populations are rising, resources are dwindling, and energy demands are increasing.

It is important to note that in 2017 ADAMA reached a strategic milestone in the company's growth trajectory when it joined forces with Sanonda, a move that came with an associated floatation on the Shenzhen stock exchange. The combined company will shortly be named ADAMA. While we have consolidated the financial statements as of the third quarter of 2017, in this report we will provide only general information regarding the combined company. We aim to provide more details about the combined company in forthcoming reports.

This year, we took new and significant measures to bolster the substance of our CSR report. First, we partnered with Ecovadis, a leading provider of CSR ratings and scorecard services. We provided thorough input for the company's CSR questionnaire, which we will continue to work with in the future.

Second, we conducted a thorough and far-reaching materiality assessment. This process included a detailed survey of many stakeholders, primarily employees at both managerial and other levels, as well as media research, benchmarks against other companies, and more.

Through this process we explored a broad spectrum of CSR-related issues that have the potential to impact our business, and which are of relevance and great interest to our external stakeholders. We grouped these issues into three categories: employees, environmental friendliness, and corporate governance. We are presenting the topics within these categories that we believe are most important to our stakeholders and will cover each in great detail throughout this and forthcoming reports.

Among the key areas that we have focused on over the past two years, and for which we are happy

to report on progress, is corporate governance with respect to both Chinese and Israeli laws and regulations. Adherence to the highest standards of corporate governance is something that permeates every aspect of our operations, representing an important part of both who we are and how we conduct ourselves on a daily basis. For example, since our last CSR report, we have invested a great deal in refreshing and deploying a renewed anti-corruption training course for our employees. We also established an internal hotline called "SPEAK UP." Through this hotline, employees can submit questions or express concerns in their native language and through a third-party provider to ensure anonymity.

In conclusion, we present this report also as an opportunity to engage with and enter into a dialogue with our employees and stakeholders. We are committed in our efforts to further increase transparency and broaden our disclosures and will continue working closely with all relevant stakeholders the years to come.

Sincerely,

**Michal Arlosoroff**, Global CSR Officer  
[Michal.Arlosoroff@adama.com](mailto:Michal.Arlosoroff@adama.com)

A close-up photograph of golden wheat stalks, slightly out of focus, set against a bright, warm, golden-yellow background that suggests a sunrise or sunset. The light creates a soft, bokeh effect with circular highlights.

## Our Purpose

We believe that creating simplicity in agriculture is the key to helping farmers around the world grow more food with less resources. Together we can overcome the challenges of feeding an increasing global population, even with decreasing arable land and water.



# Our Promise

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**Simply.** Our products and services are simple to use. Each one is a proof of our determination to simplify the application of crop protection products and solutions for farmers everywhere.

**Grow.** We exist to help farmers grow more crops, increase their yields and promote the growth of their business.

**Together.** Farmers are our partners. We listen to their needs, understand their pain points, and value their perspectives as we work to make their lives simpler and their farms more productive.





# Our Values

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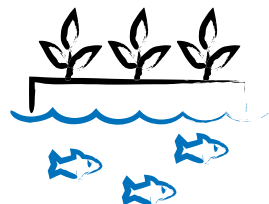
All of us at ADAMA are guided by four main values that underpin everything we do.

These values capture the essence of our identity, our purpose, and the principles we bring to our day-to-day interactions with colleagues, partners, and customers.



## GETTING IT DONE

With a positive attitude, a collaborative mindset and a shared focus on achievement, we can overcome any challenge. We're always ready to roll up our sleeves and make it happen.



## CREATING SIMPLICITY

From the realities of agriculture to the inner workings of organizations, we live in a complex world. We strive to make it manageable with simple, accessible, and efficient solutions.



## EMPOWERING OUR PEOPLE

Our people are at the core of our success. We recognize their strengths, capabilities and achievements, and we work to provide opportunities for learning, development and growth.



## PASSION FOR WHAT WE DO

Effective farming is essential to the sustenance of the global population. We're inspired by the role we play in helping farmers feed the world, and we take pride in the good that we do together.

# ADAMA

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## Becoming the only integrated global China Crop Protection company

Effective July 4, 2017, ADAMA Agricultural Solutions ("Solutions") and Hubei Sanonda Co. ("Sanonda") were combined into one company. The Combined Company operates under the ADAMA name and brand and is the only integrated Global-China crop

protection company, as well as the first global agrochemical company to be publicly traded on the vast Chinese stock exchange. With the combination with Sanonda, and under unified leadership, we will continue to expand our

commercial presence and develop our operational and R&D capabilities, serving both our Chinese and global markets.

## Sanonda at a glance



Key agrochemical products such as Acephate, Paraquat and Methomyl, as well as intermediates, with over 125 registrations

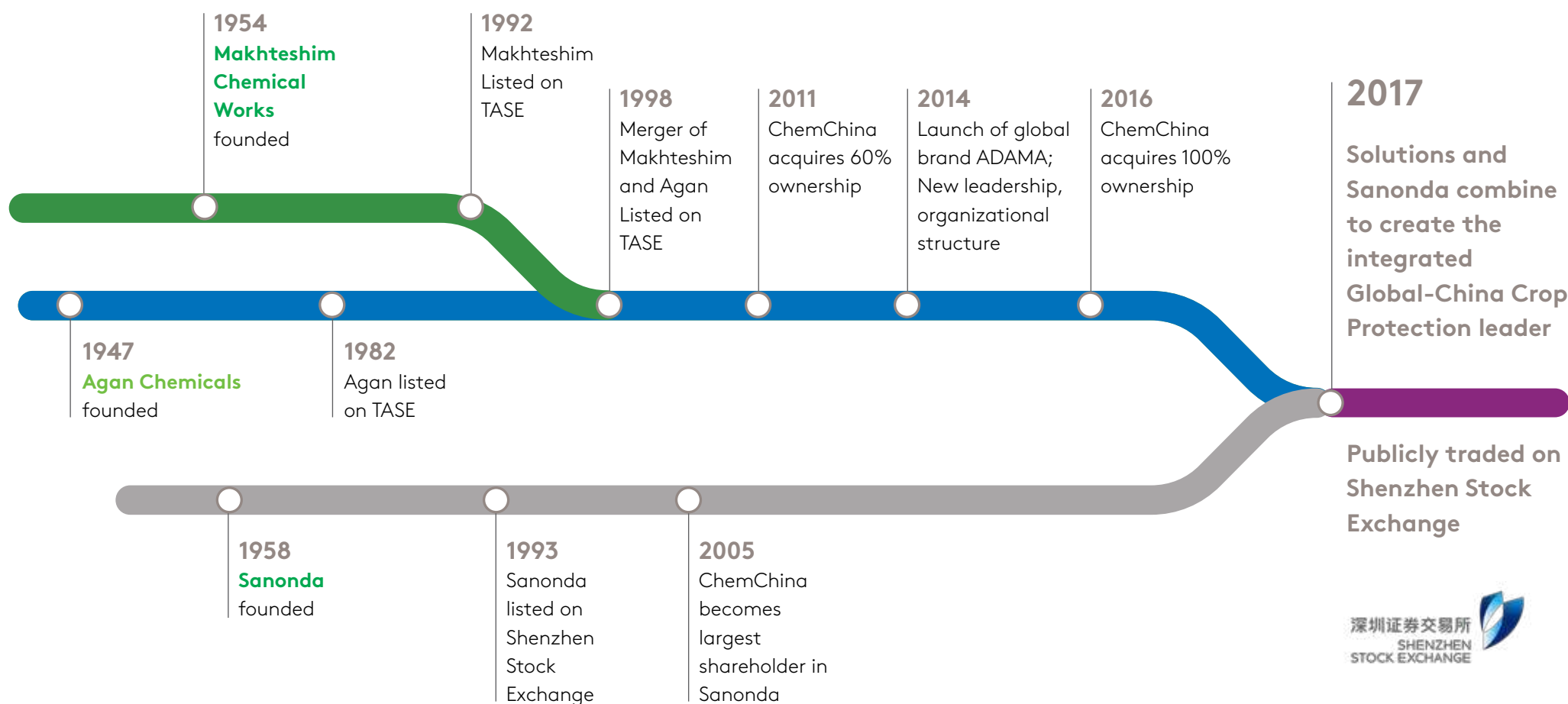


The first Chinese agrochemical exporter



The first publicly traded agrochemical company, since 1993

# Our History

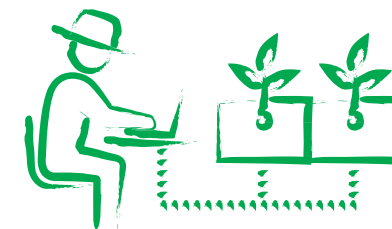


# Financial Performance<sup>LA</sup>

Sales (in USD millions)

## \$3,523

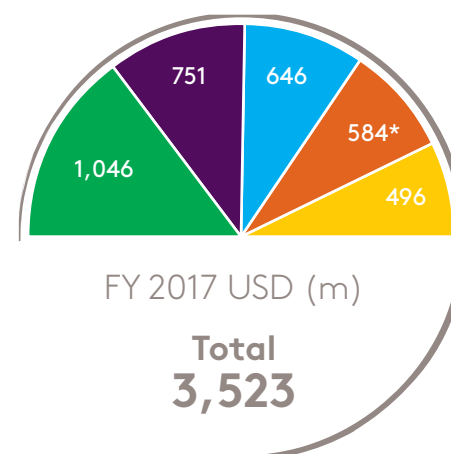
in 2017



## Sales by Regions

(in USD millions)

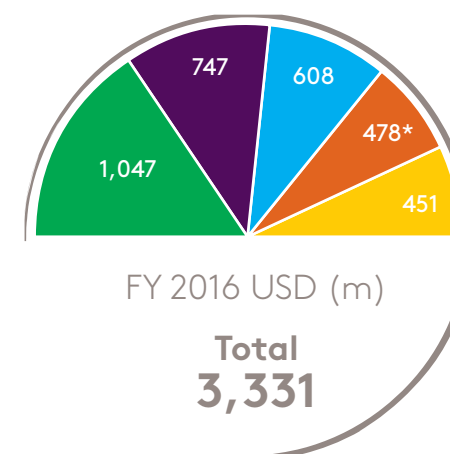
- Europe
- Latin America
- North America
- APAC
- India, Middle East & Africa



FY 2017 USD (m)

**Total**  
**3,523**

APAC, of which China: 255



FY 2016 USD (m)

**Total**  
**3,331**

APAC, of which China: 180

Note: Financial information presented in the formal reporting is in Chinese Renminbi (RMB), for the purposes of this report, a customary convenience translation has been used for the translation from RMB to US dollars, with Income Statements items being translated using the quarterly average exchange rate.



## Economic Value Generated & Distributed



	2016	2017		2016	2017
Revenues (net sales)	3,331	3,523	Operating costs (including cost of sales and financial expenses)	3,205	3,284
Other	3	5			
<b>Revenues</b>	<b>3,334</b>	<b>3,528</b>	Tax Expenses, net	11	18
			Dividends (including to non-controlling interest)	47	5
			<b>Total economic value distributed</b>	<b>3,263</b>	<b>3,307</b>

Note: Financial information presented in the formal reporting is in Chinese Renminbi (RMB), for the purposes of this report, a customary convenience translation has been used for the translation from RMB to US dollars, with Income Statements items being translated using the quarterly average exchange rate.

# From China Forward

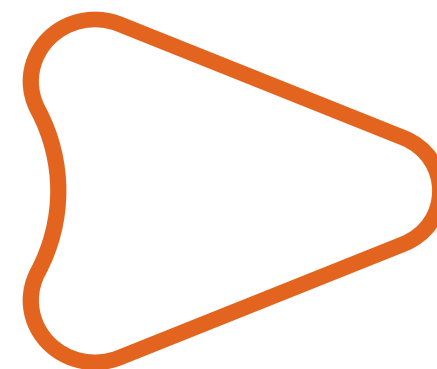
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ADAMA has consistently expanded since 2011, when we started our strategic journey with ChemChina we have become the only integrated Global-China crop protection company, the sixth largest in the world, the largest in China, and the first global company to be publicly traded on the flagship A-share market in China.

We are now the only player in our market with unprecedented access to the huge opportunities in China. This is our opening to build partnerships with China's farmers, bring Chinese crop protection products to the world and bring the world into China. We will continue to leverage our China position to drive ongoing business growth based on a number of key achievements:

- Our combination with Sanonda (to be renamed ADAMA), creating the only integrated Global-China crop protection company
- Finalization of the establishment of our operations and the build-up of combined operations teams, all integrated within the Global Operations infrastructure

- Launch of a new state-of the-art R&D Centre in Nanjing, China's life science and bio-tech valley
- Completion of our advanced Global Formulation Center in Huai'An's industrial park
- Our two operational hubs ensuring shorter supply lines and client-oriented focus
- Formation of the China Cluster, our eighth geographical commercial cluster







# ADAMA Profile

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ADAMA is one of the world's leading crop protection companies.

The Company supplies solutions to farmers in approximately 100 countries across the globe, through approximately 50 subsidiary companies throughout the world.

The Company's business model integrates end-customer access, regulatory expertise, and global R&D and production capacities, thereby providing the Company with a significant competitive edge and allowing it to launch new and differentiated products that cater to farmers' needs in key markets.

**No.1**

The World's  
leading provider  
of off-patent  
crop protection  
products

**6**

The sixth largest  
agrochemicals  
company in the  
world

**\$3.5bn**  
In annual sales

**100+**

Sales in over 100  
countries with direct  
presence in all key  
Ag markets



# Organizational Structure

**President & CEO**  
Chen Lichtenstein

**Legal & CSR**  
Michal  
Arlosoroff

**CCO**  
Shaul  
Friedland

**CCO**  
Ignacio  
Dominguez

**EVP, Global  
Operations**  
Joe Krkoska

**CFO**  
Aviram  
Lahav

**Strategy &  
Resources**  
Dani Harari

## Executive Committee

**China**  
An Liru

**North America**  
Rob Williams

**North Europe**  
Gerhard Ahlers

**Marketing &  
Product Strategy**  
Walter Costa

**China  
Operations**  
Zvi Manor

**Strategy**  
TBD

**China  
Integration &  
Corporate Dev**  
Shiri Ailon

**Brazil**  
Rodrigo  
Gutierrez

**South Europe**  
Bertrand  
Lombard

**IDR**  
Elad  
Shabtai

**Israel  
Operations**  
David  
Ben-simon

**People**  
Mody Benaiah

**Latin America**  
Carlos  
Danilowicz

**IMA**  
Yossi  
Goldshmidt

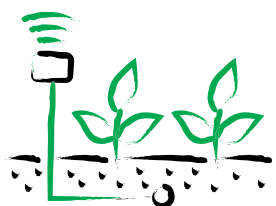
**APAC**  
David Peters

- IMA includes India, Africa & Middle East
- APAC includes Australia, New Zealand & South East Asia
- IDR includes Innovation, Development, Research and Registration

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## Who we are

ADAMA manufactures and sells a broad range of crop protection products, which are divided into three main categories based on their use:



### Herbicides

ADAMA's herbicide solutions prevent or delay the development of weeds, reducing crop competition and allowing crops to flourish.



### Insecticides

Our insecticides protect crops from direct and indirect damage, as well as diseases and contamination caused by insects, mites, and nematode populations.



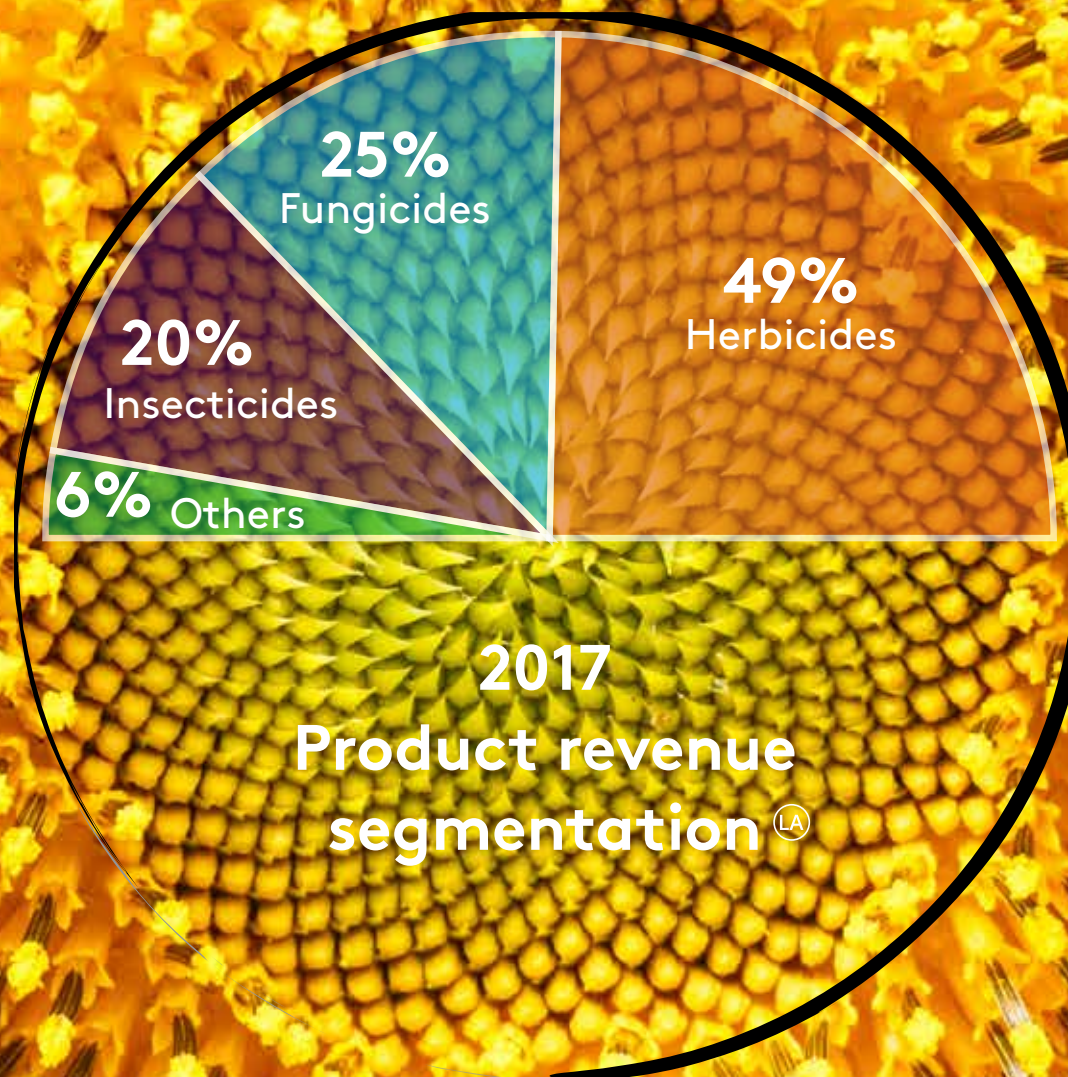
### Fungicides

Our fungicides fight the effects of pathogenic fungus, which impairs plant development and causes a decrease in both the quantity and quality of a harvest.

### Other Activities

ADAMA leverages its core capabilities in the agricultural and chemical fields and operates in several other non-agricultural areas, none of which, individually, is material for the company. Such activities include the manufacture and marketing of dietary supplements, food colors, texture and flavor enhancers ingredients, and food fortification ingredients & fragrance.







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# Global Presence

## Production

We are constantly expanding our production capacity. We do this primarily by establishing new production capabilities at our existing synthesis, formulation, and packaging facilities, as well as by integrating production facilities owned by acquired companies.

Approximately half of the production of our active ingredients takes place in one of our plants, with 80% of our products manufactured and/or formulated at our sites. This allows us to ensure the quality of our products. Meanwhile, final formulation and packaging—which require less complex production facilities—are completed in either those main plants, in the customer’s country, or a nearby country (under strict rules and guidelines).

## Registration

Registration is a complex yet vital part of our business. In order to be licensed for use and sale, all products and formulation must be registered in accordance with the specific requirements and regulations of the country of destination and use.

In 2017, ADAMA had eight development and registration centers located in Germany, Switzerland, Israel, Brazil, Colombia, USA, India and China. Now, we have gained registration expertise in more than 100 countries. We achieve this through the employment of approximately 190 professional and experienced registration experts, primarily researchers, engineers, and technicians in chemistry, agronomy, biology, and other life sciences.

In 2017, ADAMA’s registrations expenses were USD \$90 million (including depreciation, which constituted approximately 2.9% of our annual revenues).

## Development <sup>LA</sup>

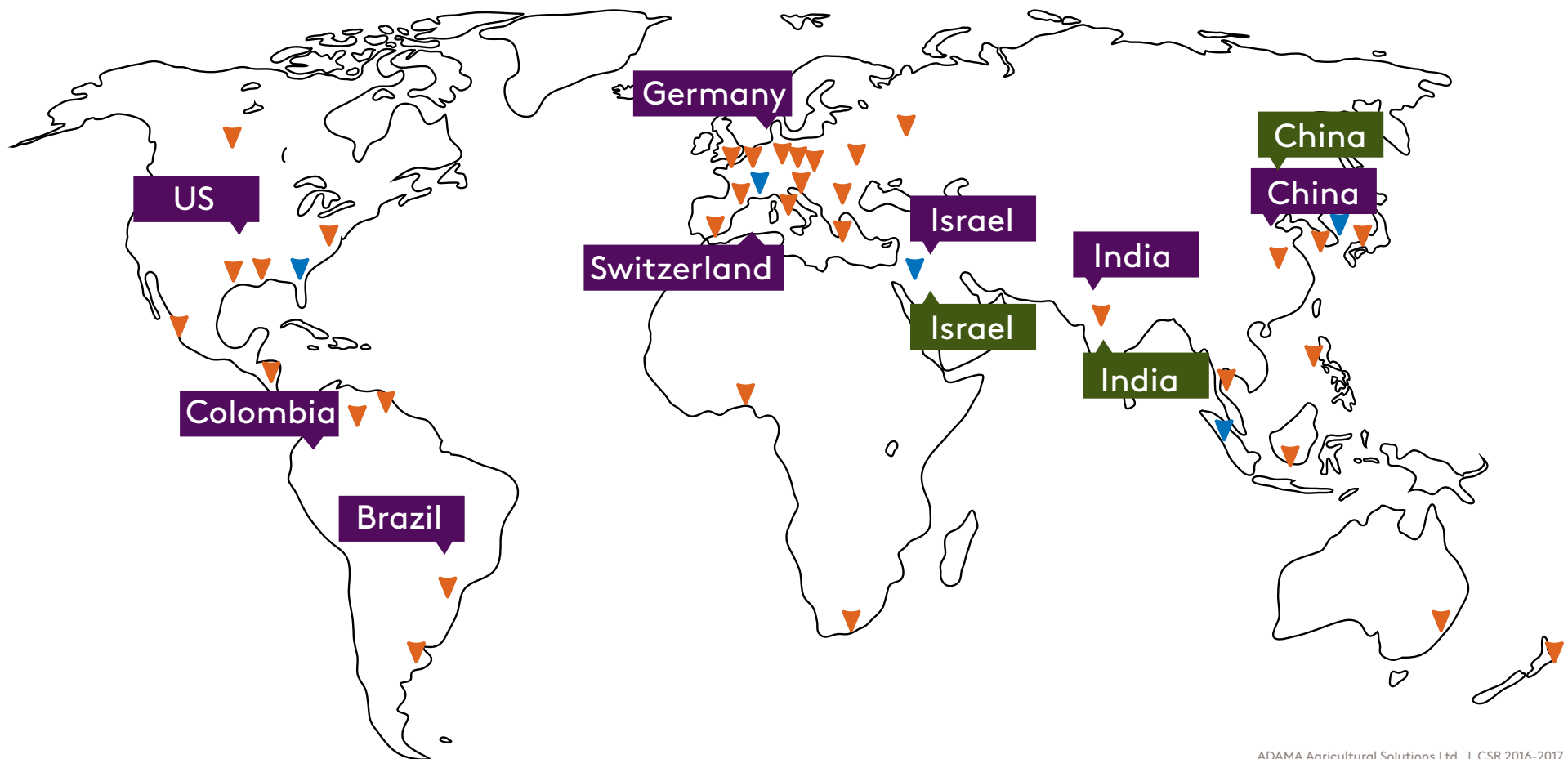
ADAMA’s main development and registration activity is focused on the chemical-engineering development of production processes for new active ingredients and off-patent products. We also provide scientific technological support for existing production, along with processes emphasizing quality improvement, efficiency, safety, environmental protection, and production cost reduction.

In 2017 the amounts recognized as research and development expenses (excluding registration costs) totaled approximately USD \$40 million, which constituted approximately 1.3% of the Company’s consolidated revenues.

In 2016 the amounts recognized as research and development expenses totaled approximately USD 33 million, which constituted approximately 1.1% of the Company’s consolidated revenues.

# Global Service Infrastructure <sup>LA</sup>

▼ HQ   ▼ Subsidiary   Development & registration center   Chemical R&D center





# Facing World Challenges

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By 2050, there are expected to be more than nine billion mouths to feed every day. Populations are growing rapidly, increasing the demand for food, housing, energy, and land, and putting pressure on natural resources such as water and soil.

Meanwhile, thanks to drought, floods and changing rainfall patterns, farmers face the challenge of increasing food production with fewer resources than ever before. In this environment, crop protection plays a vital part in protecting and enhancing yields and production.

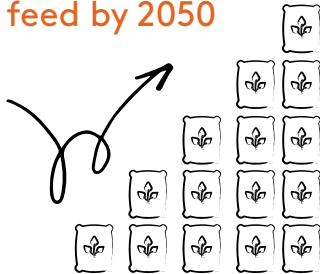
At ADAMA, we see our role as one that is tied to some of the world's most pressing challenges.



Growing population and food consumption per capita are driving increase demand for food

**2.3B**

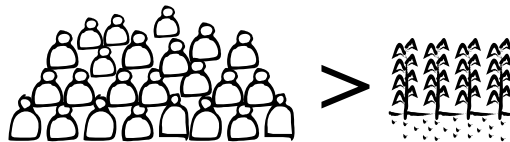
More mouths to feed by 2050



+

**33%**

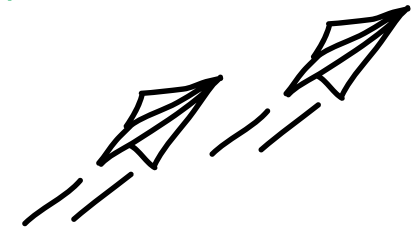
Growth expectation of the per capita Cal/day consumption from 1960 to 2030



=

**60%**

Required increase in food production to 2030



However, per capita availability of arable land and water is decreasing

**10M**

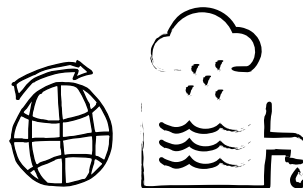
Hectare of arable land are lost every year



+

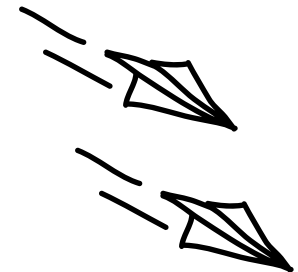
**40%**

Projected growth in the global demand for water by 2050



=

Limited resources to support the growing demand





## Chapter 2

# Listening to our Stakeholders





## Listening to Farmers Globally

Through diverse digital channels as well as in person forums, we aim to reach and communicate with farmers with the overarching goal of understanding their needs and challenges and developing effective approaches to respond.

By listening to farmers, we have identified topics which are valuable, and we are committed to exchanging knowledge and content in these areas.

We aim to encourage best practice and growth, both in creating expert guidance on crop issues, commenting on stewardship, and offering farmer case studies for benchmarking purposes.



# Sustainable Targets



In September 2015, the United Nations gathered to draft new Sustainable Development Goals (SDGs).

ADAMA is committed to taking an active role in advancing goals through the work that we do. In that spirit, we relentlessly seek new and different ways to apply our advanced technologies, innovative products, scientific capabilities and expertise to helping farmers overcome their most pressing challenges.





Agriculture plays a key role in poverty alleviation in developing countries. Based on World Bank data, agriculture can help reduce poverty, raise incomes and improve food security for 80% of the world's poor, who live in rural areas and work mainly in farming. As a leader in the AgChem industry and a key player in the agriculture marketplace, we are committed to the 'No Poverty' and 'Zero Hunger' Sustainable Development Goals.

According to the World Bank, growth in the agriculture sector is two to four times more effective in raising incomes among the poorest compared to other sectors. Creating effective solutions for farmers to generate more yields from their crops, enables them to sell more produce and in turn enhance their livelihood. In addition, we see ourselves closely linked to the challenges of hunger and recognize the importance of crop protection as farmers work tirelessly to feed more people.



We continuously invest in innovation and advanced platforms to create the best solutions that will help farmers do more with less. To that end, our R&D teams work tirelessly to ideate, develop and produce the right products to treat farmers' biggest challenges.



We actively promote Quality Education and Gender Equality through our local and regional community engagement programs, which focus on bringing and enhancing science education, with a focus on chemistry and agriculture, to students of diverse ages.



# Materiality assessment

In 2017, we conducted a materiality process to identify the sustainability issues that matter most to the success of our company and to our many stakeholders, such as our employees, customers, shareholders, communities in which we operate, international sustainability initiatives and standards, media, peers and suppliers.

The process included, In accordance with the GRI Standards, three phases <sup>(A)</sup>:



## 1. Identification of potential material issues

This stage was conducted based on sources such as: peer benchmarking; media review; material issues of relevant reporting initiatives and sector standards; Interviews and discussions with key managers in ADAMA; Review of public available material of the company etc.

## 2. Material issues prioritization

This stage includes the ranking of the potential material issues identified in stage 1 by the company management, based on Risk Management Methodologies.

## 3. Validation of material issues

In this stage the material issues included in the materiality matrix were discussed and validated by the Company's management.

The outcome was 25 material issues that reflect the most significant economic, environmental and social issues with the highest potential impact on the company, its performance and its stakeholders.

We intend to elaborate the dialogue with our stakeholders to include an even wider perspective of our stakeholders views in the upcoming years.

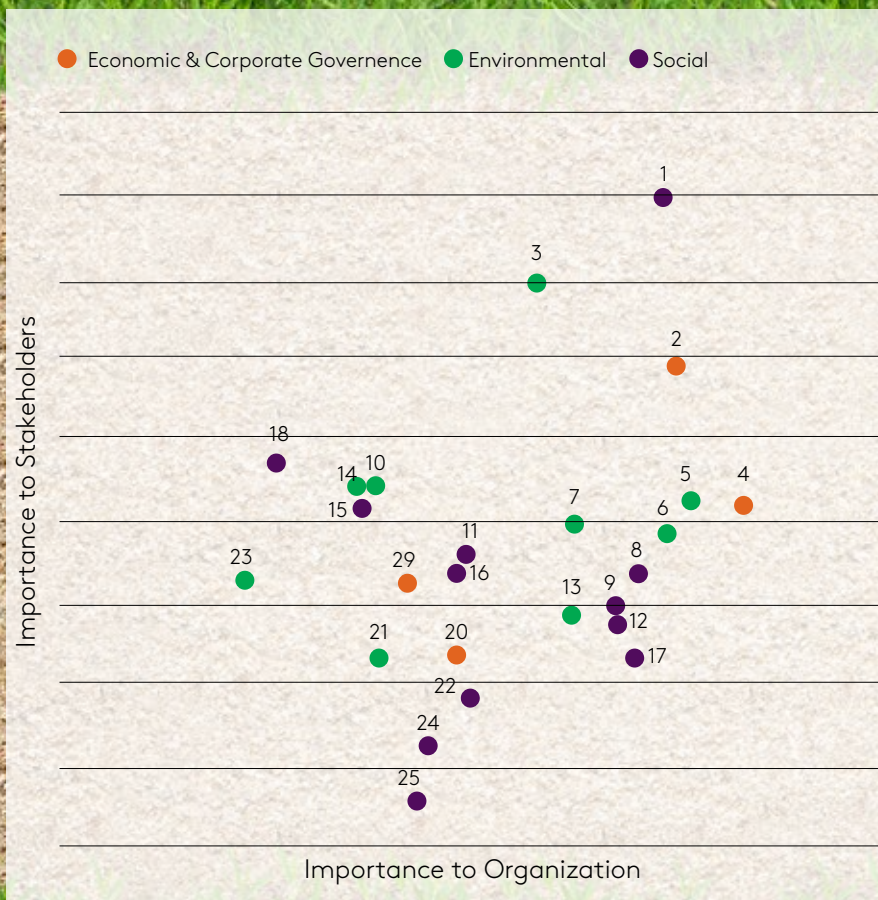
The material issues included in this report are the result of the final matrix



The material issues raised in the materiality analysis are examined with the various stakeholders within and outside the organization



## Materiality Matrix



Ranking	Material issue	Page
1	Employee Health and Safety Management	62-64
2	Governance, ethics and anti corruption	40-44
3	Emissions	79
4	Compliance and Regulatory Environment	99
5	Hazardous and Toxic Materials Management	76
6	Environmental Responsibility	70,76
7	Effluents and waste management	80-81
8	Sustainable Procurement	14
9	Product and Process Innovation	73-75
10	Water Management	78
11	Diversity, equal opportunity and Preventing harassment	58-60
12	Product quality, stewardship and safety	75
13	Environmental Investment	70-72
14	Biodiversity Loss	93
15	Community Relations	85-93
16	Human Rights Management	56
17	Public Health and Safety	73-74
18	Global Hunger and Nutrition Security	35
19	Sustainability Management and Reporting	5,44
20	Economic Impact and Performance	21
21	Resource Scarcity	73-78
22	Employee Welfare and Labor Relations	56-57
23	Climate Change	79
24	Stakeholder Engagement	34-37
25	Consumer Education	71



# Governance & Ethics



# Corporate Governance

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Strong corporate governance is an integral part of ADAMA's core values. We also view it as an important part of sustainable growth and our value creation mission. Our Group abides by the principles of corporate governance to ensure checks and balances in the conduct of its affairs and has adopted a code of conduct which applies to all employees, along with internal enforcement programs that are applicable across relevant areas of activity.

Our corporate governance framework relies on the following principles: professionalism and leadership of the board of directors and executive bodies, accountability of the board of directors and executive bodies, and transparent and timely disclosure.

## Board of Directors

ADAMA is a member of the ChemChina Group which has extensive operations in China and around the world.

In July 2017, ADAMA Agricultural Solutions Ltd. ("Solutions") and Hubei Sanonda Co., Ltd. ("the Listed Entity") combined, creating the only integrated publically traded global crop protection company whose shares are traded in the Shenzhen Stock Exchange (the "Combined Company" or "Group" or "ADAMA").

Subsequently, the Listed Entity, which is to be renamed ADAMA in the coming months has begun consolidating Solutions' financial statements, and a new board of directors was appointed with the Company's global management, to lead ADAMA.

## Board of Directors Composition<sup>(LA)</sup> (as of end of 2017)

- Members of the board of directors other than the independent directors, serve on both the Listed Entity's and Solutions' boards of directors.

The board of directors of the Listed Entity and Solutions consist of seven and six directors respectively. Two independent directors serve in the Listed Entity's board of directors and three independent directors serve on Solutions' board of directors (two of whom are external directors), comprising more than one third of the members of the board of directors.

- The directors possess, both individually and collectively, the expertise, education, experience, skills, understanding and personal qualities necessary, notably in terms of professionalism and integrity, to properly perform their duties.

Three of Solutions' directors hold Israeli citizenship and four hold Chinese citizenship, with one woman serving on the board of directors who chairs the majority of the board



committees. All of the Listed Entity's directors hold Chinese citizenship but one director who holds Israeli citizenship.

- The positions of chairman and CEO are held by two different people from among the members of the Group.



## Board of Directors Committees<sup>(LA)</sup>

To help the board of directors effectively and efficiently fulfill its responsibilities, it maintains several standing committees:

### Listed Entity:

#### Audit Committee

Responsible for monitoring the company's internal control system, and financial information and its disclosure. The Committee currently consists of three members, two of which are independent directors.

#### Nomination Committee

Responsible for formulating standards and procedures and making recommendations regarding the election of candidates for directorship. The Committee currently consists of three members, two of which are independent directors.

#### Compensation and Appraisal Committee

Responsible for reviewing and formulating recommendations regarding remuneration policies for directors and senior management. The Committee currently consists of three members, two of which are independent directors.

#### Strategy Committee

Responsible for conducting research and formulating recommendations regarding the company's long-term strategic development plans and major investment decisions. The Committee currently consists of five members, two of which are independent directors.

### Solutions' Committees:

#### Audit Committee

Responsible for supervising all the Group's activities and ensuring that they are conducted in compliance with all legal provisions. The Committee currently consists of three members, each of which is an independent director (two being external directors).

#### Financial Statements Review Committee

Responsible for discussing and formulating recommendations to the board of directors regarding financial statements. The committee currently consists of three members, each of which is an independent director (two being external directors).



## Remuneration Committee

Responsible for approving and formulating recommendations regarding the remuneration of senior management members, as based on the adopted remuneration policy, which regulates the remuneration of senior management members. The Committee currently consists of three members, each of which is an independent director (two being external directors).



## Internal Auditor

Mr. Yehoshua Hazenfratz, CPA, serves as Solutions' internal auditor as well as the internal auditor of its subsidiaries in Israel, while PKF International serves as the internal auditor of Solutions' subsidiaries outside of Israel.

Mr. Hazenfratz was appointed as the internal auditor after his qualifications and experience were thoroughly vetted.

The internal auditor's audit plan is an annual plan that is derived from a multiyear work plan.

Other than his position as the internal auditor of Solutions, the internal auditor is not employed by the Group nor performs any other function that creates or is likely to create a conflict of interest with his position. In addition, the internal auditor is not an interested party of the Group, an officer of it, a relative of any of the above, and does not act as the auditor of the Group, nor does anyone else do so on his behalf.

The scope of the work is set according to the needs of the audit plan and is not limited by Solutions.

In 2017, the number of internal audit work hours at Solutions subsidiaries totaled 3,463 as follows<sup>(A)</sup>:

- In Israel - 2,875
- Outside of Israel - 588 (excluding 972 hours which were carried out by an employee of the Company supervised and approved by PKF).

In 2016, the number of internal audit work hours at solutions and its subsidiaries totaled 3,883.

The number of internal audit hours that were performed regarding operations is as follows:

- In Israel - 2,699.
- Outside Israel - 1,184.

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## Memberships<sup>Ⓐ</sup>

ADAMA recognizes the importance of participating in both international and local committees, as part of the joint global sectorial and cross sectorial efforts to achieve improvement in industry-related issues. Taking part in such committees allows ADAMA to create a dialogue and share knowledge with other industry members, as well as governmental and non-government organizations for the benefit of all of our stakeholders.

We hold membership in the chambers of commerce of a number of countries in which we operate. In Israel, we are a member of **Maala**, a non-profit CSR standards-setting organization, the **Publicly Traded Companies Association** and in all the Manufacturers Association committees relevant to environmental protection issues including the Hazardous Substances Committee, the Industrial Sewage Committee, and the Air and Global Warming Committee.

In addition, in Israel, we are members of the Israel Export Institute, the Chamber of Commerce, and the Israel-America Chamber of Commerce.

Around the world we hold membership in the AIPPI (International Association for the Protection of Intellectual Property), the Chamber of Commerce, the Asociacion Mexicana de la Industria Fitosani (the Mexican Plant Protection Industry Association), ECPA (EUROPEAN Crop Protection Association), RAC's (Resistance Action Committee), and other relevant industrial and commercial associations.

The listed entity is a member of the following organizations: ChinaCrop Protection Industry Association, China Petroleum and Chemical Industry Association, China Controlled Chemicals Association, China Chlor-Alkali Industry Association, China Chemical Industry Environmental Protection Association, the Association of Board Secretaries of Listed Companies. The listed company actively participated in the activities of those organizations, frequently shares information with organization members on the industrial development status to strive for a safe, environmental-friendly, green industrial concept.

## Risk Management

ADAMA utilizes a comprehensive risk management methodology that is designed to maximize financial returns for its stakeholders, in spite of the unavoidable risks and uncertainties of the business environment. This methodology includes an initial mapping of the risks relating to the Group's activities, an in-depth analysis of the potential impact on the Group, and preparing strategies for coping with each risk category.



# Ethics and Compliance

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At ADAMA, we always strive to adhere to the highest ethical standards in our internal and external dealings, and to be a socially responsible, trusted company that is driven by corporate ethics and legal compliance.

Ethics is an integral part of everything we do. Our Code of Conduct (<https://www.adama.com/en/Legal/code-of-conduct.html>) is the blueprint by which we ensure ethical practices and integrity. In it we outline our commitment to our employees, what are the employees' responsibilities towards the company, our business ethics, community relations, and the components of appropriate behavior.

The Code of Conduct provides information that helps us work fairly and honestly when dealing with government authorities, suppliers, customers, competitors, our employees and the community.®

ADAMA manages its businesses responsibly and in compliance with the statutory and regulatory requirements of the countries in which it operates. We define compliance as operating both legally and ethically.

We do not tolerate any violation of the law, the code of conduct, nor internal regulations. We view compliance as an essential part of our long-term success.

## The Ethics Officer

To ensure ethical behavior throughout the Group, on 2009 we have appointed an Ethics Officer, Michal Arlosoroff, to handle ethics-related issues and sustainability in a professional and confidential manner as required. Michal Arlosoroff reports to management on Company's performance on ethics and sustainability related issues regularly. Processes established by the Ethics Officer aim to make it easy for employees to seek advice or counseling regarding any ethical question, dilemma, or complaint in an anonymous and/or confidential manner when requested, and to ensure that all queries are handled and not left untreated.



**"Ethical business conduct and compliance with all regulatory and statutory requirements form the basis for our activities and are essential for our on-going sustainable success. Our board and management are committed to a responsible and transparent style of management and supervision aimed at increasing the company's value over the long term."**

**Michal Arlosoroff, SVP, General Legal Counsel, Company Secretary & CSR Officer**



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## Ensuring Compliance

In 2015, as part of our compliance program, we launched an online 'Compliance and Ethics' section on the company intranet. The section makes compliance related documents easily accessible to employees, e.g. the Code of Conduct, which is available in a variety of languages, the anti-bribery and anti-trust programs, and several other relevant documents. A Q&A section where employees can find examples of day-to-day situations which raise ethical dilemmas, as well as details on how to post questions, is also available there. (A)

In addition to each new employee receiving and acknowledging the code of conduct, employees are also required, as part of their annual self-assessment, to confirm that they have read and understood the code of conduct as well as the other [relevant] compliance programs and procedures.

## Speak Up – Reporting Concerns (A)

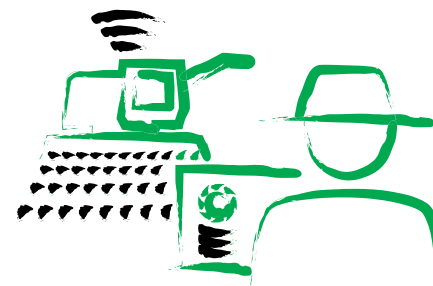
ADAMA is committed to conducting its business in an ethical and compliant manner and therefore has established procedures for reporting and handling concerns.

All employees are encouraged to report any concern about the company's standards not being met, or if they believe they have identified an ethical issue.

There are several available means for speaking up/ reporting with the standard way being approaching either direct managers, Senior Members of Management, SVP General Legal Counsel or any member of the Legal Team and local human resources representative or HR business partners.

ADAMA recognizes that sometimes issues are sensitive and critical that employees may prefer not to use the standard reporting methods. For these special ethical situations, we offer the SPEAK UP service, which is a toll free call in service or by e-mail, available for reporting issues in the employee's native language.

The reports are recorded by an independent, external third party, translated if needed, and forwarded to ADAMA's Ethical Officer for confidential investigation. The reporting employee receives a reference number for the report so that he/she can call back or log in and receive feedback or provide further information.





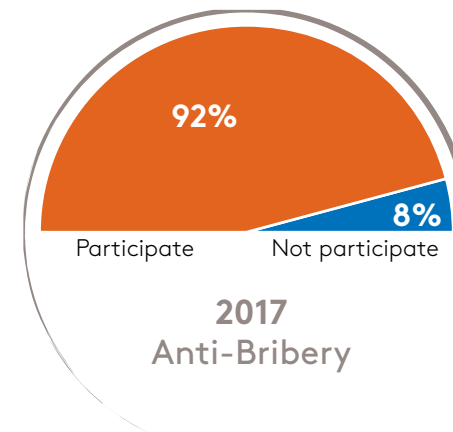
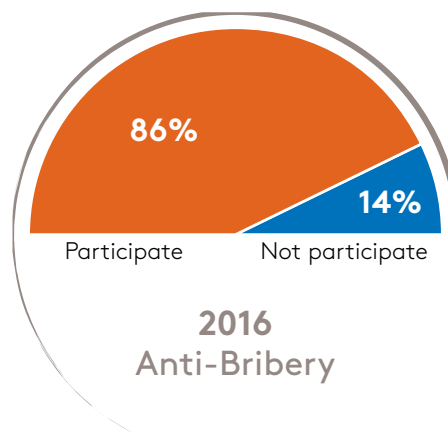
## Anti-Bribery & Anti-Trust Training Statistics

Our policy is to require all relevant employees to complete online anti-bribery training, on an annual basis. In addition, all employees who may face anti-competition issues (such as commercial and sales employees, regulatory staff, purchasing managers, and country managers) must undergo annual online anti-trust training. Where necessary the online training is backed up by local language training.

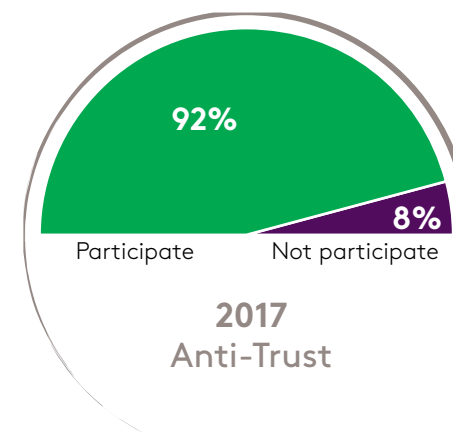
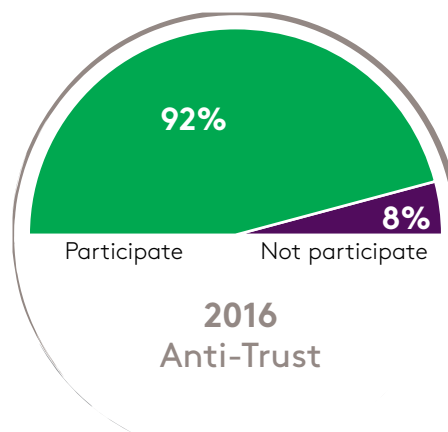
We have set the following goals regarding training for the next two years:

1. Adding Code of Conduct on-line and face to face training, substituting the more specific anti-trust and anti-bribery on-line training.
2. Ensuring that the required employees are the ones who complete the relevant trainings.
3. 100% participation of relevant employees.

### Anti-Bribery 2016-2017 participation ratios



### Anti-Trust 2016-2017 participation ratios



## Political Donations

We do not use funds nor resources to support any political candidate or party.

We recognize the rights of our employees to participate in the political process, provided they make it clear that they do not represent ADAMA nor use ADAMA time, property, or equipment in the process.

## Ethical Supply Chain

ADAMA operates in accordance to environmental and social regulations and expects its suppliers to act accordingly. All ADAMA's suppliers are committed to the Company's Code of Ethics which includes relevant aspects in regard to environmental protection and community commitment.

ADAMA is in a continuous process of improving its supplier evaluation, designed to screen all new supplier using environmental and social criteria.



A decorative background featuring several green line-art illustrations of mint leaves. The leaves are scattered across the page, with some showing the characteristic serrated edges and opposite leaf arrangement of mint plants. A central white rectangular box with a thin brown border contains the chapter title.

## Chapter 4

# Our People









At ADAMA, we enable our people to work and develop in a professional environment that offers many opportunities. We enable our people to connect to a meaningful shared purpose, and provide a clear framework, as well as a supportive working environment.

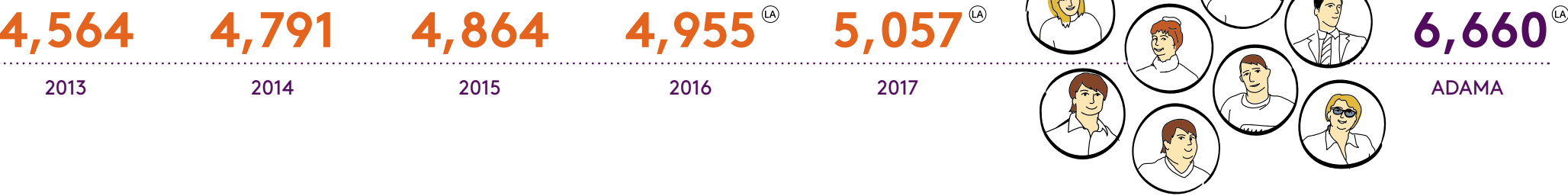
# Management Approach

Our approach is to lead by excellence, live by our purpose and values, and execute our strategy to become the employer of choice in our industry.

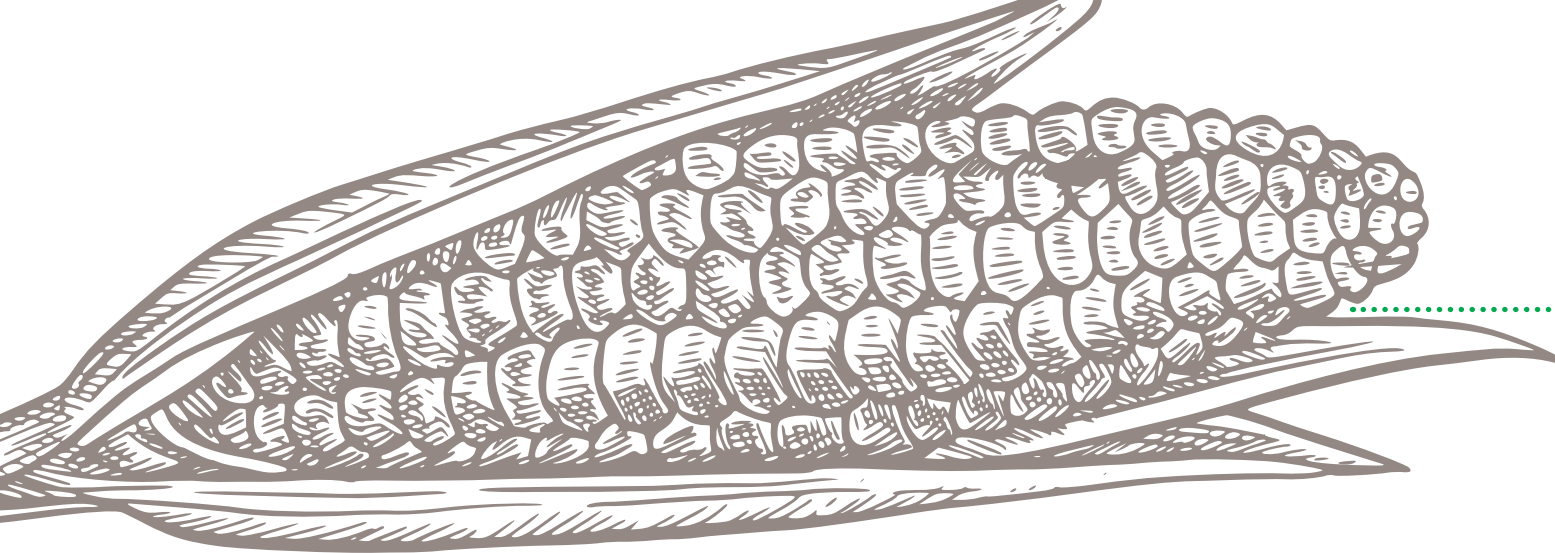
We also aim to employ and grow the people who choose to thrive in our unique environment. These are people who are highly engaged, passionate, and empowered. And, we always aim to do this while leveraging the collective power of our company.

# Our people by Numbers

Employees by year:



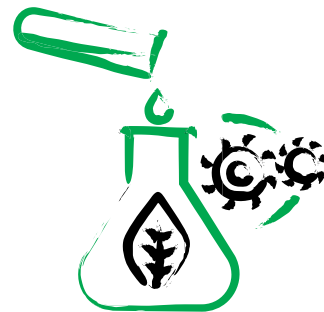




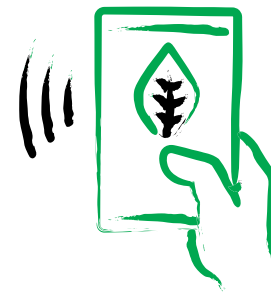
## Employees by function <sup>LA</sup>



Manufacturing



R&D



Sales & Registration



Management &  
Administration

2017

**1,961**

**229**

**2,413**

**454**

2016

**1,954**

**220**

**2,334**

**447**

# People Growth & Development

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We believe that achieving excellence requires the highest level of professionalism along with a cultural fit. Accordingly, to develop the professionalism of our people, enrich them with the principles of our culture, and ensure our mutual success, we invest in world-class training and development.

## Performance Reviews Process

At ADAMA, professional development is an inherent part of our annual performance review process, in which all employees, including senior executives, participate. The process offers a platform for employees and their managers to discuss, define and monitor personal development goals.

Namely, it establishes a direct link between development, performance, and rewards.

### The Performance Review process is designed to:

- Conduct an open dialogue and feedback about performance in the role
- Build strong alignment between manager and employee
- Set goals for professional development
- Discuss accomplishments and expectations

It also contributes to how employees are compensated.

In addition to the annual process we also conduct a mid-year review to ensure alignment and provide feedback and support.

As part of the performance review process, for the first time, in 2017 all employees were required to define at least one personal development goal with their manager. This goal is monitored and progress is evaluated throughout the year.

## Employees Development

ADAMA is a global company whose people can pursue and fulfill a long term careers within the organization. The company is committed to investing continually in the personal and professional development of its employees and to provide them with the knowledge and skills that will help them succeed in their present role, while preparing them for the next step in their career.



**96% of our employees participate in the performance review process. <sup>LA</sup>**

## Training and Education <sup>LA</sup>

A diverse range of training, learning, and development opportunities are provided to our people, both formally and informally, throughout the year.

These include face-to-face training and workshops, online learning, and self-development opportunities that are available through various channels. In addition, employees may receive mandatory and/or voluntary training that may be region- or site-specific.

Due to the breadth and diversity of our training opportunities and systems, we do not presently aggregate and report on the total number of hours of training that employees receive. However, examples of the type of training that is available include:

- On-site language lessons, one-on-one or in groups

- Leadership development
- Managerial courses
- Agriculture-related educational courses at near-by universities
- A Purdue University marketing program – for marketing and sales development
- Microsoft Office tools, e.g. Excel, PPT, Word
- Each year our employees are required to complete online trainings, which covers various topics, such as the ADAMA Code of Conduct, as well as ethics and compliance issues. On average, employees receive between 1 and 2 hours of training about these topics through a dedicated system
- Health and safety training at the manufacturing sites



**In 2016 17% of all open jobs were filled by our people. In 2017, 25% of all open jobs were filled by our people**

## Internal Mobility

Successful internal mobility involves employees, managers, and the HR professionals. To enable and promote internal mobility, the people's team publishes all applicable jobs on the internal career portal.

This aims to encourage employees to be active participants in their professional development and enable them to grow within the organization.





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## Leadership - Investing In our Future

We believe that the success of a company and the employee experience are deeply grounded in the quality of its leadership.

During 2017 we published our leadership framework, which describes the skills and behaviors that are characteristic of a successful manager at ADAMA. This framework will serve as the basis for developing our leaders, screening and hiring senior personnel. The framework will also drive the contents of various management development programs, as well as serving as the beacon for planning succession plans and manager evaluations.

ADAMA places great importance on developing the leadership skills of our managers. As part of our Leadership Framework Program, 137 ADAMA managers underwent a 360-degree feedback process in 2017. <sup>(LA)</sup>

This is a process that is designed to enhance the behaviors that contribute to effective leadership. Through this process each manager receives feedback from his/her subordinates, peers, and supervisors – which is then translated into actionable insights.

Moreover, each manager also participates in a leadership awareness workshop that focuses on how to become a better manager, and how to minimize weaknesses while bolstering strengths. We intend to conduct four additional workshops for these managers throughout 2018, and to broaden the population of managers who can benefit from the 360-degree feedback process and workshops

## Employees Engagement <sup>(LA)</sup>

In 2016, we conducted our second employee engagement survey. We had an impressive participation rate of 87%, far above the global norm (70%).

The survey showed an increase of 1% in employees engagement compared to our previous survey, reaching 69%, which is above the global norm across all sectors (i.e. 60%), and above the AgChem industry norm (at 57%)\*.



**“At ADAMA, we continuously look for ways to provide tools and resources to our people, supporting the way they perform their roles and their development. We ensure that the work-space environment is pleasant and healthy, we supply trainings and courses, we invest in leadership training to develop their people. Many of the initiatives are led locally to maximize the value added and fit the specific needs of the people and unit”**

*Yaki Friedland, Global OD Manager & HRBP for APC Central Functions*

\* Source: AON Hewitt

# Fair Employment

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The conditions for employment at ADAMA are determined by collective agreements, personal contracts, or other arrangements, in accordance with the relevant laws in the various countries of our operations. In many cases, we have established employment procedures and policies above and beyond the standards required by law.

## Minimum Wage

ADAMA complies with all relevant labor and employment laws in all the countries of our activity, including the payment of required minimum wage or above.

our global annual compensation increase process. The benchmark survey focuses on parallel or similar industries around the world. Our goal is to provide remuneration that is equivalent to those in local markets, or which surpasses them.

Approximately 34% of our employees are represented by collective agreements which generally cover pay rates, working hours, other terms and conditions of employment, certain employee benefits, and orderly settlement of labor disputes. (A)

## Fair Remuneration

Likewise, regarding fair remuneration, ADAMA provides its employees all the benefits required by law and in many cases – above the legal requirements. To help us define criteria for salaries and benefits, we conduct annual salary surveys (salary benchmarks), which help us evaluate the standard for our terms and conditions versus the market in each country.

This is especially exercised during the process of

The benefits provided to ADAMA employees in Israel include health insurance, loss of working capacity insurance, allocations to savings plans, pension funds, and more.

## Freedom of Association

ADAMA recognizes the right of our employees to join trade unions, conduct collective negotiations, and enjoy all the rights available to them through their membership in those unions. We have never restricted freedom of association, and we continue to support the process of collective negotiations, and to protect the rights of all employees.

## Human Rights

ADAMA is committed to protecting the human rights of all employees. We place great importance on this value and view it as a cornerstone of our activities.

Moreover, we see compliance with the Code of Conducts and applicable laws as every employee's responsibility.

Furthermore, we invest great efforts into identifying and doing business with partners who aspire to conduct their business in a similar manner.



## Contract Employees

Contract employees are hired to implement special seasonal projects by filling temporary job vacancies, primarily in plants (in India, Israel, and Brazil) and in accordance with seasonal requirements.

In Israel, 5% of our contractor employees, became ADAMA employees in 2017.

## Salary

During the period covered in this report there was no difference in salary between men and women in senior and lower-levels. At the middle level, the difference is at 35%. The reason for the gap is the large variance in role type at this level (e.g. professional vs. administrative, etc.)

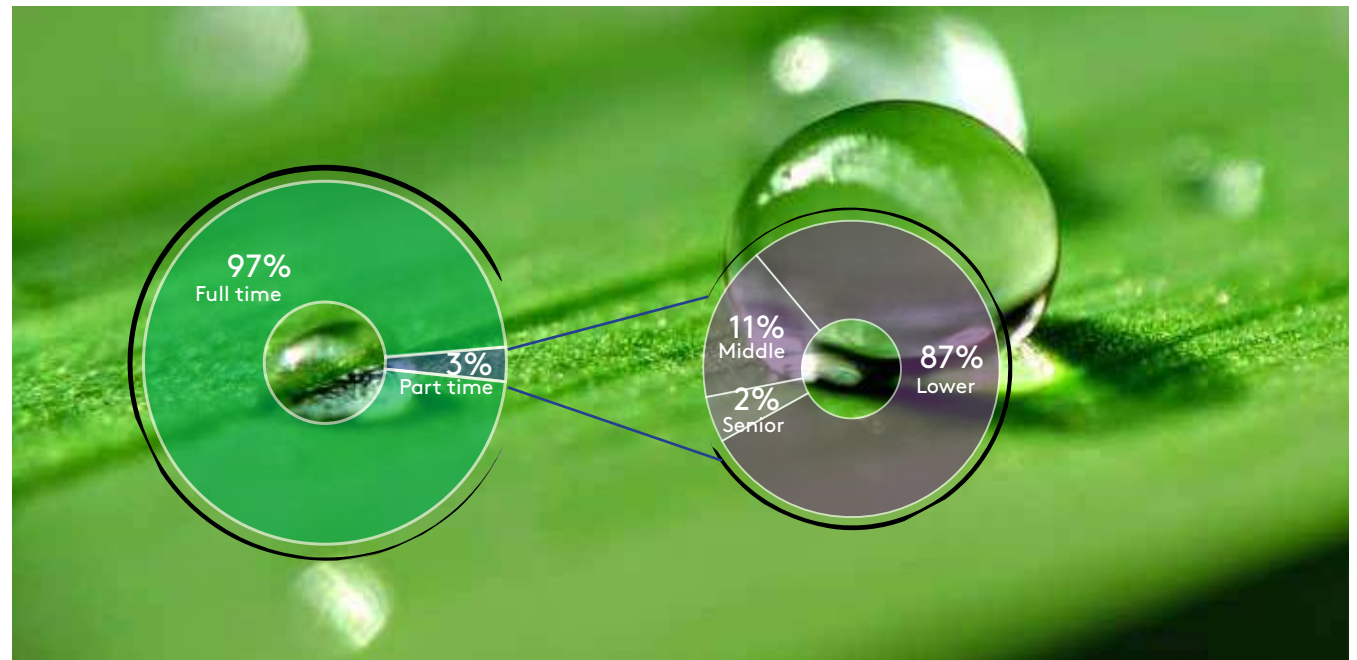
## Full-Time vs. Part-Time Employees

At the end of 2017, 97% of our employees were working in full-time positions. <sup>(A)</sup>

## Permanent vs. Temporary Employees

ADAMA prefers to employ its personnel on a permanent rather than a temporary basis. Thus, the vast majority of employees receive a full salary and benefits.

## Full-Time vs. Part-Time Employees





# Diversity and Inclusion

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ADAMA employ more than 6,600 people in over 45 countries. Our employee population reflects the diverse richness of the many cultures from around the globe. We believe that being a diverse and inclusive workplace lends us a competitive advantage. We also understand that we can only achieve our vision with the full commitment, participation, creativity, energy and cooperative spirit of this diverse workforce.

ADAMA supports the provision of equal opportunities and without discrimination in hiring, compensation, access to training, promotion, termination, or retirement of all our employees and candidates for employment, with no distinction nor discrimination on any basis, including gender, race, sexual orientation, religion, nationality, age, disability, marital status, union membership, or political affiliation.

## Diversity and Inclusion Policy <sup>LA</sup>

We believe that equality and diversity are about promoting and accepting our differences and ensuring that the needs of those with unique characteristics are respected. These characteristics may include gender, age, ethnicity, disability, family status, cultural background, sexual orientation, political views, and other areas of potential differences and variety.

We are committed to creating an environment in which everyone is treated in a fair manner and in which the requisite attention is provided for their unique needs. By creating an inclusive and diverse environment we aim for each employee to feel respected and able to give their best, while benefiting from the unique backgrounds and viewpoints of their peers.

Moreover, we are currently crafting a formalized process for ensuring diversity and inclusion, which is planned to be published during 2018.

## Anti-Harassment Policy

ADAMA has a zero-tolerance policy for discriminatory, harmful, harassing, or humiliating behavior toward employees, irrespective of religion, gender, race, nationality, age, or disabilities. We have established a clear policy against harassment, and we conduct training sessions to ensure employees act with the requisite respect towards one another.

We place great importance on this matter and handle any complaint with immediate attention and the utmost seriousness, in accordance with the applicable laws, the relevant agreements, and the company's Code of Ethics.

The process of writing the Anti-harassment policy was done during the reporting years and was approved in 2018.

# Gender Diversity

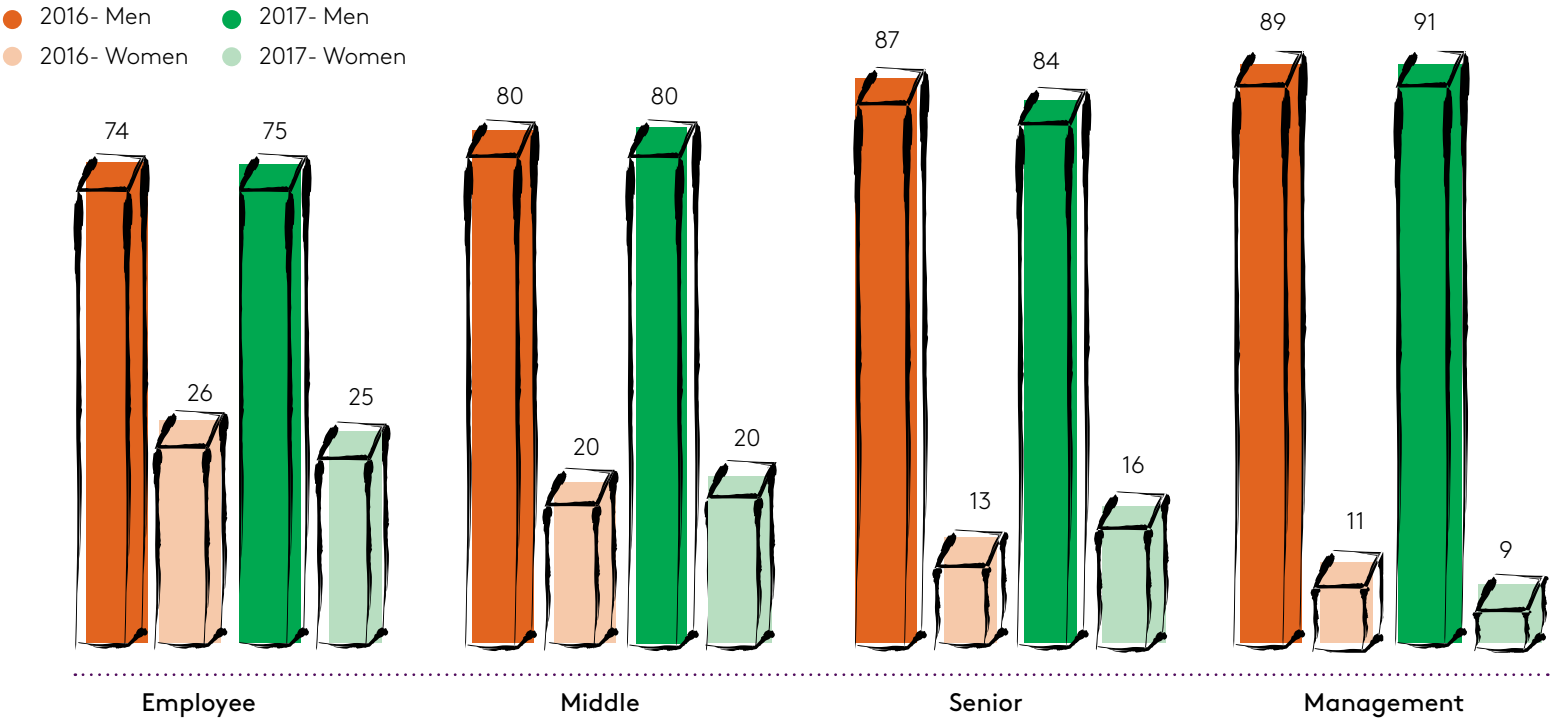
ADAMA places great importance on encouraging the employment of women for all roles across the company, and recognizes the need to increase the percentage of women in the workforce.

Wherever possible, we have established a policy of flexible work hours to enable employees to balance their work hours and family time. We also enable employees to do some of their work from home.

The percentage of women is 25%.



## Workforce by Gender and Seniority 2016-2017 % <sup>(A)</sup>



In 2017,  
26% of our new people were women,  
an increase  
of 3% from the year  
before.

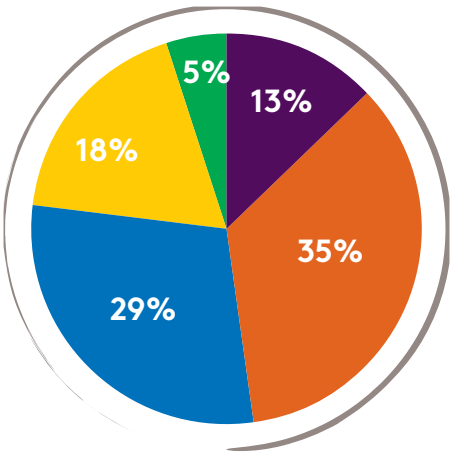
# Age Diversity

At ADAMA, the age of our people is neither a factor in hiring decisions, remuneration, nor promotion.

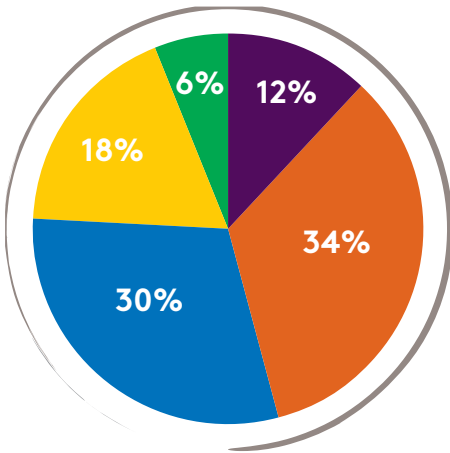
The company believes that diversity, regarding multiple parameters including age, is important for the quality of work and the overall working environment.

Workforce by Age and Seniority 2016-2017 <sup>LA</sup>

2016



2017



Age	30	30-40	40-50	50-60	60
Employee	100%	89%	85%	83%	82%
Middle		8%	11%	12%	14%
Senior		2%	3%	4%	3%
Management			1%	1%	1%

Age	30	30-40	40-50	50-60	60
Employee	100%	95%	86%	81%	82%
Middle		3%	10%	11%	13%
Senior		2%	3%	7%	3%
Management			1%	1%	2%





# Health & Safety

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“ADAMA is committed to providing a safe work environment to its employees, and strictly follows all relevant law provisions to protect the health of its employees. To ensure a safe work environment, we implement a relevant and tailored safety program in each of our facilities.”

*ADAMA Code of Ethics*

## Management Approach

The health, safety, and wellbeing of our employees is our top priority and at the heart of our commitment to our employees. While important in all facilities, this goal is especially important with production sites, where the potential for accidents, exposure to hazardous materials, and erroneous use of equipment, is higher than at other locations. All of our sites are governed by our environment, safety, and health policies.

### **Our approach to safety includes:**

- Conducting risk assessments during the initial phases of activity
- Focusing on organizational and human factors in safety management
- Providing continuous employee awareness and training about prevention and protection systems

We strictly adhere to all laws of safety and health in the workplace, and practice thorough, structured, and professional safety management.

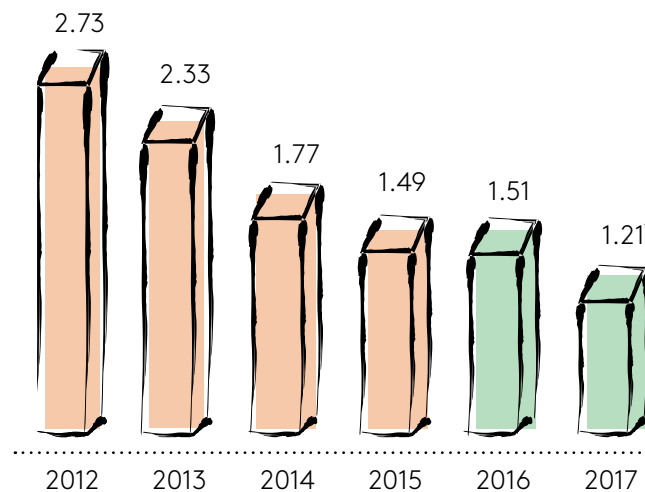
## Reducing Injury Severity

As part of our efforts to reduce the occurrence of health and safety related incidents, an Incident management system was implemented in 2016.

We measure and monitor all existing processes and perform an in-depth analysis of each incident or “near-miss.” This analysis helps us learn from each incident so that we can be better prepared to prevent similar occurrences in the future.

**As a result, we’ve seen declines in both injury and illness frequency and severity.**

## Incident Rate for Company and Contractor Employees 2012-2017



According to OSHA, the Incidence Rate for 2017 (for both company and contractor employees) is at 1.21. This figure presents a 20% decrease in comparison with 2016.

With the exception of 2016, there is a continuous trend of a decreasing rate of incidence since 2012.

## Increasing Safety Awareness

Throughout the year we hold seminars, training, exercises, and refresh procedures in our plants, all over the world, to increase awareness and strengthen employees' personal commitment to safety.





## Well-Being in the Workplace

Employees receive first aid response training, strengthening the ability of our sites and surrounding communities to respond to emergencies.

Periodic tests are held to ensure the health of our employees. We perform a number of tests in accordance with the country's specific regulation. These may include blood and urine tests to determine whether employees have been exposed to high levels of a particular substance.

We also hold periodic tests at all our plants, to determine the level of harmful substances that may be present in each work area. (A)



**Many other well-being activities are organized locally or regionally, reaching the majority of our employees.**

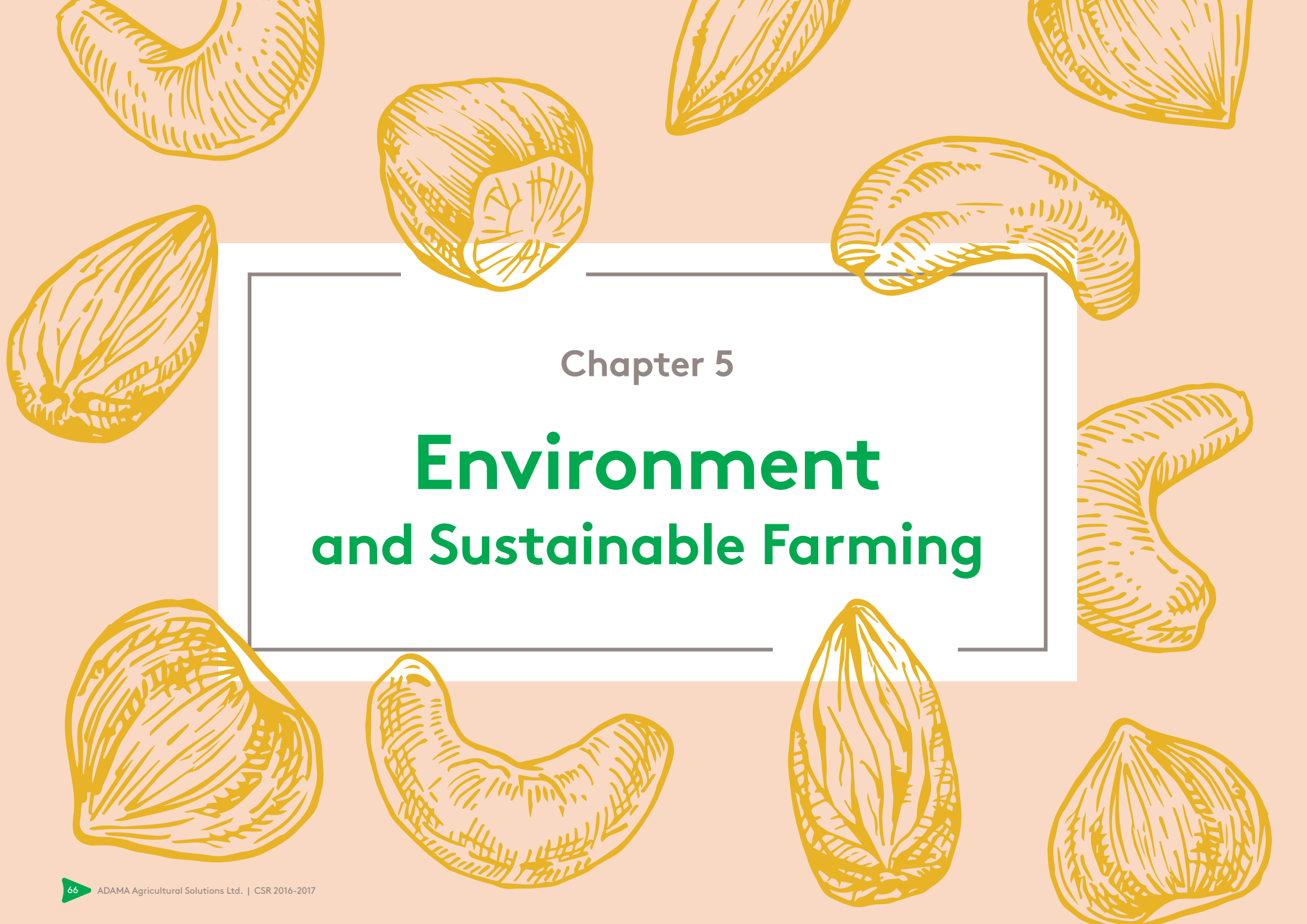
## Healthy Life Style in Israel

As part of the company's policy to encourage physical activity and a healthy lifestyle among its employees, the company promotes the following:

1. Holding lectures and meetings with a nutritionist in the dining room, where employees can find a variety of nutritious meals
2. Serving fruits and vegetables during the work day
3. Employees can utilize the fitness room in the mornings and evenings
4. Employee teams participate in the local league of sports, such as basketball, bowling, mini-soccer, running, and others
5. Offering programs that help employees to stop smoking







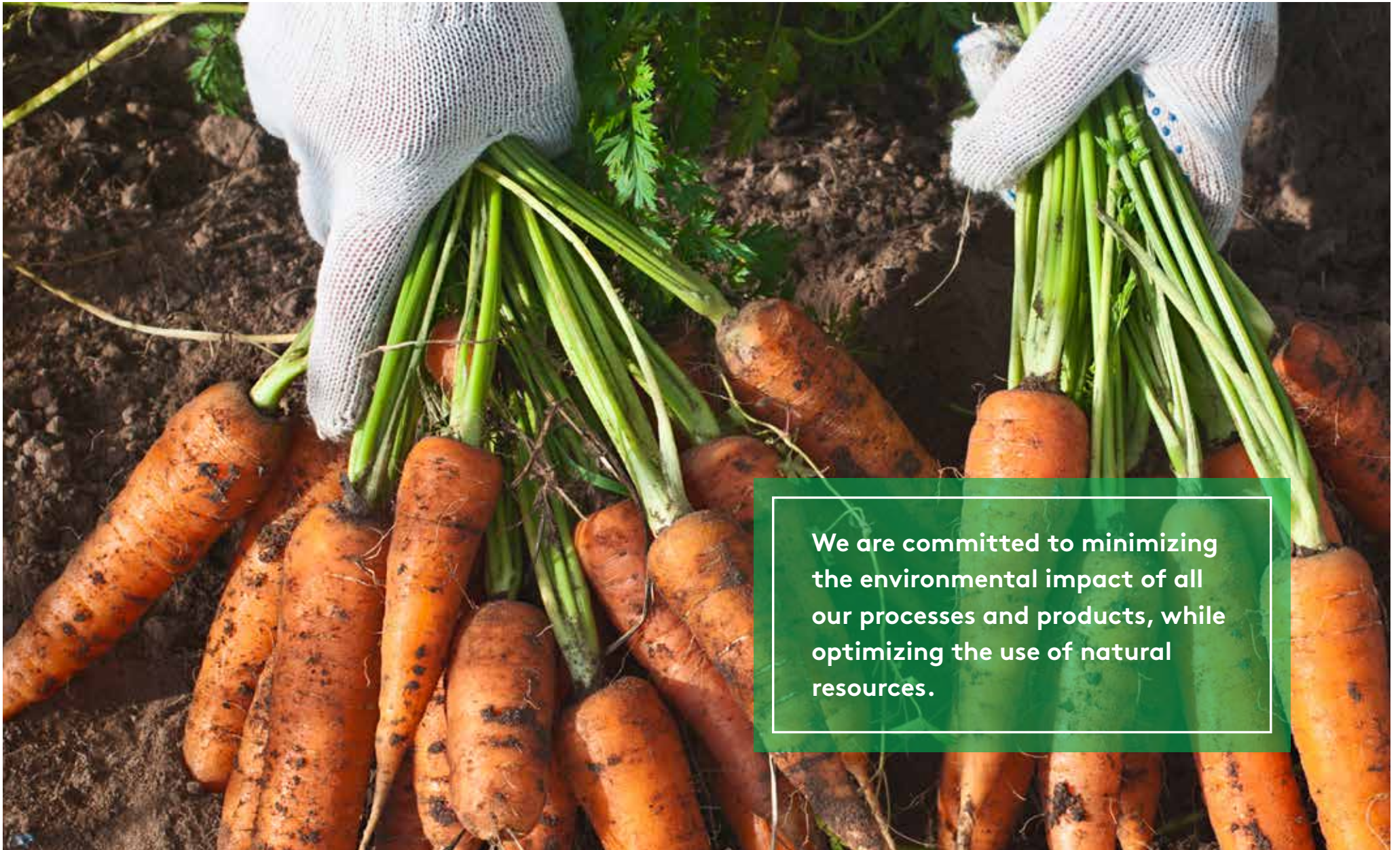
## Chapter 5

# Environment and Sustainable Farming









We are committed to minimizing the environmental impact of all our processes and products, while optimizing the use of natural resources.



# Management Approach

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ADAMA is focused on producing agricultural solutions that are required for feeding a growing global population, while ensuring that we contribute to preserving our natural environment. This starts with identifying solutions that help us leverage various resources more efficiently within our own facilities, as well as outside in the fields.

We invest significantly in safety of our products and endeavor to manufacture products and use operating procedures that conform to the highest international standards of quality. To that end, we work in accordance with the provisions of the applicable laws, regulations, quality standards and company procedures relating to environmental protection and safety, and take all the measures available to protect the environment, prevent environmental effects and to make the best use of natural resources.

Climate change is one of the biggest issues facing agriculture, as well as the one of most pressing challenges facing humanity.

As a company entirely devoted to agriculture, we are particularly attuned to the potential effects of climate change including drought, severe weather, rising sea levels, shifting pest infestations, compromised harvests and flooding.

## **We are focusing on:**

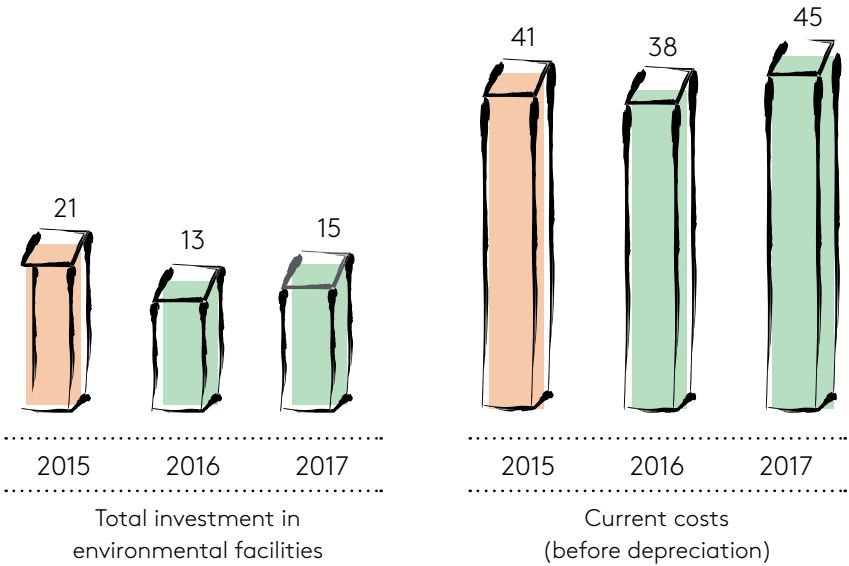
- Investment in environmental facilities and processes - in order to reduce the impact of our footprint
- Investment in sustainable farming
  - AgTech
  - Precision Ag - Implementing digital tools to help farmers to enhance productivity, efficiency and sustainability
  - Products
- Reporting the environmental impact - providing credible information about our environmental performance to our stakeholders



# Investing in Environmental Facilities

ADAMA takes action to prevent or mitigate environmental risks and to reduce the environmental effects that could occur from our activities. Furthermore, we invest extensive resources to fulfil the legal provisions that are, and expected to be, imposed upon us.

Investment in environment facilities & current costs (US Millions) <sup>(A)</sup>



**The investment include:**

## Thermal Oxidizers

In 2015 three new Thermal Oxidizers were launched (two in ADAMA Agan and one in ADAMA Makhteshim). The emissions from these three Thermal Oxidizers meet the most stringent European standards.

- During 2017 we conducted pilot experiments to purify underground water near the Agan plant in Ashdod, Israel. We used various methods of treatment.  
In the next years a remediation plan will be designed and implemented according to the pilot's results.
- During 2017, a new well was dug in Ashdod from which the contaminated groundwater will be pumped, treated and reused as process water. The well is fixed so that the water pumped will be as close as possible to the area of contamination.

ADAMA places great importance on making our operations and facilities as environmentally friendly as possible. Among our recent achievement to reflect this focus are:

- Reduction of Air Emissions
  - We upgraded the absorption systems in our Polish plant. As a result, we have reduced particle emissions at that site by 50% and the emission of volatile organic compounds (VOCs) by 25%.
  - At ADAMA Makhteshim, we replaced the old cooling systems, which were operating on Freon 22. This is a pollutant which we no longer emit now that we are using new cooling system that use gases that don't impact the ozone layer.
- Risk Reduction In Plants
  - At our facility in Ashdod, Israel, following extensive research and development, we have found a solution for ceasing the use of Bromine as a raw material, reducing the risk that may be associated with this material.

## Management Incidents System - INTELEX<sup>®</sup>

The company acquired special software that enables it to manage various events.

The Incidents are:

- Safety Incidents (work injuries)
- Environmental Incidents (Incidents reported to the Ministry of the Public Health or other relevant ministries)
- Incidents taking place outside the boundaries of the enterprises with the company materials
- "Violations" of various licenses / permits / laws. Any such violation is managed as an "event".

The "life cycle" of an event is defined according to the following four stages:

- Reporting
- Investigation
- Producing corrective actions
- Monitor the implementation of all corrective actions

**The system enables us to monitor the status of each event and to identify irregularities schedules.**





We commit to continue investing in environmental protection, as much as is required and beyond. We also aim to use the best available technology in reducing our environmental footprint.

# Investing in Sustainable Farming

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## 1. AgTech

True to our purpose of “creating simplicity in agriculture,” ADAMA has entered into third-party collaborations and engaged key partnerships with innovative AgTech developers. Our intent is to provide farmers with a range of solutions that allow agronomic decision-making with quantifiable data, reduce operating costs and uncertainty, minimize potential negative environmental impact and agronomic risks, and increase the efficiency of the Combined Company’s products.

With around 20 AgTech solutions deployed in key markets across the globe, technologies include sensors, software, robotics and drones. These technologies are directed toward different fields of application, including irrigation, spray monitoring, early detection, disease and weather forecasting, and monitoring of planting gaps.

## 2. Precision Ag

Used properly, precision ag can contribute to reduced waste, increased profits, and protection of the environment. Precision Agriculture (PA) can help in managing crop production inputs in an environmentally friendly way. Precision agriculture benefits to the environment come from more targeted use of inputs that reduce losses from excess applications and from reduction of losses due to nutrient imbalances, weed escapes, insect damage, etc. Other benefits include a reduction in pesticide resistance development. ADAMA offers farmers digital tools to help farmer throughout the growing season with an eye toward enhanced productivity, efficiency and sustainability. using precision agriculture, farmers are able to produce more food at a fraction of the cost. Farmers also conserve soil for sustainable food production.

By working with innovative ag-tech companies, we supply solutions that :

- Support agronomic decision with quantifiable data
- Reduce operating costs and uncertainty while increase peace of mind of farmers

- Minimize potential negative environmental impact and agronomic risks
- Increase efficiency of our products

### SupPlant

<http://supplant.me/>

Environmental conditions have enormous effect on plant health and output. We need to understand how the plants are reacting to these conditions.

SupPlant has developed a unique system based on a set of algorithms to analyze data collected from sensors: soil, climate and most importantly plant-based. The farmer can now tell that a plant is stressed days before he sees it with the naked eye. The data collected is translated to a series of agriculture services, amongst them, Growth-Based Irrigation™, a unique closed-loop irrigation system, fully autonomous and reactive to plants needs in real time. The system shows constant results of 30% water savings and above 5% increase in yields on average, in a wide range of crops and geographic markets.

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## SwarmFarm

<http://www.swarmfarm.com/>

SwarmFarm is developing robotic software and hardware platform to assist in crop management. SwarmFarm's technology will help to improve the productivity of current farming systems by offering small, lightweight, high-tech robotic machines that will operate in swarms to undertake key tasks of cropping systems, such as planting, weed control, insect control, fertilizer application, irrigation and harvesting. ADAMA will utilize the SwarmFarm technology to assess unique crop protection formulations and innovative use patterns to help deliver new simplified solutions around resistant weeds, labor, application timing and efficacy.

## BreviSmart

**A Decision support online tool for optimizing Brevis application timing**

ADAMA has developed a proprietary model for forecasting the efficacy of Brevis applications. The model is based on weather and plant's measurements and provide the user a location specific recommendation regarding the forecasted efficacy of Brevis for the present day (+ forecast for the next 5 days). Based on the model ADAMA developed an online tool with real time global coverage for supporting the advisors and growers in choosing the right time for Brevis applications.



Safer

More Effective

Simpler for farmers





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## 3. Products

### Mavrik

Mavrik® is a highly active and novel pyrethroid; an effective fast acting contact insecticide for the control of aphids in cereals, pollen beetle, cabbage seed weevil and aphids in oilseed rape and when used in accordance with the label Mavrik® has less impact on honey bees relative to other pyrethroid insecticides.



### Bio stimulants

In modern agriculture, farmers worldwide require the means to enhance the value of the crops they grow. At the same time, there is the global need to ensure that the crop protection and enhancement products farmers are using bring a minimal impact on the environment. At ADAMA we invest great resources into developing multiple means for achieving these goals, to offer a wide range of crop enhancement products that also address environmental priorities. Among these are biostimulants, which enhance the crop's physiological processes, fostering plant growth and development throughout the crop lifecycle from seed germination to plant maturity.

The biostimulants that ADAMA offers facilitate nutrient assimilation, translocation and use; render water use more efficient; and enhance soil fertility, particularly by fostering the development of complementary soil micro-organisms. The result is an increase in yield and quality, as well as minimizing the impact on the environment.

Over the past year ADAMA has made a lot of progress in expanding our biostimulant expertise. Among the biostimulant products that we sell, is ExpertGrow, which is used particularly in Brazil. And, we are also investing great resources into developing and registering the product throughout Latin America, Europe, and China.

Our vision is to become the supplier of choice for a portfolio of biostimulants and a leading provider in these key markets.

# Reporting the Environmental Impact

ADAMA measures and reports on the environmental impact of its activity in terms of energy consumption, emissions, water consumption, wastewater, and waste.

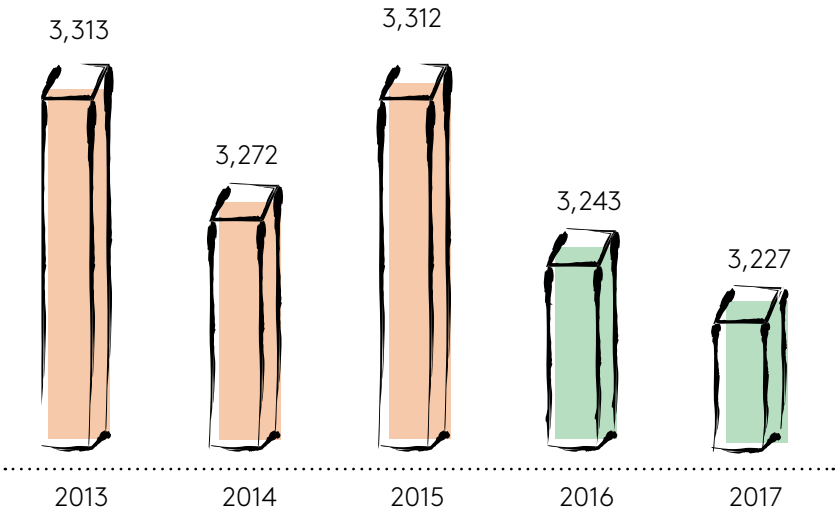
This process allows us to manage these parameters in order to achieve reductions and improvement, and to keep our stakeholders informed and updated on relevant information.

## Energy Consumption

The transition to cleaner energy consumption is part of ADAMA’s long-term goal to reduce our impact on the environment. Most of the energy we use, and the associated GHG emissions, result from our production processes.

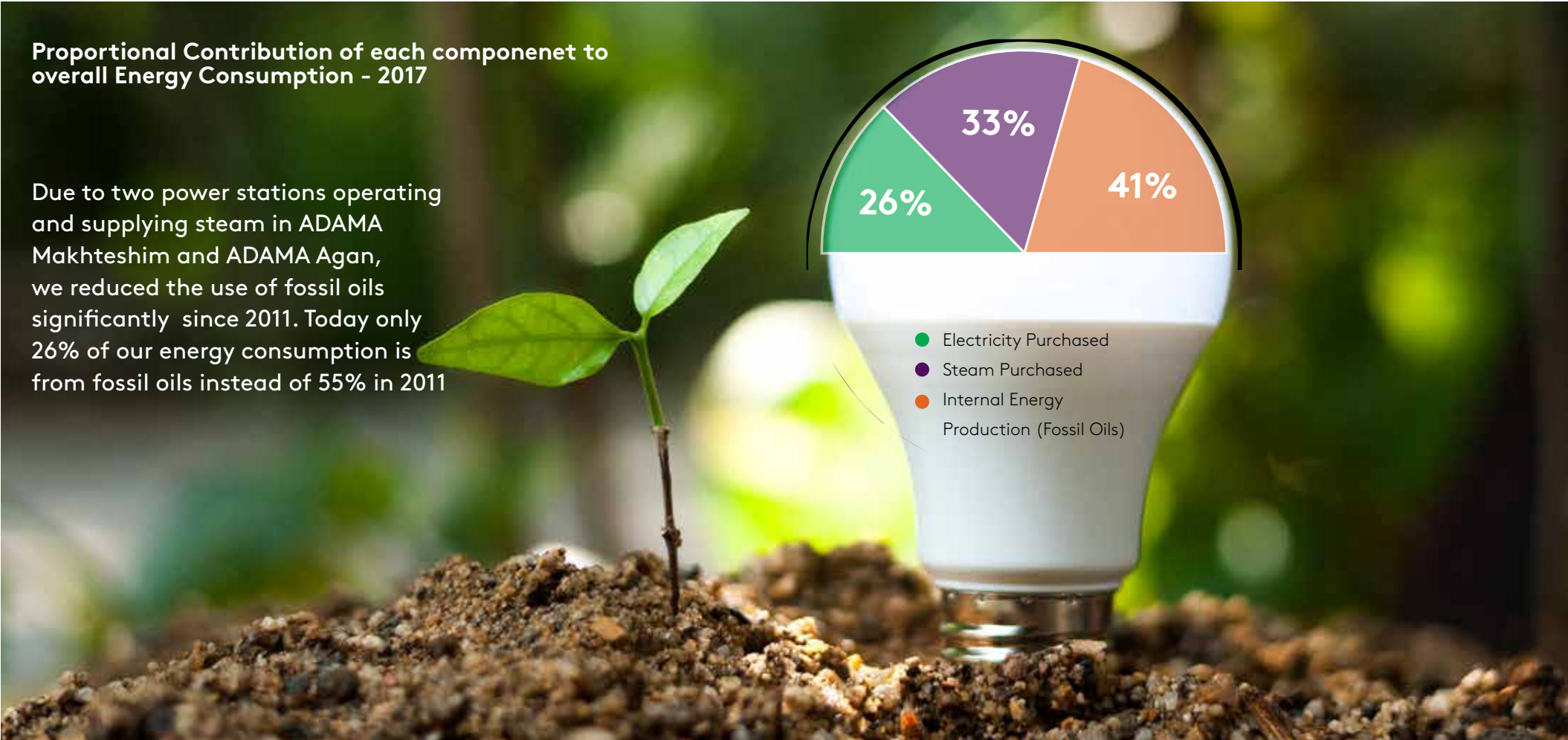
In recent years, our plants in Israel have started using natural gas. Using natural gas significantly reduces emissions of air pollutants and greenhouse gas emissions.

Energy Consumption (Tj) 2013 - 2017





Energy consumption divided to type of energy:



# Water Consumption

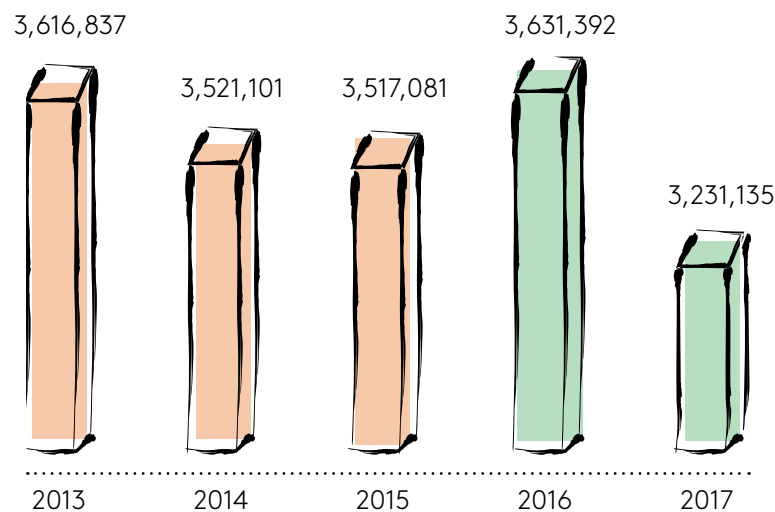


Clearly, water is essential for sustaining life. However, this valuable resource is distributed unevenly throughout the world, is often used wastefully, and is polluted.

By developing and promoting solutions to support efficient and responsible water consumption, ADAMA is committed to conserving one of the most crucial of all raw materials.

The majority of water consumption is in Israel. In 2017 the consumption in ADAMA's facilities in Israel was 65%.<sup>(A)</sup> The following graph presents the consumption of fresh water across the various plants:

Water Consumption (m3) 2013 - 2017



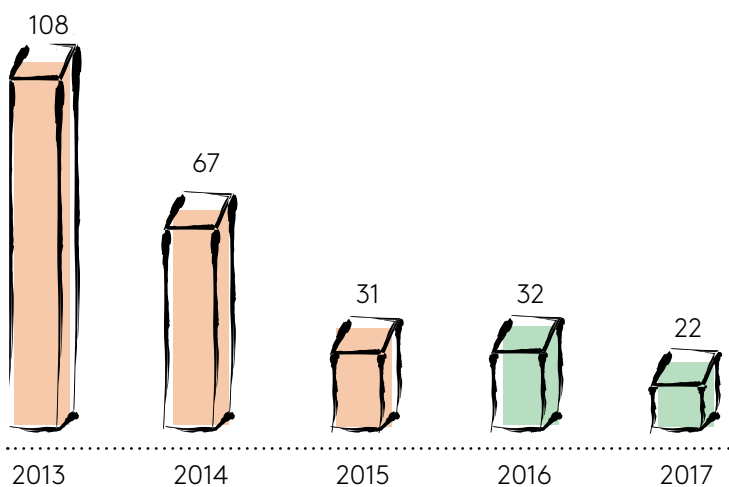


# Air Quality

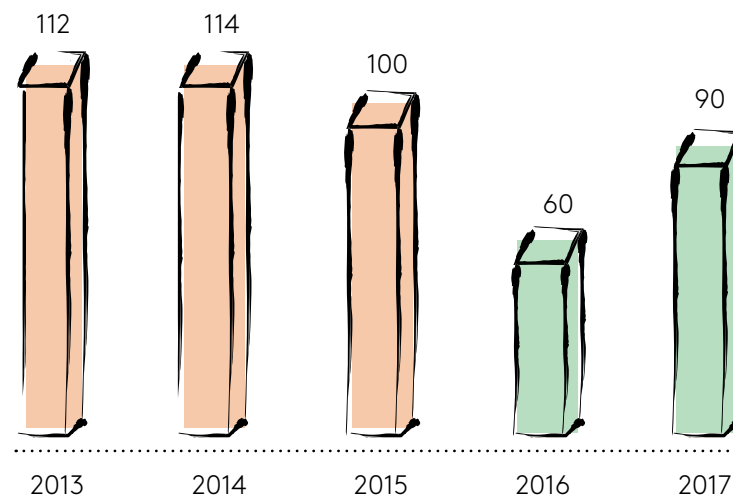
The Company's sites are subject to atmospheric emissions regulation, whether by virtue of the terms provided in the business licenses or under the Clean Air Law in Israel and the relevant local regulations in all areas of activity.

The Company invests extensive resources to mitigate and prevent the environmental impacts of its plants on air quality.

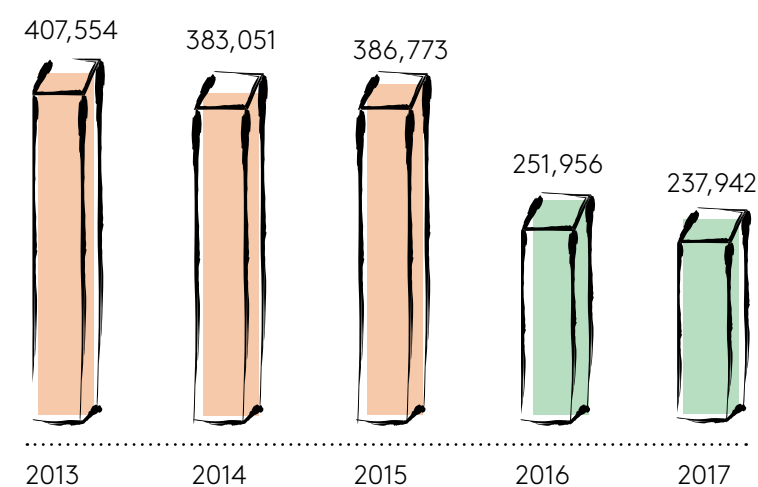
Total SOx Emission (tonne) 2013 - 2017



Total NOx Emission (tonne) 2013 - 2017



Total CO2 Emission (tonne) 2013 - 2017



## Effluents

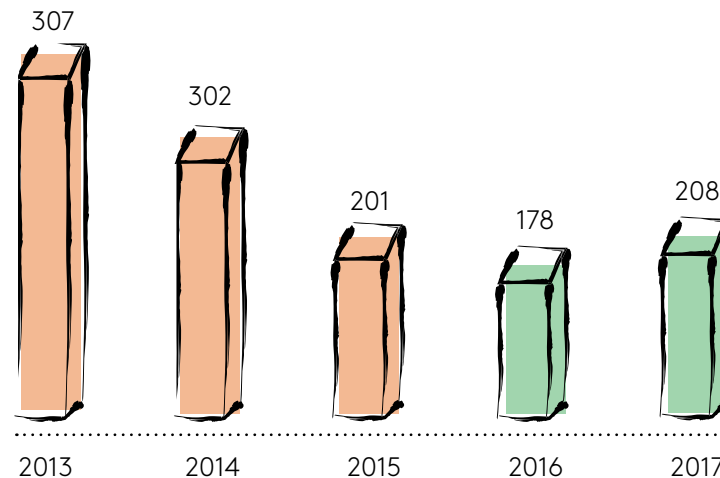
ADAMA invests significant resources to ensure compliance with the environmental protection laws that apply to the company regarding treatment of industrial wastewater, in an effort to minimize the hazards to the environment and the effect that may ensue as a result of the company's operations.

Industrial effluents are generated in the production processes of the company's products, and are treated in different ways according to the conditions and circumstances at the site and according to the relevant business licenses.

The decrease is due to continuous improvements & modifications in our Waste Water Treatment facilities in Poland and Israel.



Total TOC (tonne) 2013 - 2017



# Diligent Waste Management

ADAMA considers waste to be a significant component in creating negative environmental impact, and views the efforts to reduce it as vital to mitigating its environmental impact.

## Our guiding principles include:

- Prevention of waste generation improving chemical yields and various physical separations
- Reuse of various waste streams
- Increase internal incineration of waste streams
- Reusing packaging materials (Drums, IBC's)

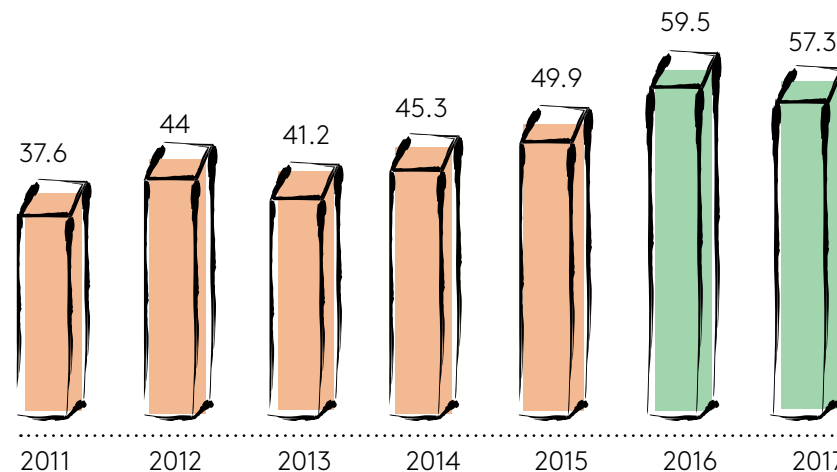
During 2016 we upgraded our packaging washing system (Drums) in Israel. This system is efficient and economical in using water and enables "Complete" washing and disposal of all residues from drums. A new system for IBC's washing was installed in 2017 we transferred 1200 of treated drums and IBC's to recycling due to our intensive "doing".

The Company intends to increase activity on this subject and maximize the quantities of recyclable waste.

The plants in Israel have invested \$ 2 million to upgrade the packaging lines and similar investment is expected in 2018.

All waste streams are sent to authorized sites/ companies which have further treatment capacities like incineration, solidification etc.

## Specific Hazardous Waste Discharged (kg/ton) 2011-2017



\* kg per tonne of transferred product



## Chapter 6

# Our Community







A photograph of two young children, a girl and a boy, wearing white bucket hats and white t-shirts with a green logo, harvesting tomatoes in a greenhouse. The girl is on the left, reaching up to pick a tomato. The boy is on the right, holding a basket of harvested tomatoes. The background is filled with green tomato plants and ripe red and yellow tomatoes.

## Giving Back to the Community

“ADAMA invests time, thought and resources in a variety of programs with and for our surrounding communities. Above all we believe in supporting education and empowering children, youth, and students. Through our volunteering and donation programs we bring chemistry, agriculture, innovation and sustainability to the scientists of tomorrow.”

*Rachel Levi, Community Relations Manager, Israel*

# Community Policy

## Allocation of Financial Resources

ADAMA sees contribution and assistance to the community in Israel and in the countries in which we operate as an integral component of our activities. This contribution and assistance constitute a key tier in the Company's vision and objectives. We recognize that business leadership is inseparable from proactive social consciousness.

We believe that investing in the young brings great value to the surrounding communities. And, accordingly, ADAMA donates significant funds to programs that promote education and encourage excellence among children and teenagers.

We support a variety of excellence programs, including ones that focus on bridging gaps and strengthening populations at-risk.

We are especially committed to the promotion of education in subjects such as chemistry, agriculture, and sustainability, which are aligned with our business activities. We are also dedicated to making investments relating to health, culture, art, sports, heritage, and welfare.

ADAMA also aims to continually improve our community efforts, measuring results for ongoing optimization.



## Establishing Partnerships

ADAMA collaborates with the local educational authorities, institutions, and organizations with the aim of providing students with a wide range of enrichment programs on culture, arts, and the environment. These programs are created jointly with the entities we support. The activities are supervised by ADAMA and the supported entity and are monitored regularly to assess their effectiveness in achieving stated goals.

**In 2017, we made donations aggregated at approximately \$2,037,000, of which approximately \$1,772,000 were invested in Israel. <sup>LA</sup>**

**In 2016, we donated an amount of approximately \$1,600,00, of which approximately \$1,200,000 in Israel. <sup>LA</sup>**



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## Involving Employees and their Children

Further to the company's initiative and encouragement, many of our employees regularly volunteer across various programs, including helping new immigrants, educating and encouraging excellence in teenagers, and promoting social welfare.

Through these programs employees both volunteer their time and make financial donations as well.

For example, during 2017, just in Israel we gave our employees time off from work to volunteer a total of more than 2,600 hours, and during 2016 more than 3,600 hours. In the UK employees volunteered 240 hours in 2016 and 2017, each. In Brazil, the company recently adopted and deployed a new volunteering policy that enabled employees to volunteer more than 261 hours which has translated into 1135 children who have benefitted from multiple activities.





# ADAMA in Israel

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ADAMA Israel has always been actively involved in the community. Alongside our business operations, the company has made it its mission to invest in education, focusing on three main areas: agriculture, chemistry, and sustainability, which align with the company's areas of expertise.

Our goal is to demystify chemistry and enable schoolchildren to become acquainted with the fascinating world of science. At the same time, we aim to help them develop their scientific research capabilities and analytical skills, and to aspire to excellence in all areas of study.

We are involved in four major programs that work for the advancement of chemistry studies:

**“Chemistry Deep Dive” from kindergarten through ninth grade:** An enrichment program for children and teenagers, taking place in chemistry labs, and in collaboration with the local municipality's education department along with the Ministry of Education.

**The Marie Curie Program for Excellence in Chemistry and the Archimedes Program:** both programs involve selecting outstanding chemistry students from the North and the South of Israel, and enables them to start undergrad studies in chemistry by as early as the tenth grade. This program is the fruit of our collaboration with local municipal authorities, Ministry of Education, various NGOs, and local universities.

**Scholarships:** ADAMA awards scholarships to outstanding students in chemistry and chemical engineering at Ben-Gurion University and the Sami Shamoon College of Engineering in Beersheba and Ashdod. The company also awards scholarships to doctoral students in chemistry at leading academic institutions in Israel, who are conducting research in fields that align with ADAMA's R&D activities.



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## Promoting Agricultural Studies

For over ten years ADAMA has initiated numerous projects that focus on educating the community about environmental sustainability. These projects emphasize the development of commitment, responsibility, and awareness of environmental sustainability among the young.

### Agricultural studies: seeds of science

Today, farms in Israel provide a practical enrichment program as part of the agriculture curriculum. However, until now they lacked advanced technological equipment and other resources.

In conjunction with the Ministry of Education and the local authorities, we have decided to invest in and develop these farms in order to turn them into advanced hubs for research and experimentation, as well as to encourage agricultural studies.

To achieve this goal, we created a network of research greenhouses for students, which form our flagship community project – “Sowing the Seeds of Science.” As part of the project, agricultural and environmental farms in Ashdod and Beersheba (soon in the city of Lod as well ) were significantly upgraded.

State-of-the-art, computerized research greenhouses were built, technological tools and computers were introduced to classrooms, all of which were improved and modernized, creating a learning environment that promotes effective learning. And, we also invested in an innovative curriculum for farms with the Israel Center for Excellence through Education in Jerusalem.

### Sustainability studies: a new, sustainable era

Recognizing the need to develop the commitment, responsibility and awareness of environmental sustainability among the young, we have been investing for over a decade in the advancement of sustainability programs. Among these programs are: “Children Leading Change” and “ADAMA Trustees,” which are designed to provide environmental and sustainability education at schools.

For the programs, which are implemented in collaboration with the Society for the Protection of Nature in Israel, the Green Network, and the local educational institutions in Ashdod, Lod, and Beer -Sheva, the company focuses on teaching schoolchildren about sustainability. We do this further to our belief that finding technological solutions that allow for sustainable environmental management, no matter how good, will not bring

about the necessary change without the appropriate values-based education.

Accordingly, we invest in creating and supporting “ecological gardens” in dozens of schools to bring to light the connection between agriculture and the environment. Through this effort, children learn about the principles of sustainability hands-on and experience a direct connection with the planet, plant life, and the variety of wildlife that flourishes in the ecological garden.

Moreover, this garden serves as a platform for learning about team-building, the value of teamwork, responsibility, perseverance, patience, self-discipline, farming, productivity, and more.



“As a leading global company we feel that we have the responsibility to be actively involved with our communities. We invest a great deal of thought, caring, and resources, while creating cross-sector collaborations. Our aim is to deepen our social activities and advance the programs that bring about change and which will benefit many generations to come. In particular, our efforts prioritize the interests of children, teens, and students.”

*Rachel Levi, Adama's Community Relations Manager*



# ADAMA Brazil

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Thousands of young people in Brazil are benefiting from a community initiative funded by ADAMA to promote education, culture, and citizenship.



## Instituto ADAMA

For the purpose of coordinating and supervising social activities, ADAMA Brazil has established the Instituto ADAMA in 2007, providing guided activities to children aged 5 to 18, and for their families.

Instituto ADAMA has significantly expanded since then, and in 2015 it moved to bigger premises, with improved teaching facilities, reaching more people. Instituto ADAMA holds various permanent workshops focused on sports, music, dance, drama, and recycling, as well as a book library, a toy library, and a teenage foster program. Today, the program offers almost 40.000 opportunities annually to the children and families of the local community. In fact, remarkably, in 2017, the children and teenagers of Instituto ADAMA held 37 dance or singing performances at local art festival, to an audience of more than 12,000 people.

Instituto also offers full-day classes and on-the-job training within a formally accredited apprentice program that lasts for one year. The program is offered to those who are between the ages of 16 -18 and are from the surrounding neighborhoods. Over the years, nearly 300 individuals have benefited from this apprentice program. The training takes place at

the administrative departments of ADAMA, where an employee takes responsibility for the mentor activity.

In addition, Instituto maintains and works in close connection with several public organizations, within a larger network for social assistance, collaborating on strengthening the community. With the support of Instituto ADAMA, more than 550 neighboring families are benefiting from the assistance of relevant public organizations. And, as an acknowledgement of the value of this support, the local City Hall has placed Instituto ADAMA on the Children Rights Committee, where public policies on children are discussed and approved.

Instituto ADAMA counts on an internal and professional multidisciplinary team of a psychologist, pedagogue, social worker, as well as managers and volunteers, whose performance is regularly evaluated in accordance with predefined KPIs and Individual Development Planning. For all the work done for the community, the assisted families have rated Instituto ADAMA with a Net Promoter Score (a method to evaluate satisfaction) of 96.

# ADAMA Canada

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Over the past couple of years, ADAMA Canada has held and sponsored a national contest to recognize the importance of Canadian agriculture retailers.

Farmers were empowered to nominate their agriculture retailer and tell the story of why they are important. The winning retailer would then donate \$15,000 to their community. Four retailers won each year, and one retailer won an additional \$15,000 national prize, making for a total of \$135,000 that was donated to community organizations by eight winning retailers.

The donations went to a variety of causes, including building a residential hospice, revitalization of an educational natural habitat, an outdoor classroom project at a middle school, and renovation of a local ice rink.

The competition and the donation prizes had an effect on the participating communities beyond the donated funds. It united the communities around the different causes and encouraged others to add their own donations as well.



"We began this contest to celebrate the hard work of agriculture retailers across Canada. It's been incredible to see so many communities rally together for good causes. I'm honored that ADAMA could help all our finalists make lasting contributions to their communities."

*Jodi Starodub, Demand Creation Manager, Marketing, ADAMA Canada*



# ADAMA UK

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Over the past few years, ADAMA UK has been actively supporting the growing2gether project, a project aimed at giving different people a chance to learn and grow a range of fruits and vegetable. ADAMA UK is involved in this project both by making monthly donations to help run the project, and by supporting the project as volunteers. All ADAMA UK employees volunteer for two afternoons each year.



"Our efforts at Growing2gether are really appreciated by the team at Cottesmore. As charitable organization, they are reliant on third party help such as from ourselves. Much of their full time staff resource is spent, quite rightly, dealing with clients (mentally, physically and socially disabled) and time critical tasks such as watering. G2G offers a constructive refuge for disadvantaged members of the community in the Newbury area. As a project it is developing all the time and it is great to see the environmental areas and raised beds which we have previously been involved in, maturing nicely."

*Rob King, Managing Director, ADAMA UK*





## ADAMA Poland

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As part of our commitment to keeping the planet green, ADAMA Manufacturing Poland SA actively celebrated Earth Day. As part of this commitment our team also planted 500 sessile oaks in the forest near Brzeg Dolny, which is part of a bigger project for bringing natural plants to their original location.

During the past year, we planted some trees in the National Forest, in the context of the Wołów action, aimed at bringing new oaks to the forest to replace dying pines.

Moreover, we supported this initiative by actually cutting the old pines ourselves and preparing the ground for planting the oaks, with a view to protecting the White-tailed Eagles and their nests in the forest.

## ADAMA China

In alignment with the Jingzhou Municipality, ADAMA Group in China is an active participant in the Precision Poverty Relief program that was initiated by the Chinese government.

Precision Poverty Relief is a key policy that requires state-owned enterprises to accurately identify and assist targeted populations, including farmers, in various underprivileged regions.

During 2014-2017, we have contributed funds to the program, and provided diverse means of support to several underprivileged villages. Such support includes developing a local collective economy, mapping and understanding the needs of the villages' farmers, assisting them in accessing relevant markets, and providing financial support to improve roads and public buildings.





## Chapter 7

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Procurement Practices	204-1		At this stage it is not possible to segment the scope of local purchasing activities
Anti-Corruption	205-2	46	
	205-3		No legal cases regarding corruption during the reporting period
Anti-Competitive Behaviour	206-1		No legal event occurred during the reporting period
CATEGORY : ENVIRONMENTAL			
Materials	301-1	78, 81	
Energy	302-1	76-77	
Water	303-1	78	
Biodiversity	304-3	93	
Emissions	305-1	79-80	
	305-2	80	
	305-7	79	



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Topic	Disclosure Number	Page Number	Comments
Effluents and Waste	306-1	80	
	306-4	81	
Environmental Compliance	307-1		No cases of noncompliance regarding environmental laws and regulations during the reporting period
Supplier Environmental Assessment	308-1	47	
CATEGORY : SOCIAL			
Employee Welfare and Labor Relations			
Employment	401-1	56-57	
Labor/Management Relations	402-1		Our people are informed about changes affecting their work
Training and Education	404-2	54-55	
	404-3	53	
Occupational Health and Safety	403-2	62-63	
	403-3	62	

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Topic	Disclosure Number	Page Number	Comments
Diversity and Equal Opportunity	405-1	40-41, 59-60	
	405-2	56	
Non-Discrimination	406-1		No event were brought to the attention of the company.
Freedom of Association and Collective Bargaining	407-1	56	
<b>Human Rights</b>			
Human Rights Management	412-1	56	
<b>Society</b>			
Local Communities	413-1	85	
	413-2	85-93	
Supplier Social Assessment	414-1	47	
Customer Health and Safety	416-1	26	
	416-2		No incidents.

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Topic	Disclosure Number	Page Number	Comments
Marketing and Labeling	417-1		The product and service information for all products is accessible through Material Safety Data Sheets and product labels.
Socioeconomic Compliance	419-1		There were no incidents.





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