







Listen - Learn - Deliver

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## **Our Commitment**

## **About us**

ADAMA is a leading global crop protection company, providing solutions to combat weeds, insects and disease, so farmers can do what they do best: feed the world.

ADAMA has one of the widest and most diverse portfolios of active ingredients in the industry, as well as stateof-the-art R&D, manufacturing, and formulation facilities. With a culture that empowers our People to listen to farmers and ideate from the field, ADAMA is uniquely positioned to offer a vast array of distinctive mixtures, formulations, and high-quality, differentiated products, to deliver solutions that meet local farmer and customer needs in over 100 countries globally.

## 2021 Highlights



#### **Our Products**

1,450 different formulations

\$150 Million invested in R&D

Bralic

An exciting new biological 18.6% product based on garlic oil of managers are women extract alone



#### **Our People**

of all open positions were filled internally

87% employee retention rate



## **Health & Safety**

of our sites ISO 45001 certified

0.45 injury rate



#### **Environment**

decrease in GHG emission per tonne production, from averaged values 2011-2020

57%

of our sites are ISO 14001 certified

36%

more recycle and reused hazardous waste compared to 2020

#### **Our Values**

Our purpose and values are about who we are as a company. They are our DNA and they serve as a compass that guides our behavior.



Our get it done attitude drives us to constantly seek better, more effective solutions for our customers with energy and enthusiasm.

We roll up our sleeves to meet their challenges, keep our promises and deliver results. That's when to make farmers' lives we're at our best.



We keep things simple. That's because we get how complex and challenging farming and our industry is.

We bring a straightforward and clear approach to doing business with our customers and work hard easier with effective. easy-to-use solutions.



Each of us has the freedom to act; to bring new ideas to strengthen ADAMA and improve the solutions we provide our customers.

We're empowered to take initiative and to think entrepreneurially. This goes together with a commitment to mentor, train, inspire and provide resources to help us perform better.



Our passion is the fuel that propels us. We're passionate about agriculture and the role we play in helping farmers produce the food needed to nourish the planet.

We're passionate about seeing ADAMA succeed and in the larger success of our customers, partners and colleagues around the

#### **Global Presence**



#### 100+

Reaching Farmers in 100+ Markets

45

Countries with a presence on the ground

Fully backward-integrated production hubs in Israel & China

Synthesis and formulation facilities worldwide

State-of-the-art R&D Centers



## Who We Are

ADAMA offers a comprehensive range of high quality, differentiated, and effective herbicides, insecticides, and fungicides that help farmers worldwide to increase yields by preventing or controlling weeds, insects, and diseases that harm their crops.

Farmers everywhere are facing a growing set of challenges, driven by climate change and the rising demand for nutritious, safe, and affordable food.

With the broadest portfolio in the world, ADAMA is uniquely positioned to address local customer needs, offering high-quality off-patent products as well as unique, market-leading solutions.

## **Our Leadership Framework**

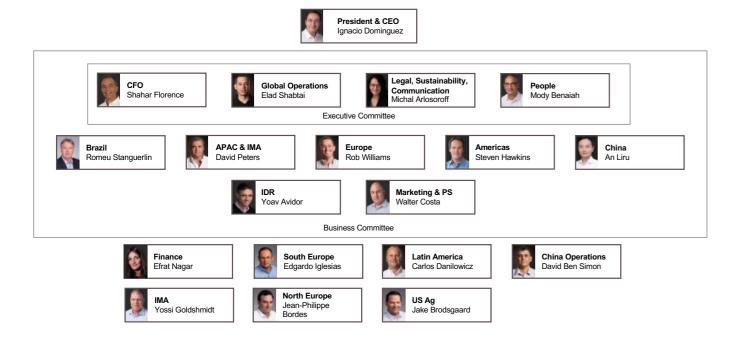
Our leadership framework describes what we value as leaders in ADAMA and encodes it in a framework that helps guide the way we lead now and in the future.

This framework establishes a set of guiding principles for all our leaders. It transcends all levels, and aims to help each of us develop our mastery over time.



## **Our Management**

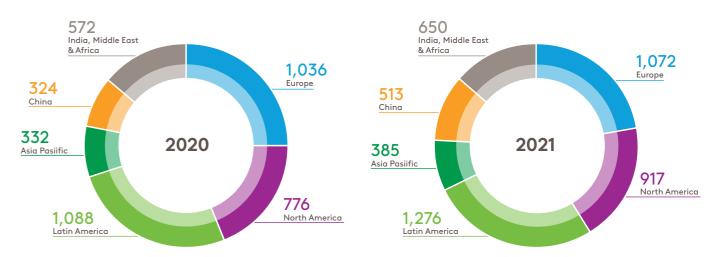
ADAMA's experienced international Leadership Team is committed to strengthening and shaping our sustainability agenda to further contribute to all ADAMA's stakeholders. Michal Arlosoroff, EVP Legal, Chief Communications, & Sustainability Officer, is responsible for managing and overseeing all sustainability activities, including the reporting of an annual ESG report.



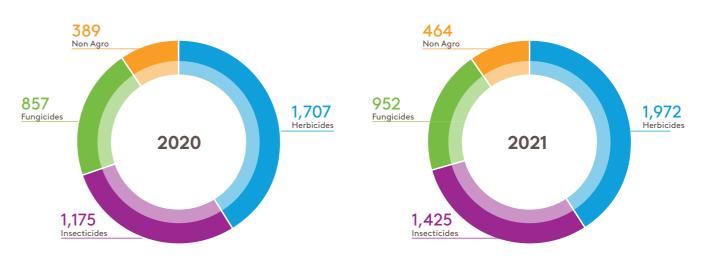
#### **Finance**



### Sales by Regional Performance



### **Sales by Product Category**



#### **Economic Value Generated and Distributed\***

	2020	2021
	(USD, Thousand)	(USD, Thousand)
Direct economic value generated: revenues (total net sales)	4,127,751	4,813,041
Economic value distributed:	4,127,751	4,813,041
Total operating costs (including R&D expenses, employee wages, and other expenses)	4,057,924	4,741,003
Total payments to employees including wages and benefits (pension, social security, etc.)	522	560
Total payments to suppliers	3,150	3,410
Total amount paid to providers of capital	9,162	12,349
Capital expenditure	214	402
Total payments to governments (taxes, etc.) by country	31,552	59,045
Total community investments	2,807	2,599
Total economic value distributed	4,101,445	4,814,996

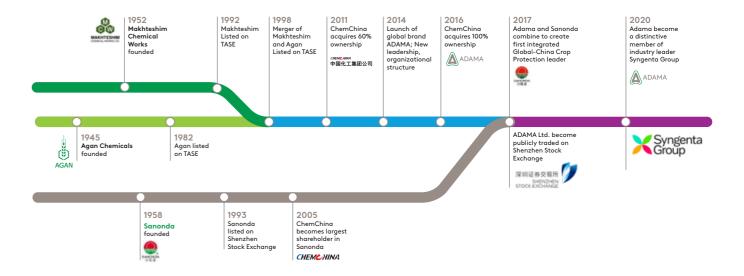
<sup>\*</sup>The financial information above should be read in conjunction with the consolidated financial statements of ADAMA Ltd. as filed in the Shenzhen stock exchange in accordance to the PRC GAAP.

## **Our History**

ADAMA celebrates its more than 75-year heritage, having started from two Israeli crop protection companies, Agan (1945) and Makhteshim (1952), which merged in 1997 to form Makhteshim Agan.

In 2011, we became part of the ChemChina Group (the China National Chemical Corporation), which started a new and exciting chapter in our story. In 2014, we introduced our new global brand and became known as ADAMA. In 2017, with our landmark combination with Sanonda, we returned to the public markets.

Today, ADAMA is a member of the Syngenta Group, the world's largest agricultural inputs company.



### **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-9, GRI 102-44, GRI 307-1, GRI 413-1, GRI 413-2

#### Sustainabe Development Goals



End poverty in all it's forms everywhere



Build resillient infrastructure, promote inclusive and sustainable industrialization and faster innovation



End hunger, achieve food security and improoved nutrition and promote sustainable agriculture



Ensure sustainable consumption and production patterns

## **Our Strategy**

ADAMA's promise is to **Listen > Learn > Deliver**. When it comes to our customers, our best solutions develop when we take their input and learn from their experience. That is why we actively seek opportunities to listen to farmers, channel partners, and agronomy experts, to understand the specific challenges they face, their pain points, and needs.

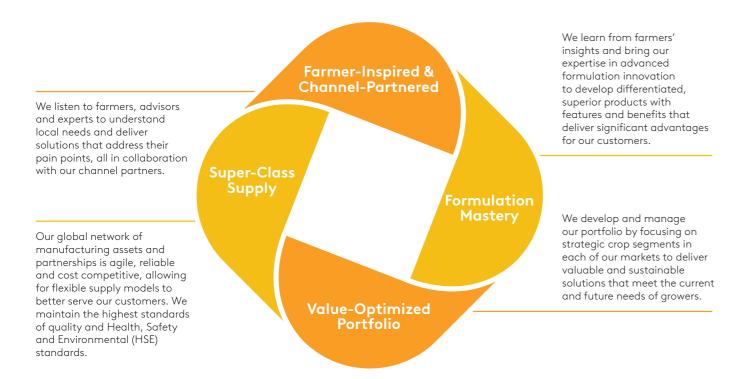
We integrate the information we acquire externally with the expertise and know-how that we bring to the table from years of experience in the industry.

We have approached our sustainability strategy in the same way.

#### **Our North Star**

The North Star presents a clear strategic roadmap to achieve sustained growth and maintain a leadership position in our industry.

It's made up of four interconnected key levers that work together to create a dynamo effect - each one building on the other, creating momentum and enhancing everything we do to create a strong and enduring competitive advantage for ADAMA.



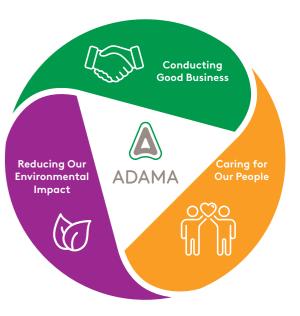
## **Materiality Assessment**

#### **Impact Model**

During 2019-2020 we conducted in-depth and extensive research among our employees, farmers, retailers, and consultants in 13 of the countries in which we operate. The purpose of the study was to listen, gather insights, and learn about expectations and trends from these main stakeholder groups, to deepen our understanding and learn more about our products, our perceived added-value, and our brand. The research insights were processed and incorporated into the updated materiality assessment, alongside additional data we gathered to assure an in-depth, updated analysis.

The research helped us recognize the expectations of our stakeholders, while also examining industry practices, analyzing SASB sectorial materiality topics, CDP, and EcoVadis.

Through this process, we identified three key sustainability pillars that incorporate the material sustainability topics that are essential to us.

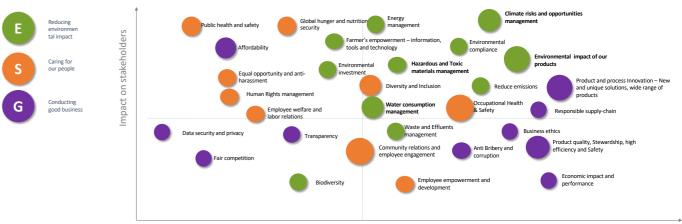


These three pillars serve as the basis for our Impact Model, and the organizing principle of this report.

#### **Materiality Map**

The updated materiality map and the global urgency to promote environmental sustainability led us to the understanding that the key sustainability issues we need to prioritize are the environment which have a significant impact on our business, our People, and our planet. To that end, we reformulated our sustainability mission:

Meeting the Needs of a Growing Global Population While Fulfilling the Needs of Farmers Around the World.



Impact on ADAMA

### **GRI Sustainability Reporting Standards**

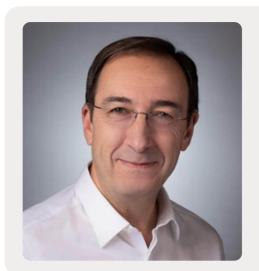
GRI 103, GRI 102-44, GRI 102-47



## **Our Stakeholders**

The ability of farmers to meet the needs of a growing global population while using fewer natural resources and reducing greenhouse gas emissions depends on collaboration across the agricultural community.

Sustainable agriculture is too important and too complex for one business to lead the agenda alone. Therefore, we place great emphasis on listening to and learning from our stakeholders, to help us to incorporate sustainability into every aspect of our operation.



"Climate change and the imminent global food crisis demand that agriculture and our industry must transform if we are to have sustainable food security for a growing population.

ADAMA chooses to put ESG values in the center of its activity and to integrate sustainability into every aspect of the business – products, manufacturing, operations, and people. Our investment in novel formulation technologies to deliver superior products with enhanced biological performance is resulting in better solutions for farmers and a favorable sustainable footprint, ultimately benefiting all our stakeholders. We'll continue to listen to farmers and deliver what they need to succeed, making sustainable agriculture part of the solution".

**Ignacio Dominguez** President and CEO



#### **Listening to Farmers and Customers**

As part of our commitment and vision, ADAMA built dedicated crop management teams throughout the world to maintain ongoing and direct communication with farmers. Each team consists of expert agronomists that provide unbiased advice on the best solutions to maintain the healthy crops, and support farmers in using ADAMA products in a safe and sustainable way.



#### **Listening to Our People**

Only by actively listening and seeking out additional opportunities to hear from our People, can we improve as a company. In addition to daily dialogue, we implement periodic engagement surveys and a "360° assessment" of managers. The engagement survey reflected that our People are satisfied with the physical work environment, culture and values, customer focus, and work/life balance. Although we have made great improvements since 2016, our People identified areas for further improvement in learning and development, career opportunities, and employer brand, as well as in rewards and recognition. Based on this feedback, ADAMA launched our new learning platform, SPARK.



#### **Listening to Our Communities**

We apply our listening approach to the communities we operate in, and build personal, lasting relationships with our partners. With each collaboration that we initiate or engage in, we take time in advance to understand the needs of those involved, whether they are local authorities, welfare departments, NGOs, or other local organizations. We continue an ongoing dialogue with our partners throughout the year.



#### **Our Industry Memberships**

We recognize the importance of participating in both international and local committees and organizations to achieve improvement in industry-related issues. Taking part in such committees allows us to create a dialogue and share knowledge with other industry members and with governmental and non-governmental organizations, to benefit all stakeholders.

We hold memberships in Chambers of Commerce in several of the countries in which we operate and are active in committees on various relevant topics around the world. We actively participate in the initiatives of various organizations, including those listed below, and we frequently share information with other organization members as we strive for a safe and sustainable future.

## **Governance & Ethics**

## **Corporate Governance**

Strong corporate governance, based on the principles of professionalism, leadership, accountability, and transparency, is an integral part of our core values. We regard it as a critical aspect of our sustainable growth and value creation. To uphold the principles of corporate governance, we have adopted a code of conduct, among many other initiatives, which applies to all our People and stakeholders, and is strengthened by various internal programs.

Following the combination of ADAMA Agricultural Solutions Ltd. ("ADAMA Solutions") and Hubei Sanonda Co. Ltd., a listed entity traded in the Shenzhen Stock Exchange ("Listed Entity") in 2017, the Listed Entity was renamed ADAMA Ltd., with one global management leading both companies.

In June 2020, ADAMA Group became a distinctive member of the newly established Syngenta Group - an agricultural industry leader owned by ChemChina, which was created by unifying the agricultural businesses of ChemChina and Sinochem ("Syngenta Group"). No change consequently occurred in ADAMA Solutions' or ADAMA Ltd.'s controlling shareholder. ADAMA Solutions continues to be headquartered in Israel, and ADAMA Ltd. continues to be traded on the Shenzhen Stock Exchange, while we at ADAMA maintain our own un ique brand and positioning.

### **Board of Directors**

Member	Description	BoD	BoD
of the Board		ADAMA Ltd	ADAMA Solutions
Erik Fyrwald	Mr. Fyrwald, age 63, was appointed Chairman of the Board of Directors of ADAMA Ltd He also serves as CEO of Syngenta Group Co., Ltd., CEO and Executive Director of Syngenta AG, and Chairman of the Syngenta Foundation for Sustainable Agriculture. He currently also serves on the board of directors of CropLife International, the Swiss-American Chamber of Commerce, and the listed entities Bunge Limited and Eli Lilly & Company. Mr. Fyrwald holds a B.Sc. in chemical engineering from the University of Delaware, and completed the Advanced Management Program at Harvard Business School.		

Member of the Board		BoD ADAMA Ltd	BoD ADAMA Solutions	Member of the Board	Description		BoD ADAMA Solutions
Ignacio Dominguez	Mr. Dominguez, age 62 serves as the President and CEO of both ADAMA Ltd. and ADAMA Solutions and, as well as the Chairman of the Board of Directors of ADAMA Solutions.  He holds an M.Sc. in physics, specializing in automatic calculus, artificial intelligence structure of microprocessors, and programming languages, from the Universidad Complutense de Madrid.	President and CEO	President and CEO, and Chairman of the Board of Directors	Ge Ming	Mr. Ming, age 70, serves as an independent director of ADAMA Ltd. He holds a master's degree in western accounting, and he is a senior accountant, a certified Chinese public accountant as well as an Australian certified public accountant. He previously served as the chairman and chief accountant of Ernst & Young Hua Ming Certified Public Accountants Firm, and as the managing partner, chief accountant and senior advisor of Ernst & Young Hua Ming Certified Public Accountants	(Member of the Audit Committee, Nomination	
Chen Lichtenstein	Mr. Lichtenstein, age 54, serves as a Director of ADAMA Ltd. and ADAMA Solutions, and also serves as the CFO of Syngenta Group Co., Ltd. and its wholly-owned subsidiary - Syngenta AG. He holds joint doctoral degrees from Stanford University's Graduate School of Business and School of Law, and a B.Sc. (physics) and LL.B. from the Hebrew University of Jerusalem.	Director	Director		(special general partnership). Mr. Ming currently serves as an independent director on the board of directors of AsiaInfo. He currently also serves on the supervisory boards of the Bank of Shanghai, Bank of Suzhou, Tencent Foundation, and serves as the executive director and general manager of Beijing Huaming Fulong Accounting Consulting Co., Ltd.		
An Liru	Mr. Liru, age 52, serves as a Director of both ADAMA Ltd. and ADAMA Solutions, and serves as Senior Vice President, China Cluster. Mr. Liru holds an MBA, an M.Sc. in chemical engineering, and a B.Sc. in applied chemistry, all from Nanjing University.	Director	Director	Dalit Braun	Ms. Braun, age 56, is the founder and partner of Realya USA, is a business development and economics advisor for Israel Airports Authority, and the founder and former CEO of Pick'nTell. She has an MBA from the Tel Aviv University, an LLM in European business law from Anglia Ruskin University in the UK, and a B.Sc. in industrial engineering		External Director (Chairperson of the Audit Committee and the Remuneration
Ning Gaoning (Frank)	Mr. Gaoning, age 64, serves as the Chairman of the Board of Directors of China National Chemical Corporation Ltd., Syngenta AG and Syngenta Group. He holds a B.A in Economics from the Shandong University, and an MBA from the University of Pittsburgh.		Director		and management from the Technion, Israel Institute of Technology. Ms. Braun formerly served as an External Director of NTA, a governmental mass transit company, and formerly served as an External Director of "Dira LeHaskir" (an Israeli government company).		Committee; memb of the Financial Statements Review Committee)
Xi Zhen, Ph.D	Dr. Zhen, age 58, is Cheung Kong Scholar of Pesticide Science of the Ministry of Education, Chairman of the Department of Chemical Biology, Professor of Chemistry and Chemical Biology, Fellow of the University Committee of Nankai University in China, and Director of the National Pesticide Engineering Research Center (Tianjin). Dr. Zhen has held various posts in academic institutions in both China and the US, including at the Harvard Medical School, the Wuhan University School of Medicine, the Beijing Institute of Chemical Reagents, and Nankai University. He is also a member of several professional organizations. Dr. Zhen holds a Doctorate in bio-organic	(Member of the Audit Committee, Nomination Committee, Remuneration Committee, and		Gustavo Traiber	Mr. Traiber, age 61, is the owner and CEO of Spain-Israel Investments Ltd. and the former CEO of a public company in the field of solar energy. He has extensive experience in the strategic and marketing aspects of business development, having held previous director and senior management roles. He has an MBA with a finance concentration from the Interdisciplinary Center (IDC), Herzliya, and a BA in political science and international relations from the Hebrew University in Jerusalem.  Mr. Traiber concurrently serves as an independent director of Cellcom Israel Ltd., an Israeli public company.		External Director (Chairperson of the Financial Statement Review Committee; member of the Aud Committee and the Remuneration Committee)
	chemistry from Uppsala University in Sweden, a Master's degree from the Institute of Elemental Organic Chemistry of Nankai University, and an undergraduate degree from Central China Normal University.						

Member	Description	BoD	BoD
of the Board		ADAMA Ltd	ADAMA Solutions
Jiashu Cheng	Mr. Cheng, age 69, is an Executive Director of the Stanford Center at Peking University. He was previously the President of the Celanese China Operation. Mr. Cheng has Master's degrees in Economics and in Economic Development both from Stanford University, and Major in planning and statistics from the Department of Economics, Hebei University.		Independent Director (Member of the Financial Statements Review Committee, the Audit Committee and the Remuneration Committee)

In 2021, ten (10) meetings of ADAMA Ltd.'s Board of Directors were held.

In 2021, the Board of Directors of ADAMA Solutions held seven (7) meetings, with the directors' attendance rate being 76%, and the independent directors' attendance rate being 90%.

#### **Committees of the Board of Directors**

To help the board of directors effectively and efficiently fulfill its responsibilities, it has established several standing committees.

#### **Board of Directors' Committees - ADAMA Ltd**

Audit Committee	Responsible for monitoring the company's internal control system, financial information, and its disclosure. The Committee currently consists of three members, two of whom are independent directors.  In 2021, the Committee held six (6) meetings, with a 100% attendance rate.
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 whom are independent directors.  In 2021, the Committee held one (1) meeting with a 100% attendance rate.
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 whom are independent directors.  In 2021, the Committee held two (2) meetings with a 100% attendance rate.
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 whom are independent directors.

#### Board of Directors' Committees - ADAMA Agricultural Solutions

The Audit Committee	Responsible for supervising all ADAMA Solutions' group activities and ensuring that they are conducted in compliance with all legal provisions. The Committee currently consists of three members, all of whom are independent directors and two of whom are external directors.  In 2021, the Committee held ten (10) meetings with a 97% attendance rate.
The 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, all of whom are independent directors and two of whom are external directors.  In 2021, four (4) meetings of the Committee were held with a 92% attendance rate.
The Remuneration Committee	Responsible for approving and formulating recommendations regarding the remuneration of officers, based on the adopted governing remuneration policy. The Committee currently consists of three members, all of whom are independent directors and two of whom are external directors.  In 2021, five (5) meetings of the Committee were held with a 100% attendance rate.

## **Risk Management**

ADAMA Agricultural Solutions utilizes a comprehensive risk management methodology that is designed to maximize financial returns for its stakeholders regardless of unavoidable risks and uncertainties in the business environment. This methodology includes a risk assessment survey, most recently performed in 2018, that maps the key activity areas and processes in which there is risk exposure, such as strategic, operational, legal, financial and regulatory risks. ADAMA Agricultural Solutions conducts an in-depth analysis of the residual risk level for all risks and prepares a multi-year work plan for internal auditing based on its results.

In addition to the risk assessment survey, we carry out periodic fraud risk assessments, with the most recent completed in 2020, aimed at assessing the overall fraud risk level by evaluating and identifying weaknesses in the work and control processes, which could be exploited for fraudulent or improper activities.

To increase visibility of risk and to assist in management decision making, risks in both the risk assessment survey and fraud risk assessment are mapped and evaluated according to their residual risk based on their inherent risk and the in-place internal controls framework. The categories are each defined by 5 levels ranging from very low to very high.

The Board of Directors has overall responsibility for establishing and monitoring the framework of the risk management policy. The Financial Statements Review Committee is responsible for establishing and monitoring the Group's actual risk management policy. The Chief Financial Officer reports to the Committee on a regular basis regarding these risks.

### **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-18, GRI 405-1, GRI 418-1

## **Upholding Ethical Behavior**

At ADAMA, we continually strive to be a socially responsible and trusted company that is driven by the highest ethical standards and legal compliance in all our business practices. We view compliance as an essential part of our long-term success.

We do not tolerate any violation of the law, our code of conduct, or internal regulations.

Our businesses are managed responsibly and in compliance with the statutory and regulatory requirements of each country. We have established an ethics committee to examine and review resolution of various ethical issues in a consistent manner, with two senior management members participating and reporting to the Executive Committee.

In 2009, we established the role of Ethics Officer to handle ethics-related issues in a professional and confidential manner. Michal Arlosoroff, Executive Vice President, General Legal Counsel, Company Secretary, and Chief Sustainability & Communication Officer, who has held this office since 2009, reports regularly to management on the Company's ethical performance. Processes which have been established by the Ethics Officer make it straightforward for our People to seek advice or counseling regarding any ethical question, dilemma, or complaint in an anonymous and/or confidential manner, ensuring that all queries are handled properly.

## SpeakUp – Reporting Concerns

ADAMA operates a global confidential reporting system available 24/7 to all employees and suppliers/service providers. It is operated by an independent service provider based in the Netherlands.

ADAMA recognizes that sometimes issues are too sensitive to report directly and therefore we encourage the confidential or anonymous reporting of concerns about ethical issues or breaches of applicable law relating to the Company and its activities.

The SpeakUp service is, a confidential toll-free call or e-mail reporting system. SpeakUp is available in countries where ADAMA operates and being web based is not dependent upon location. It is available in 27 languages - all our employees' native languages. The system is also available for non-employees, such as service providers, who may wish to raise ethical concerns, here the access is promoted via our ADAMA website and Suppliers Code of Conduct.

The reports are recorded by an independent, external third party, translated if needed, and forwarded to two members of ADAMA's Legal Team for confidential investigation. The person reporting (Messenger) receives a reference number confirming the receipt of the report so that they can call back or log in to receive feedback or provide further information.



We encourage employees to speak-up! All HR representatives have been trained in the service and are required to bring the Speak Up to the attention of their employees and in particular to new joiners.

Promotional posters are located in office locations. Our intranet has a Compliance Corner where the Speak Up is also highly visible to all employees. Also, an annual report is published on the internal messenging service of the Company and in the Corporate Sustainability Report.

In 2021, there was an increase in the number of complaints - from 5 in 2020 to 23 in 2021 (46%). This is after several years of stability in the number of complaints. We conducted in-depth research about these increases and the findings arise from the nature of the complaints.

ADAMA's Code of Conduct makes it clear that any reporting of issues must be treated confidentially, and the messengers wishes respected and properly dealt with without fear of recrimination or retaliation.

#### SpeakUp Compliant Type



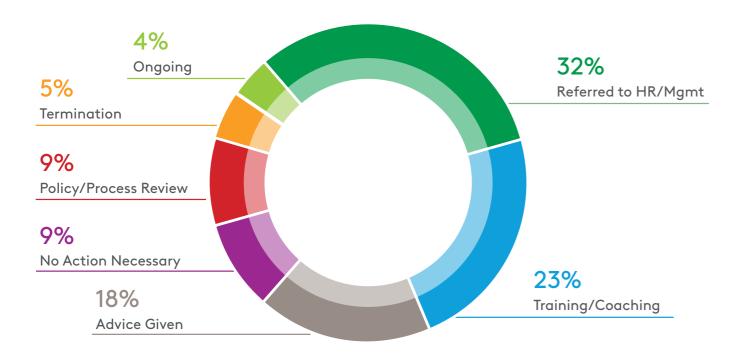
The complaints were on various topics. The majority of the complaints (45%) dealt with were based on discrimination or harassment.

20 inquiries were found to be justified and handled with varying degrees of severity including an employment termination case.

We will continue to encourage our employees to submit complaints in any concerns that may arise, small as may be, and we will continue to deepen the examination process and internal investigation of these complaints.

Other than SpeakUp, compliance incidents or queries are reported through managerial levels directly to General Counsel or senior managers.

#### SpeakUp - Action Taken



### **Code of Conduct**

Our Code of Conduct is the blueprint by which we ensure ethical practices and integrity. In the Code, we outline our commitment to our People and stakeholders and set out our expectations of them. It encompasses our corporate culture, community relations, and the components of appropriate behavior. In 2019, compliance with the Code of Conduct was discussed during the General Assembly and throughout the Company to raise awareness of the subject.

In 2019, the Code of Conduct, as well as a Q&A section giving day-to-day examples of situations of ethical dilemmas, was reissued in the Asia-Pacific region, translated into four new languages, and made available in a total of 21 languages.

In order to achieve full alignment, roll out and training on the Code of Conduct was conducted on a global scale throughout ADAMA. 6,191 employees participated in the programs, and 88% of users completed them.

## **Zero Tolerance for Bribery and Corruption**

ADAMA has zero tolerance for, and is committed to preventing, bribery and corruption. It is committed to full compliance with all applicable laws, regulations, and contract requirements relating to the fight against bribery and corruption.

Our code of conduct strictly prohibits offering, giving, or receiving bribes, either directly or through a third party. Entering into business relationships with an individual or entity which has a history of engagement with bribery is forbidden. We share, implement, supervise, and enforce our anti-bribery and anti-corruption principles with all of our People.

Our policy is to require all relevant employees to complete online anti-bribery training on an annual basis. Where necessary, online training is provided in the local language.

In 2019, we planned various initiatives as part of our commitment to preventing bribery and corruption. These plans included the creation of an online library of compliance case studies, as well as continued training and adoption. In 2020, ADAMA internally developed the anti-bribery training. The online training was deployed on a global scale throughout ADAMA, and is accessible to all employees in their local languages.

Corporate Compliance training is an annual requirement for performance review and part of onboarding for new employees.

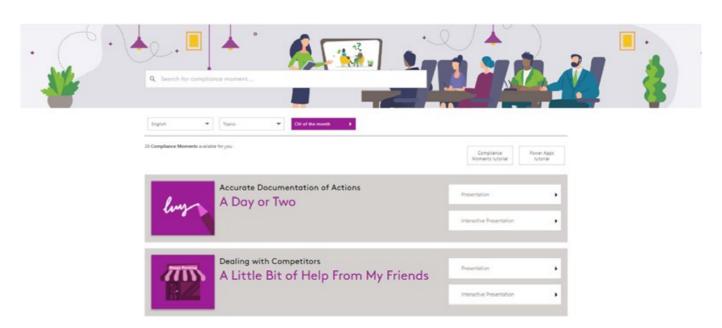
Since 2018, completion of all compliance training programs are a necessary condition for receiving a bonus.

## **Compliance Moments Site**

In 2020, we launched our Compliance Moments program, a user-friendly way to raise awareness for compliance. The Compliance Moments program consists of cases featuring real-life ethical and legal dilemmas from a wide range of topics, to be shared by our leadership members in the first five minutes of meetings they lead.

Our new Compliance Moments website is home to all Compliance Moments cases, currently available in four languages – English, Chinese, Portuguese, and Spanish. Each case, labeled with a catchy title, includes a multiple-choice question and suggested points for discussion, referring to our Code of Conduct.

Compliance Moments can be shared in the traditional way, i.e. using slides, or through our new interactive user-friendly app, allowing the interactive, dynamic, and real-time participation of all members.



#### **No Political Donations**

We do not use funds or corporate resources to support any political candidate or party. We recognize the rights of our employees to participate in the political process, provided they act independently of ADAMA and do not use ADAMA time, property, or equipment in the process.

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## **Ethical Supply Chain**

ADAMA recognizes that the quality of its products is influenced, among other factors, by the quality of its relations with its suppliers. The company conducts efficient, honest, and legal commercial relations with its suppliers, based on clear and organized procedures. We operate in accordance with environmental and social regulations, and expect our suppliers to do so as well.

Our Code of Conduct applies equally to all of our suppliers, and includes aspects concerning environmental protection and community commitment. The Company attaches importance to having business relations with suppliers who are strict about fulfilling legal provisions regarding rights of employees, health and safety, protecting the environment, etc. within their businesses. Use ADAMA time, property, or equipment in the process.



Looking Ahead ADAMA is currently in the process of improving our supplier evaluation process, which will include screening all new suppliers based on environmental friendliness, sustainability, employment practices, and social criteria. The procedure launched in a specific Supplier Code of Conduct available since June 2020.

## **Data Privacy**

ADAMA's Global Information Security Policy emphasizes the critical role our business plays in protecting the personal data of our People as well as our stakeholders, and putting in place preventative security measures to avoid data breaches. We control and supervise access to personal information, balancing the interests and privacy rights of individuals with those of our business interests and assets, in full compliance with GDPR regulations.

We have solidified our environment using cutting-edge cybersecurity tools and systems. All new systems that necessitate access to our data are required to undergo vetting by our cybersecurity compliance and intelligence team.

We annually audit and check our third party solutions for continued data privacy and cybersecurity compliance. We have deployed multi-factor authentication for all users (employees, contractors, etc.) who require access to our data.

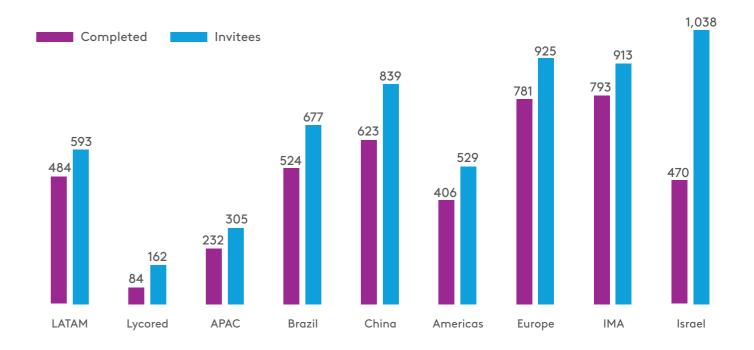
We leverage our cybersecurity intelligence systems to better understand what vulnerabilities our environment and data are susceptible to, to enhance our enterprise's defense. We have deployed incident response procedures and escalation processes to be ready for any potential incident. We also test our environment and the procedures we have created.

We are currently working on our ISO27001 certification to better display our ongoing efforts to secure our environment.



## **Data Privacy Training**

In 2021, ADAMA relaunched an online data privacy training module. The module, which is available in eight languages, covers the scope of data protection and data privacy laws, personal data processing, employee responsibilities, data breach management, data security, and more. All new employees are required to complete the training as part of their onboarding at ADAMA.



## **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-8, GRI 401-1, GRI 405-2

## **Our Products**

## **Our Innovative Sustainable Products**

ADAMA is developing a leading pipeline of effective, safe, and sustainable crop protection solutions to meet both the current and future needs of farmers. Together with the hundreds of active ingredients already in our portfolio, ADAMA now has a one-of-a-kind toolbox that allows us to create unique formulations and mixtures to address farmer pain points around the world. Moreover, we have recently entered into the development of biological products that allow us to offer a variety of sustainable products.

#### **Product Development Process**

We begin our ideation process from the field, listening to our customers, agronomy experts, and leading researchers to understand the specific requirements farmers have. We combine these insights with our own expertise and know-how to deliver effective, sustainable, and high-quality products.

This process is the driving force in our product development.











Deliver

Our ideation process begins in the field. We create ongoing listening opportunities with local farmers and agronomic experts, through our crop management teams, to understand farmers' current pain points and anticipate future needs. We integrate the insights we receive in the field with the knowledge and expertise of our product development, R&D, formulation, and product strategy experts at ADAMA. All product concepts undergo extensive screening and prototyping to optimize the formulation, ensuring efficacy and selectivity.

When the prototype meets all product requirements, we freeze the formulation, conduct regulatory trials, and undertake local demonstration trials to show farmers first-hand the features and benefits of the new product.

## Facing a Growing Set of Challenges

Farmers everywhere face a growing set of challenges: ever-increasing threats from weeds, pests, and diseases; the adverse impact of climate change; rising consumer demand for nutritious, safe and affordable food; and societal expectations that the agricultural community limit greenhouse gas emissions.

In the absence of crop protection products, farmers would lose 30%-70% of their crop yields.

With the broadest portfolio of active ingredients and products in the world, we are uniquely positioned to address the global challenges and local needs of our customers. ADAMA carefully selects the most effective and sustainable molecules with which to create everything from our more common off-patent products to our differentiated, market-leading solutions. This gives farmers an array of offerings that address all their various needs.



#### **Product Portfolio**

ADAMA's product portfolio includes approximately 300 active ingredients and 1,450 different formulations.



#### **Herbicides**

Farmers face significant yield loss every year due to weed competition. ADAMA's broad range of herbicide solutions addresses resistance challenges, overcomes weeds, and helps guarantee a substantially increased harvest. Our portfolio is comprised of the most advanced, effective, and sustainable molecules, which we combine to create smart mixtures and formulations.



#### Insecticides

Crops suffer from direct damage, diseases, and contamination caused by a wide variety of pests. Our insecticide portfolio offers an extensive range of trusted solutions and a growing number of differentiated mixtures and formulations and innovative products.



## **Fungicides**

Fungi are a common cause of diseases in plants, impairing their development and negatively impacting the quantity and quality of crop yields.

Our fungicide portfolio utilizes multiple active ingredients and is specifically designed to be effective in the face of increased resistance.

## **Our Product Development Strategy**



"Our product development strategy is spread over a wide range of options that address the needs of farmers alongside the needs of the world's sustainability. We take into account the reduction of active ingredients, developing new innovative formulations that maximize the effectiveness of the product with a less active substance, alongside the development of biological products."

# **Yoav Avidor**VP Innovation, Development, Research & Registration

## **Discontinue Use of Selected Active Ingredients**

There are countries that have defined certain active substances as prohibited.

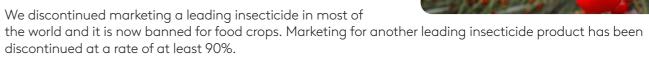
In 2021, we decided that although there are countries that approve the continued sale of these materials, and while understanding the business and financial damage involved, their sale to all countries will be reviewed and gradually stopped.

Decisions regarding the continued marketing of products are made through a dedicated committee that convenes specifically to make decisions that comply with the company's policy on the subject.

The process is complex and must be done with sensitivity and appropriate preparation, since it is necessary to address the needs of the farmers to offer alternative products while providing sufficient time until we stop marketing the product.

## Case Study: Proactive and responsible approach

In 2021, we decided to discontinue sales of a leading insecticide in Brazil. While the product is still on the market, other countries have started to limit its use and ADAMA decided to take a proactive responsible approach, to stop sales rather than wait a few more years until it is ultimately restricted.



### Case Study: Barroz

A new product sold in India is replacing carbofuran, an effective active ingredient which is less desirable due to its potential environmental impact. Barroz is a proprietary ADAMA novel mixture that does not include carbofuran, while showing very high efficacy for treatment of insects in rice, with documented improvement in crop yields. Barroz is a great example of how innovation can lead to better efficacy alongside a safer profile.



# Innovative Products that Reduce Active Substance While Maximizing its Impact

We are constantly working on formulation technologies that help us limit active ingredient rates without compromising the effectiveness of the product, with the objective of reducing the product's environmental impact.

We have already achieved a number of successes over recent years in our journey to create a more environmentally conscious portfolio.

#### Case Study: Soratel

The product is based on prothioconazol, a leading fungicide used to effectively treat a variety of diseases in key crops including wheat, barley, oil-seed rape and more. ADAMA's new formulation delivers 10-20% higher efficacy as compared to the original prothioconazole product, as well as higher crop yields, while using the same amount of active ingredient per acre treated. Soratel supports our goal of helping feed the world in a more sustainable way.





## **Biological Products Development**

In 2021, we established a new team in our Innovation, Development, Research & Registration department which is focused on the development of biological products. Our sales and new product pipeline of biological products are still small, yet they are now growing faster than our traditional portfolio.

Development of crop-protection products based on biological active ingredients poses a variety of challenges. For example, the biological efficacy is often lower than that of synthetic active ingredients, so farmer yields and economics are impacted, and with them the food supply. Therefore, what is required is a holistic approach that will create solutions that farmers can rely on.

Thus, ADAMA seeks to encourage farmers to integrate the use of biological products in a hybrid model - for example, use of synthetic active ingredient-based products alongside biological products, to provide a full response to farmers' needs.

#### Case Study: Bralic

An exciting product developed by ADAMA in Mexico is now expanding globally to additional markets. Building on prior data showing that garlic has a favorable impact on insect infestation, Bralic is a biological product, based on garlic oil extract alone. We are proud of this new natural product with its favorable effectiveness - low environmental impact offering.





We are currently working on developing additional courses of action in the field that will allow farmers to maximize existing cultivation limitations.

## **Delivery Technologies**

Our objective is to optimize the performance of each active ingredient, to maximize its efficacy while minimizing unwanted side effects. This can be done through enhanced formulations, which achieve more efficient delivery to the relevant site in the plant or pest, creating opportunities to obtain more value from less material.

ADAMA has been investing in technologies that improve the delivery of active ingredients to their targets and in the analytical and biological tools necessary to measure and guide this type of development. It is anticipated that this next generation of formulations will do a better job of controlling crop disease, combating resistance, and enhancing farm yields and food supply, while requiring fewer crop protection active ingredients. This will limit our product footprint on the environment and in the food chain.

#### We target three main areas in our delivery technology efforts:

- Rainfastness and Leaf/Insect Adherence
- Increasing the proportion of material remaining active on the leaves, thus reducing the amount of product needed to achieve the desired crop protective effects.
- Penetration and Systemic Migration
- Driving more of the active ingredient into the plant toincrease the curative effects of our products, while administering smaller quantities and leaving less residue in the environment.
- Bioavailablity and Controlled Release

Enhancing active ingredient bioavailability through controlled release, targeting, and active ingredient protective technologies, to achieve more with less.



## Investing in World Class R&D and Formulation Centers

The new era of ADAMA innovations began with the establishment of the Innovation, Development, Research, and Registration division (IDR) in 2014, which consolidated product development, formulation R&D, chemical R&D, and registration functions under one roof. Better alignment of the work process and cooperation between functions has enabled us to be more efficient, responsive, and agile, giving us the capability to develop cutting-edge next-generation products.

In recent years, ADAMA has augmented its research and development capabilities by hiring dozens of new researchers, and building appropriate infrastructure and capabilities for synthesis and advanced formulations.

In 2021, \$150 million was invested in R&D toward more climate-friendly products (double the amount in 2020)



#### Our Global R&D Center in Israel

In 2019, ADAMA inaugurated our newest R&D Center in Neot Hovav, Israel, relocating our traditional facility in Beer Sheba and adding to our global R&D network in Agan in Ashdod, Israel; Hyderabad, India; Nanjing, China; and Londrina, Brazil. The new campus houses over 100 researchers and provides state-of-the-art laboratory facilities. The Neot Hovav complex covers all stages of research and development: from basic chemical research, the development of processes and active ingredients, and formulation development and scale-up, to the final stages of developing new products for commercial use by farmers. The Center is also where we focus on building connections between academic research and industry bodies, making it possible to utilize cutting-edge scientific knowledge in the company's market-leading products.

# Case sStudy: A unique program for chemists with Tel Aviv University

As part of the company's vision for the next generation of crop protection products, in December 2019 we launched the **ADAMA Center** at Tel Aviv University with a \$3.5 million investment.

The ADAMA Center is a unique teaching program on formulation sciences, intended for postgraduate students from a variety of fields including chemistry, engineering, materials, and plant sciences.



The ADAMA Center includes a novel curriculum developed jointly with the university and ADAMA, and a state of the art teaching formulation lab, and offers a number of PhD and MSc scholarships each year following a highly selective process. Our vision and investment in the Center demonstrate ADAMA's commitment to prepare the next generation of formulation experts, who are much needed as the field of formulation becomes increasingly critical to ADAMA and the industry at large.

## **Product Stewardship**

We are committed to developing high quality, sustainable solutions that are safe for both users and the environment. Our products are developed to meet the strict safety standards set by government authorities, and they undergo robust testing before they reach the market. ADAMA's internal Quality Policy ensures that we constantly monitor our products' performance and customer satisfaction, allowing us to address any issues that arise.



#### Looking Ahead

- Adding over 20 molecules to create unique formulations and mixtures to address farmer pain points around the world.
- Launching new biological products.

#### **GRI Sustainability Reporting Standards**

GRI 413-1, GRI 413-2

Sustainabe Development Goals



End poverty in all it's forms everywhere



Build resillient infrastructure, promote inclusive and sustainable industrialization and faster innovation



End hunger, achieve food security and improoved nutrition and promote sustainable agriculture



Ensure sustainable consumption and production patterns

## **Agriculture Technologies**

ADAMA is committed to promoting innovative solutions to reduce our environmental impact. Integrating agricultural technology (AgTech) into our solutions for farmers, together with our traditional product offerings, helps them use our products in a more effective way while increasing efficiency, reducing costs, and minimizing the potential impact on health, safety and the environment.

#### Listen and Learn from Farmers and Distributors

Our strategy is farmer centric, technology neutral. We start by listening and learning from the farmers about their challenges and pain points. Every farmer and every crop in every country, and every disease, weed and pest, is unique. It is in our DNA to work closely with farmers and learn about their different needs, in order to create unique and dedicated 'tailor made' solutions, while looking for opportunities to expand and adapt these solutions to other regions so that they become commercially viable.

Farmers face many challenges, such as the need to reduce costs and increase the quality and quantity of food, in the face of growing demand to reduce environmental impact and ensure crop health. All this while meeting constantly changing local regulations, on-going competition, and climate change. Expectations and demands from farmers are also changing. For example, consumers, who today more than ever emphasize environmental sustainability and health, expect farmers to offer smaller fruits for reduced consumption and food waste. Together with this, they need to gain larger yields from existing fields, and achieve all this using smaller amounts of pesticides.

The main practical way to achieve all farmers' aspirations is by encouraging innovation.

AgTech makes it possible to bring innovation that provides a solution to the needs of farmers but also to the needs of the environment and growing population, by using less chemicals while maintaining the quality and quantity of the crop.





"Farmers cannot work harder but can use smarter methods and tools. To that end, ADAMA is collaborating with innovative AgTech entrepreneurs who have been carefully selected to provide solutions to farmers' pain points. The synergy of chemical and technological knowledge, born in these partnerships, allows farmers to minimize all danger to crops, themselves, or the environment, and to apply products correctly and optimally".

#### **Georgiana Francescotti** Head of AgTech & Digital Services Registration

# Our Approach to Developing AgTech Solutions that Will Offer True Value to Farmers

We at ADAMA developed a strategy to guide us in implementing AgTech in a way that will offer the best outcomes to all our partners involved in the process. Our guiding principles are:

- We listen to farmers have an ongoing dialogue with them and monitor their needs and challenges
- **2.** We map the challenges faced by farmers today and identify pain points
- 3. We scout for innovative technologies and initiatives that can provide a valuable solution.
  We use our extended database, global networks, conferences, and meetings.
- **4.** We ask ourselves a series of questions in the context of how can we give true value to farmers:
- Does the innovative solution bring value to farmers?
- How does it answer their needs?
- How do we measure success? Is this solution suited to their needs?
- Is it possible to scale up the service to a wide range of farmers?



## **Examples of AgTech Applications**

#### Case Study: Eagle Eye - Drone Technology (by Agremo)

Conducting field visits is one of our key actions to demonstrate to farmers the efficacy of our products and to spend time with them, listening and learning about their needs and pain points. During the COVID-19 pandemic, we were denied this ability to conduct field research with farmers and partners. ADAMA Eagle Eye is a digital platform that uses Al to distill analytics from drone imagery to provide information about fields and crops. This application



allowed us to virtually visit fields, collect 3-D images and data, and document the progress of our field trials.

The technology has allowed us to reach many of our key partners through virtual field trials in a safe, efficient, and personalized manner.

We believe that this technology will be part of a future hybrid solution for field tests and management, although it is clear to us that it cannot replace valuable face-to-face encounters we enjoy with our partners. Furthermore, this application allows us to reach many more farmers, distributors, and partners, who even under normal circumstances would not be able to meet us in the fields.

We at ADAMA believe in collaboration. We are not a tech company, nor are we a software development company. What we bring to the table is our agronomy and chemical expertise. We look for the right tech companies so that together we bring the right solutions to farmers. As such, we maintain "technological neutrality" – we collaborate with start-ups but do not invest in their equity. It is important that we remain open to entrepreneurship and other innovative solutions. This concept allows us the freedom to explore and maintain our approach that there is no one-size-fits-all solution.



### Case Study:

#### Trapview (ÉFOS) a Pest Control Forecast to Improve Pest Control

Trapview technology is an automated pest monitoring and forecasting application. It is an Al-based decision support system that offers real-time analysis and forecast of the exact treatment required to be implemented in the field. Just as there is no one-size-fits-all solution, Trapview offers various models of traps in different shapes, colors, or modes of attraction (pheromone, color, feeding attractant, or light) depending on the pest. The technology allows farmers to make more informed decisions in implementing proactive preventive treatment, instead of reactive treatment, based on reliable and accurate data collection.

ADAMA offers the technology in several countries around the world.



## **GRI Sustainability Reporting Standards**

GRI 103, GRI 203-2

Sustainabe Development Goals



End poverty in all it's forms everywhere



Build resillient infrastructure, promote inclusive and sustainable industrialization and faster innovation



End hunger, achieve food security and improoved nutrition and promote sustainable agriculture



Ensure sustainable consumption and production patterns

## **Our People**

## **Diversity and Inclusion**

We at ADAMA start everything with listening to and learning from our stakeholders, and it is most important when we want to promote a diverse and inclusive workforce. We believe that diversity and inclusion promote our business success, by bringing varied cultures, ideas and opinions to our company. That is why we have listened to the different populations with whom we work in developing our inclusive culture.

Employing more than 9,000 people in over 45 countries, ADAMA cherishes the richness of numerous cultures and enjoys the benefits of this vibrant mosaic. At ADAMA, we aim to create an engaging, passionate, and empowering environment, where all our People have equal opportunities to grow and thrive.



"Our People are our source of strength - and therefore, we invest great efforts in promoting their development and empowerment, in nurturing and promoting them within ADAMA, and in preserving and jointly developing our unique organizational culture. We pay special attention to diverse recruiting which enriches our wide range of opinions and cultures, and strengthens our creative thinking. All is based on the respect we have for each and every one of our People and on ensuring the ethical and fair infrastructure in everything we do."

Mody Benaiah Evp People

## **Our Growing Team**

Since 2017, our team has been growing rapidly, reaching 9,162 people by the end of 2021. Our employee turnover rate stayed within normal range, varying from 12.8% in 2020 to 13.7% in 2021.

Our Employee Retention Rate in 2021 is 87%

#### **Total Number of People**

	2015	2016	2017	2018	2019	2020	2021
Number of people	4,864	4,955	5,057	7,675	7,759	7,505	9,126

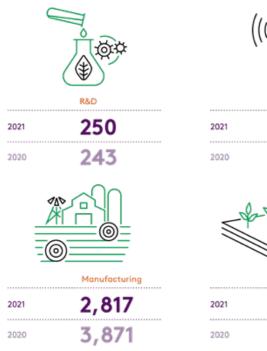
#### **New Hires**

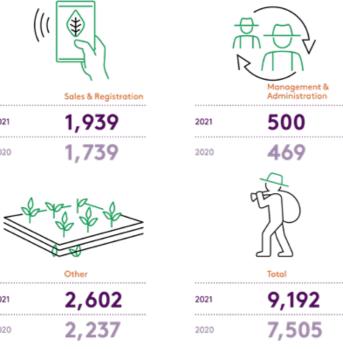
	2019	2020	2021
Employees	944	749	2,617
Managers	112	65	191

#### **End of Employment**

	2019	2020	2021
Employees	866	1,101	1,014
Managers	79	113	135

## Our People's roles





## Diversity and Inclusion (D&I) Ambition

In 2020, ADAMA established a global D&I Committee comprised of people from around the world, from various functions and diverse backgrounds. The committee developed a clear D&I ambition and drive the execution of various initiatives to improve and amplify the diversity of our teams and the inclusiveness of our culture.





## **Our Diversity & Inclusion Ambition**

ADAMA evolved from a diverse group of entities and individuals. Our people flourish when we embrace differences and empower them to be authentic.

By valuing **inclusivity**, showing **respect** to all and embodying equality, we strive to better the lives of others.

#### Our ambition comes to life through four main pillars



#### Eliminating **Biases**

- How do we approx



## Equality

- Gender pay equity Diverse recruitment practice



#### Impacting Community

Align our community



#### **Empowering** People

- Empowering people
- Creating an inclusive cultur
- Future of work practices
- How do we encourage people to fully contribute and grow?

During 2021, the dedicated D&I committee conducted extensive research to formulate ADAMA's new strategy - setting key pillars, goals, and dashboards, and defining projects to advance Diversity and Inclusion in the company. The committee gives guidance with regard to the promotion of gender and age equality, as well as the recruitment of people with disabilities. In addition, in relevant countries we are focusing on recruiting specific populations. For example, in Israel, cooperation has recently begun with the Co-Impact organization to recruit employees from Arab society.

#### Case Study: Partnership in Israel with Co-Impact – a Local NGO Integrating Arab Society in Employment

Since 2020, ADAMA has been collaborating with Co-Impact, a local non-profit organization aimed at integrating employees from the Arab sector into Israel's economy and society.

As part of this partnership, we established a broad steering committee that includes senior ADAMA people from nearly every functional group: People, Communications, Legal, IDR, and more.Together, we set goals and generated a work plan which



was approved by the CEO. In early 2022, we communicated our work plan as part of our global diversity and inclusion policy, including materials that were translated into Arabic.

Co-Impact assists us in locating talented candidates for various positions, and supports us in adapting our recruitment processes to this population. We are pleased to share that since the beginning of 2022, two women have been recruited from the Arab community, bringing us nearer to our goal of three new academic recruits from this sector for 2022. In fact, we are hoping to exceed the recruitment target set for this year.

Additional activities included a recruitment conference with Arab students aimed at introducing them to employment opportunities at ADAMA, and community outreach projects.

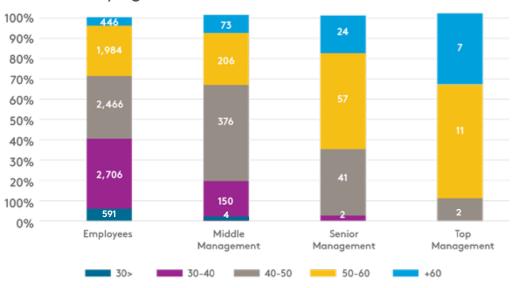
These and other activities were detailed in an annual progress report that was shared with the President of the State of Israel, Mr. Isaac Herzog.

## **Age Diversity**

### 31% of the workforce and 40% of managers are employees over the age of 50

At ADAMA, the age of our People is not a factor in hiring decisions, remuneration, or 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

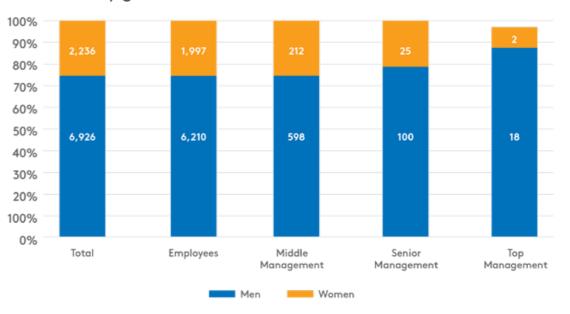


## **Gender Diversity**

#### 24.4% of workforce and 18.6% of managers are women

ADAMA places great importance on encouraging the employment of women in 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 our People to balance work hours and family time. We also enable our People to do some of their work from home.

#### Workforce by gender



## **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-8, GRI 401-1, GRI 405-2

## **Growth and Development**

### **Learning & Development Opportunities**

At ADAMA, we know that achieving excellence requires the highest level of professionalism alongside a robust company culture. ADAMA is committed to continually investing in our People's personal and professional development. We provide our People with the knowledge and skills that will enable them to succeed in their present role, as well as prepare them to take the next step in their career.



"When it comes to development and growth, ADAMA is like a candy shop with hundreds of jars filled with all kinds of candies, all with different shapes, tastes and colors. Being a global company, active in 50 countries, 20+ languages, with people in so many professions, from chemistry and agronomy to marketing, law, HR and more, we have plenty to offer. Whatever we want to learn, whatever direction we want to take our career, and given the right motivation and intrinsic capabilities, our People have the freedom to develop careers thanks to this unique abundance. There is nothing more gratifying as a People professional than to see our People grow through development opportunities within the company."

Michal Rozenkrantz Head of People Development

#### Welcome to ADAMA Employee Onboarding

Joining ADAMA can be the start of a fruitful and exciting partnership between the new colleague, their direct manager, peers, team and company.

The first months are a time to learn; both for the new employee to learn about ADAMA, and for us to learn about our new team member.

Our online onboarding platform is a collection of materials and tools that support this mutual learning, to ensure we onboard our people in a valuable, effective and personal way.





#### **SPARK Learning Hub**

ADAMA's learning hub offers multiple opportunities both from the company and using external resources, to train and inspire our People, anywhere and anytime, and accessible in several languages.

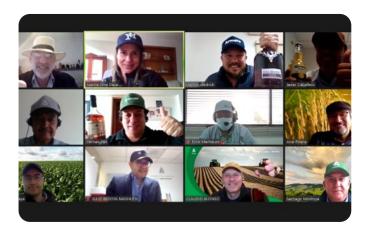
The platform combines in-house learning modules and ADAMA-specific content, our unique Marketplace of Opportunities offering interpersonal learning, workshops and mentoring sessions, as well as access to diverse content and courses from the LinkedIn Learning and Learning Edge online libraries.



Learning Edge, Syngenta Group's online learning platform, was integrated into Spark in 2021 which further strengthens our continuous learning culture, with podcasts, videos, online courses, articles, and much more.

#### **Mandatory and Local Training**

On a global level, our People are required to complete online sessions & trainings, which cover various topics such as the ADAMA Code of Conduct, Health and Safety, Data Privacy and more. In addition, our local sites offer training sessions and workshops that are specified to their local needs.



## **Forming Strong Leaders**

We believe that the success of a company is deeply grounded in the quality of its leadership. Our Leadership Framework describes the skills and behaviors that characterize a successful manager at ADAMA. The Framework serves as the basis for screening and hiring senior personnel and drives the content of various management development programs, succession plans and manager evaluations.



#### "Maestro"

We designed a Managerial Development Program called "Maestro", based on our Leadership Framework. This program aims to strengthen ADAMA's managerial community, sharpen managers' influence skills and foster a winner's mindset, which together help reinforce ADAMA's DNA.

We have developed a "managerial toolbox" to promote the integration of the Leadership Framework into daily routines. These tools include fortifying personal resilience, building trusted relationships, growing and empowering people, increasing team effectiveness, and promoting effective relationship interfaces.



We strive to help our managers develop the skills that will enable them to successfully lead in complex environments.

In 2020, with the start of the pandemic, the "Maestro" program was transformed to take place in a virtual format and we continued growing our leaders. In 2021, we completed 20 programs, adding over 200 leaders all over the world to our Global Maestro Alumni community.

#### "Leadership Pathway"

For senior leaders we're conducting a special leadership program called "Leadership Pathway", for providing participants the skills and knowhow for developing resilient, future-proofed teams.

#### The program aims to provide its participants with the skills to:

- Cultivate greater self-awareness to both leverage existing strengths and intentionally develop leadership gaps
- Proactively manage both theirs and the team's energy and resilience to add value to the business, even during challenging times
- Develop future-proofed teams by anticipating challenges and boosting the empowerment of their teams through a coaching approach
- Gain clarity on how to manage through continuous change, and drive their team's objectives in a VUCA environment
- Improve influence, communication, and executive presence to strengthen their network and brand in the organization
- Embed the principles of agile and self-directed learning in themselves and their team to enable micro-changes with exponential impact

### **Talent Mapping**

Our annual "High-Performance: High Potential" (HiPo) mapping process takes place among our Leadership Community, including our People who are one-level below Leadership. The purpose of this process is to assess our bench strength and support our high potential employees (HiPo's) with creating Individual Development Plans including a variety of learning opportunities through coaching, mentoring and various training sessions.

Management discussions regarding People issues are conducted on a quarterly basis. Our Leaders and People Business Partners accompany our HiPo's in their development journey.

#### Global Career Development Program

We introduced a global Career Development Program which includes online workshops intended for both employees and managers. The purpose of the workshops aimed for employees is to provide the opportunity to get acquainted with their strengths, learn how to explore further opportunities, understand what skills they need to fulfil their aspirations and put a plan in place for future development. As for managers, the workshops strive to empower career development by providing our leaders with the framework and tools to hold a fruitful and efficient career dialogue and support their employees' career journey.

## **Internal Mobility**

#### 35% of all open positions were filled internally in 2021

We aim to provide our People with room for growth. Our internal mobility policy encourages and enables our people to pursue complete, long-term careers within the organization.

We believe that it is in everybody's best interest to provide full support to team members who want to grow and advance to a different role within ADAMA. For this reason, our internal mobility policy sets a clear priority for internal applicants over external applicants for open positions at ADAMA. After working for two years at ADAMA, any employee may apply for a new position within the company.

All applicable jobs are available on the internal career portal and are published two weeks before becoming publicly available.

#### **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-41

Sustainable Development Goals



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

## **Ethical Employer**

At ADAMA, we are committed to creating an environment in which everyone is treated in a fair manner. We strive to support equal opportunities without discrimination in hiring, compensation, access to training, promotion, termination, or retirement, for all our People and employee candidates.

ADAMA neither distinguishes nor discriminates on any occasion on any basis, including gender, race, sexual orientation, religion, nationality, age, disability, marital status, union membership, or political affiliation. ADAMA is an active human rights supporter and fair employer.

## Fair Employment

ADAMA complies with all relevant labor and employment laws in all countries in which we are active, including the payment of required minimum wage or above.

The conditions for employment at ADAMA are determined by collective agreements, personal contracts, or other arrangements, in accordance with the relevant laws in our countries of operations. In many cases, we have established employment.

### **Full and Partial Employment**

At the end of 2021, only 17 of our People were employed part-time.

### **Fair Remuneration**

ADAMA provides our People with all the benefits required by law – and in many cases more than that required by law. 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 prominent during the process of Fair Employment, our global annual compensation review process. The benchmark survey focuses on parallel or similar industries around the world. Our goal is to provide remuneration that is equivalent to, or surpasses, that in local markets.

## **Anti-Harassment Policy**

ADAMA has a zero-tolerance policy for discriminatory, harmful, harassing, or humiliating behavior towards our People. We have established a clear policy against harassment, and we conduct training sessions to ensure the requisite respect towards one another. We place great importance on this matter, and handle any complaint with immediate attention and the utmost seriousness. ADAMA acts in accordance with applicable laws, relevant agreements, and the company Code of Conduct.

#### Freedom of Association

ADAMA recognizes the right of our People 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 that cover pay rates, working hours, certain benefits, and other terms and conditions of employment.



# Employee Assistance Program (EAP)

At ADAMA, the health and safety of our People remains our priority, and many life-events, whether they are predictable or come as a surprise, impact our emotional, psychological, and social well-being, affecting how we think, feel, and act.

The Employee Assistance Program (EAP) is an independent counselling and resource service available 24/7 to all our People and their families in local languages, providing confidential access to professional counselling and helpful resources.



## **Human Rights**

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

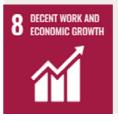
Moreover, we see compliance with the Code of Conduct and applicable laws as the responsibility of each individual. We invest great efforts into identifying and working with business partners who conduct their operations in a similar manner.



### **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-41

Sustainable Development Goals



Promote inclusive and sustainable economic growth, employment and decent work for all

Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards.

## **Health and Safety**

At ADAMA, we believe that everyone is entitled to a work environment that is both safe and healthy. To fulfill this commitment, we strive to proactively address health and safety risks, identify skill gaps, and promote a safe organizational culture. Our commitment to health and safety is formulated in the Global HSE policy and supported by the ADAMA Code of Conduct.



In accordance with our mission to better listen and learn, we actively involve employees in formulating initiatives to improve their safety and well-being. For example, we have regular meetings of employees and managers to discuss ways to improve our performance.

We also use our internal communication channels to invite employees to give us feedback and share suggestions for initiatives we should implement to improve our conduct in the field.

Another important means of employee involvement is our learning processes from actual events that are based on listening and learning from the employees themselves on ways for improvement, and then sharing insights gathered.

Physical

• Amount of activites

• Eating & drink Habits

• Daily routine

Well-Being

Mental

• Ability to handle the stress of life

• Maintain positive attitude

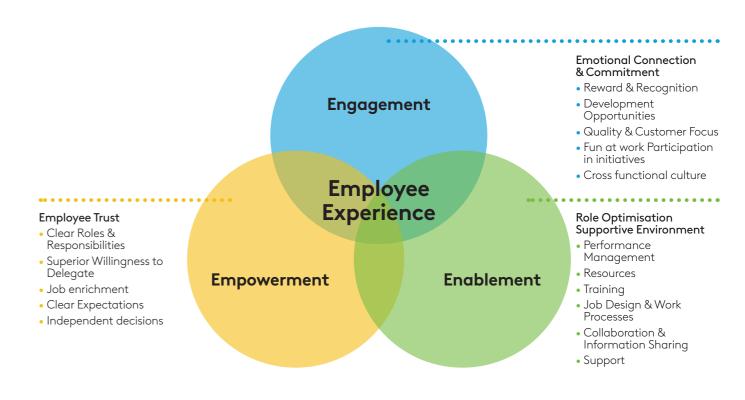
• Sense of purpose

Social

• A Positive & Supportive Social Network

Some sites have a dedicated program on the subject, such as the wellbeing program we conducted in India last year. This particular site employs close to 500 people and therefore, safety is of paramount importance. Accordingly, we have formulated a proactive plan that expands our efforts to promote employee health and safety in the context of the employee experience – focusing on empowerment, enablement, and engagement. Various safety infrastructural processes were implemented alongside new initiatives that deal with a variety of issues such as: Physical & Mental Health; Safety Culture Development; Job Responsibility Design; Fun at the Workplace; and more.

The program includes training sessions, periodic inspections, thematic happenings, safety competitions, and gamification to ensure employee involvement. We are proud to share that the program is a success and shows a consistent increase each year in employee engagement, one of the main objectives of the program.



We have promoted a wide range of proactive initiatives and practices in the past three years that has resulted in our increasing performance in HSE. The journey to achieving our ZERO accidents goal is full of challenges, but we will continue to invest the necessary efforts and resources to achieve it.



"Our employees are our top priority and therefore, we are committed to investing everything necessary to ensure their health and safety. We work in accordance with a clear and systematic plan, based on global standards, to ensure compliance with the zero-accident target."

#### Yossi Kronman

Former Head of HSE Standard & Operation Excellence

## **Managing Health and Safety**

While managing our employees' health and safety is important in all our facilities around the world, it is especially crucial at our production sites, where the potential for accidents, exposure to hazardous materials, and erroneous use of equipment is higher than at other facilities.

Our sites are governed by localized HSE policies and guidelines. We are in the process of completing ISO certifications for all our sites with ISO 45001, 14001 certifications expected by the end of 2023.



## By the end of 2021, 57% of our sites were ISO 14001 certified and 43% were ISO 45001 certified

#### **Global HSE Processes**

In 2021, we continued to build our global safety processes, by:

- Reporting according to Syngenta Group standards
- Building the overall HSE model and system
- Recording 213 events, of which 179 were low severity and near miss
- Managing Covid-19 aspects across all global locations
- Building our process safety education program
- Training and certifying new process safety engineers
- Taking an active part in major safety projects

Our process safety is led by proactive Job Hazards and Process Safety Analysis (HAZOP, JSA, PSA) and is based on the 20 OSHA elements for assessment, which are followed closely and documented.



## **Monitoring and Assessment**

We measure and monitor all processes and perform in-depth analysis of each safety incident, so that we are better prepared to prevent recurrence.

ADAMA's Global HSE team hosts monthly meetings with HSE managers from all our sites, and with all our senior management. These meetings provide the opportunity to discuss the current safety indicators' status, and determine what steps we should take to strengthen and monitor their implementation. Additionally, we measure and publish monthly safety KPIs and reports. During 2021, we started a quarterly review meeting with our operational sites, and a monthly meeting with the Chinese site (due to its size).

Periodic tests are held to ensure the health of our employees. These may include blood and urine tests to help determine whether employees have been exposed to unsafe substance levels. In addition, we hold periodic tests at all our manufacturing plants, to determine the level of hazardous materials that may be present in each working area.

During 2020, we conducted two comprehensive HSE Internal Reviews due to Covid-19 guidelines.

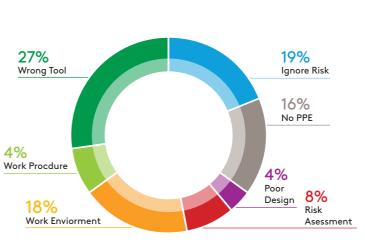
## **Analyzing HSE Risks**

In recent years, we introduced a new management review process that includes root cause analysis. Besides analyzing the direct cause of incidents and their physical consequences, this analysis helps us identify their underlying roots – meaning, the source of the cause we need to tackle.

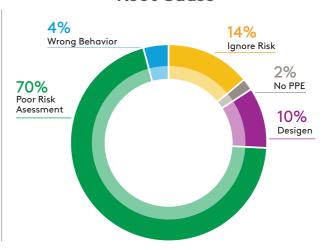
We conduct a safety monitoring process for all our sites, in accordance with a dedicated matrix that tracks their proactive safety activities with clear goals and KPIs. The sites report on an ongoing basis, according to this matrix and according to their size, with larger sites reporting more often than smaller ones. Sites are divided according to small sites with up to 100 employees, medium with 100-300 employees and large sites with over 300 employees.

The proactive safety activities matrix includes measuring and reporting on near miss and unsafe conditions, unsafe condition closure ratios, site manager tours, HSE personal safety tours, safety committees, training, exercises, and more.

## Direct Cause

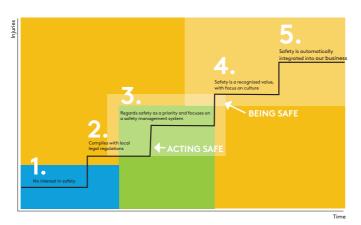


#### Root Cause



## **Developing H&S Culture**

At ADAMA, we aim to build an incident-free work environment, in which safety is automatically integrated into business practices. We are already halfway to achieving our goal, and our main managerial focus is now concentrated on developing an organization-wide safety culture, which will influence all our employees' behavior.



The steps towards incident-free work environment

# Health and Safety Commandments

To create a simple, unified H&S approach across our global sites, we have created our own "safety commandments." Containing ten clear and concise rules, the guide has been translated into local languages and is posted in a central location at all our facilities, so it is visible to all employees.



## **Aligning with Syngenta Group**

During 2021, we finalized our full integration of Syngenta Group's life-saving rules, and communicated them across the organization.

## **Training on HSE**

Analyzing site safety challenges has led to employees taking greater care and thereby avoiding many accidents. Therefore, we invest a great deal resources in training our employees and in prevention, including:

- Mandatory training for all employees each employee must undergo a refresher training of one to two days, according to the site's local regulations site
- Local safety risks all employees undergo annual training regarding the risks in their specific work environment



- Dedicated training for emergency crews
- Safety conversations for managers and employees on the subject
- Monthly enrichment sessions
- Communication regarding lessons learned post-accident after each event in a one-pager to all company employees

All sites measure, monitor and report back on the safety training they have undertaken.

# Communicating About Safety - HSE Portal

To make communication about safety more accessible, we launched an HSE portal with all the relevant information, which is now available to all employees.

This information includes policies, updated global procedures, tutorials, and KPIs.



## **HSE Apps - ADAMA-Safe**

To further ensure convenience in accessing the safety information, we have developed and launched an HSE app.

All our sites adopted local mobile applications that are used to report unsafe conditions, including assigning incidents to the responsible party, tracking progress, and handling the hazard.



## **Injuries KPI**

According to OSHA, there were 49 recordable injuries at ADAMA's sites in 2021. Although ADAMA increased its total number of employees during 2021 by opening a new site in China (an increase of about 30% in the total number of working hours), we were able to continue and show improvement in this KPI.

Most injuries (~60%) were cuts of various types, and there was a number of fractures. Unfortunately, we had two cases of severe cuts and one hip surgery. About 16% of accidents were related to exposure to chemicals (two from 2020).



During 2021, we had 1,744 missed days due to injuries, double that of 2020, due to three events that accounted for 833 sick days, and accidents from 2020 that continued into 2021.

Five of our sites had ZERO injuries during the last three years - Poland, CSI, Tifton, Ocilla, and Mexico, and we encourage all our sites to follow their success.

It is important to emphasize that we treat all employees as equals, which is why the number of accidents includes permanent employees, contractor employees, and accidents on the way to and from work.

## We achieved a continuous reduction of the injury rate since 2012, reaching 0.45 in 2021



## Managing Health and Safety During the COVID-19 Pandemic

The Covid-19 pandemic has forced us to formulate new mechanisms adapted to the new constraints, to continue to ensure the health and well-being of our workers in their homes. Therefore, we have established new guidelines and protocols, including implementing the following steps:

- Ongoing monitoring of the number of workers in isolation, active infections, etc.
- We are sorry to report that we lost 10 employees to the COVID-19 pandemic. We investigated and we could not find that the infection took place on site.
- ADAMA provided support to employees who fell ill due to COVID-19, including support for family members, delivery of medicines, ensuring hospitalization and the best local medical services, etc.
- ADAMA proactively donated oxygen machines to a local hospital in India, which serves the community close to our site there.

Looking Ahead In 2022, our goal is to decrease total injuries by 10% In 2022, we plan to audit our international sites, as soon as the Covid-19 limitations are eased

#### **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-7, GRI 102-8, GRI 404-2, GRI 404-3

Sustainabe Development Goals



Build resillient infrastructure, promote inclusive and sustainable industrialization and faster innovation

## **Our Environment**

## **Our Environmental Impact**

As a global agrochemical company, we strive to minimize our environmental impact while supporting farmers' efforts to increase global food production in a more sustainable way. We take a comprehensive approach to monitoring our environmental impact and mitigating risks at every stage of our product life cycle, starting from raw material supplies, to production, transportation, application, and all the way to end-of-life management. This approach enables us to continuously improve our environmental performance indicators.

Our environmental sustainability policy was designed based on listening and learning from farmers, employees, surrounding communities, environmental organizations, and other stakeholders. This is how we become familiar with their expectations from us, and with innovative technologies and ways that can help us better manage in the field.

We actively work to engage the communities living near our operation sites, to jointly create projects that reduce potential disturbances. In our production plants, we host regular community dialogues to listen to and address public concerns.

For example, we send a biannual operational update to community leaders, as well as run a verified monitoring station that transmits real-time information about chemical emissions, so our stakeholders can be certain that we are well below admissible levels.

## **HSE Management**

To put our commitment into practice, we have established and continuously maintain an effective environmental management system for most of our production processes, based on the International Standard ISO 14001.

Our Health, Safety and Environment (HSE) Policy adopts a sustainable approach to protecting both our People's health and safety, and the environment, by promoting renewable energy, recycling, and emissions reduction. We strongly maintain our commitment to the nearby communities, and foster a corporate culture of individual responsibility at all our sites.





ADAMA has updated its HSE and Sustainability Policy to include aspects of process safety, which are associated with environmental incidents such as spills and release. Moreover, ADAMA formulated four new environmental and sustainability procedures covering two-way impact, quantification methods, and short- and long-term activities to meet its global and local sustainability goals. The procedures focus on the following topics:

- Carbon footprint
- Water resources use
- Hazardous materials and waste
- Reporting and transparency

#### 2021 Highlights



30%

Decrease in GHGs emission per tonne production from averaged values 2011-2020



51%

Decrease in TOC discharge per tonne production from averaged values 2011-2020



36%

more recycle and reused hazardous waste compared to 2020

## Making Environmental Progress – Beyond Compliance

Despite our growing production volumes, we are committed to outperforming regulatory requirements and dramatically limiting our energy, water, and hazardous waste footprint. We have launched a variety of projects that will steadily improve our environmental performance in absolute terms over the coming years.





"At ADAMA, we make sure that the HSE field is managed methodically and systematically to ensure significant achievements over time and as part of our commitment to sustainability, which is embedded in our core business. Our publicly published reports and ESG ratings reflect our progress, and we are proud of it."

Eran Segal Head of HSE and Operational Sustainability

## **Investing in a Greener Future**

In 2021, we increased our investment in preventing and mitigating environmental risks while reducing the potential environmental effects of our activities. Specifically, we constructed a new chlorine gas production facility, shifting from technology based on mercury to a membrane-based technology. Moreover, we built a new 5000m3 wastewater reactor and 1000m3 balancing pool to enhance treatment efficiency and redundancy. We installed two new scrubbers to upgrade our air emission control measures. Our facilities are managed according to stringent European directives or analogous local regulations.

	2019	2020	2021
Investment in facilities (million \$)	9	19	60*
Current costs (million \$)	48	51	54

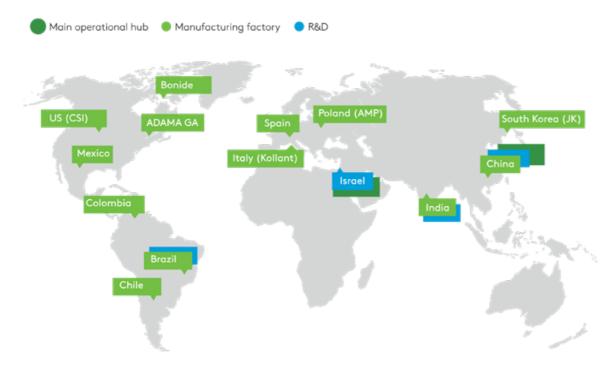
<sup>\*</sup> Including China (19 million USD)

## **Sustainable Operations**

We operate five (5) major synthesis sites and twelve (12) formulation and packing sites.

In 2021, the new Chinese subsidiary, Jiangsu Huifeng Bio Agriculture Co., Ltd, started to report on its environmental and sustainability performance.

- Whenever significant changes or new operations are planned, we first carry out a survey to identify potential environmental risks.
- We strive to improve our production processes by integrating advanced technological and environmental solutions at all our sites.



Meeting ADAMA's emissions goals and continuing our journey to become a more sustainable company compels us to apply the best available technologies. The following technologies were adopted by ADAMA to realize our environment and sustainability vision:

Pillars	Technological and Organizational Solutions
Water and wastewater	<ul> <li>Biological wastewater treatment plants and desalination plant</li> <li>Treatment and reuse of effluents</li> <li>Closed-loop cooling towers</li> <li>Clean-in-Place (CIP) water reuse</li> </ul>
Energy use	<ul> <li>Use of steam and electricity generated by cogeneration natural gas plant</li> <li>Renewable energy sources</li> </ul>
Air pollutants and odor nuisance	<ul> <li>Thermal oxidizer units</li> <li>Denoxers based on ammonia injection</li> <li>Scrubbers</li> <li>Activated carbon systems</li> <li>Sieve and HEPA filters</li> <li>Magnetic pumps</li> </ul>

Pillars	Technological and Organizational Solutions
Hazardous waste	<ul> <li>Condensation system to reuse solvents</li> <li>Dewatering system for reducing volume of sludge</li> <li>Recycling of used plastic packages</li> </ul>
Noise nuisance	<ul><li>Silencers on stacks and equipment</li><li>Physical barriers around workshops</li><li>Acoustic walls</li></ul>
Accident prevention	<ul> <li>Only certified drivers handle hazardous materials</li> <li>Warehouse employees are trained in safe loading and storage of hazardous materials</li> <li>Warehouses managed in compliance with storage safety constraints and labeling requirements, according to UN code and SDS</li> <li>Facility floor covered with leach-proof concrete and drainage trenches</li> <li>Ground water, marine environment, and air pollutants are monitored in areas surrounding the plant</li> </ul>

#### Looking Ahead

#### **Our 2024 Environmental Goals:**

10% reduction in energy generated by fossil fuel in absolute terms and/or per tonne production from 2019 values

15% reduction in hazardous waste disposed to landfill or incineration in absolute terms and/or per tonne production from 2019 values

10% reduction in water consumption in absolute terms and/or per tonne production from 2019 values.

## **Sustainability Assessments**

ADAMA is continuously improving its sustainability performance in leading global and local ESG ratings. EcoVadis and Maala (Israeli sustainability ranking organization) ratings focus on environment, labor and human rights, ethics, and sustainable procurement.

CDP (Carbon Disclosure Project) focuses on climate change impact, disclosure practices, targets, policies, and governance.

EcoVadis ranked ADAMA for 2020 data at "Bronze" level and Maala as "Platinum+".

The 2021 assessment is ongoing for both initiatives, and final scores will be available towards Q3 2022. CDP ranked ADAMA as D, typical for first year companies, starting their climate change journey.

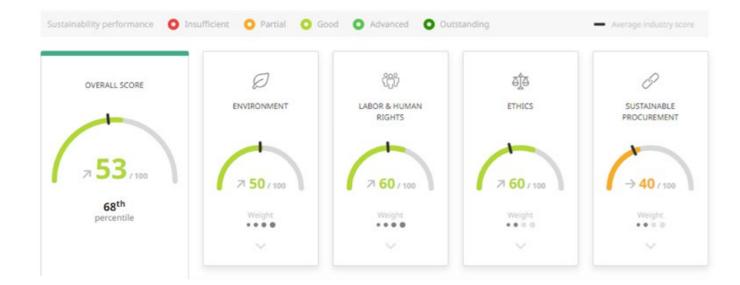
We used these ESG ratings to analyze the results, formulate a detailed gap analysis and prepare a multiyear plan.

#### ADAMA AGRICULTURAL SOLUTIONS LTD (GROUP)

SURESNES - Israel | Manufacture of pesticides and other agrochemical products







## **Looking Ahead**

#### **Our 2024 Environmental Goals:**

ADAMA intends to join the Together for Sustainability Initiative (TfS) of global chemical companies, which aims to deliver the de facto global standard for environmental, social, and governance performance of chemical supply chains. Therefore, to enable us to join, we are making a continuous effort to increase our EcoVadis score to at least 60 (current score is 52).

We will also continue our efforts to improve our CDP score.

## **Learning and Improving**

Since 2022, ADAMA HSE and sustainability newsletters have provided global information on new regulations, major HSE incidents, and sustainability activities of agrochemical companies. The goal is to expose our HSE teams to upcoming regulations, implement corrective actions from external HSE incidents, and to learn about sustainability activities within our industry.





	Territory	Title	Links
Regulation	UK	Amid fears of chemical shortages, the Environment Agency introduced a waiver that enabled companies that cannot comply with permit conditions to skip the final stage of wastewater treatment, valid until the end of 2021.	>>
Regu	US	The EPA is to set an industrial wastewater discharge limit for the release of PFAS from plants in numerous industries, including the organic chemical industry.	>> >>
	US	The EPA ordered to gradually phase down the use and production of hydrofluorocarbons (HFCs) by 85% within the next 15 years as part of its efforts to reduce greenhouse gas emissions, claiming the rule could reduce global warming by up to 0.5 °C by 2100.	>> >>
	US	In order to fight hazardous pollutants, the EPA agreed to review and propose new emission standards for plants that produce synthetic organic chemicals by the end of 2022.	>> >>
	Brazil	The National Council for the Environment (CONAMA) approved end of limits on polluting emissions from oil platforms, after the council appealed against a lawsuit filed by the Federal Public Ministry which opposed the proposal to end emission limits.	>>

We treat all accidents with the highest care, and invest in training and a culture of safety, so that even though we cannot guarantee a zero-incident rate, we can learn from mistakes to prevent future occurrences.

In 2020, we experienced four major incidents, which were immediately contained and treated.

#### Case Study: Odor Nuisance at Makhteshim Production Site, Neot Hovav Israel (2021)

Poor control of PCMM (Perchloromethyl mercaptan) emissions from a production facility caused an odor nuisance at the site and neighboring communities. We identified the root cause of the emissions and replaced a bag filter system to sharply decrease emissions and odors.



#### Case Study: Overflow of Effluents from a Storage Tank at Makhteshim Production Site, Beer Sheva, Israel (2021)

We stopped effluent flow in the pipe, pumped excess effluents to a tanker back to the wastewater treatment plant, identified the breakdown point, and fixed the broken pipe within a few hours. An electrical check to detect leaks along the pipeline was embedded into routine maintenance to prevent future issues.

#### **GRI Sustainability Reporting Standards**

GRI 103, GRI 102-9, GRI 102-44, GRI 307-1, GRI 413-1, GRI 413-2

#### Sustainabe Development Goals

With our renewable and energy efficiency projects, wastewater treatment and recycling activities, and soil and groundwater reclamation, as well as our green revamping of our Chinese facilities, we aim to contribute to the advancement of UN Sustainable Development Goals 6, 7, 9, and 12, focusing on the following subtargets:



**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

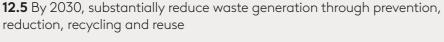
**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix.

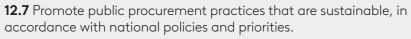


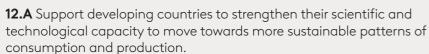
**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.









## **Energy, GHG and Air Quality**

We are committed to reducing our GHG emissions and improving the air quality surrounding our sites. Explicitly, we are committed to reducing our absolute and/or per tonne production energy generated by fossil fuels by 10% by 2024 (2019 baseline), through developing and promoting solutions that support efficient and responsible energy use.

Despite production enhancement in 2021, we have succeeded in maintaining energy consumption at a similar level, and we were able to bring an approximately 30% decrease in GHG emission per tonne production from average values 2011-2020.

## **Carbon Footprint Measurement**

ADAMA collects energy data from production sites and calculates its carbon footprint digitally. During 2021, ADAMA revised its scope 1 carbon footprint emission factors from CO2 only to CO2e, which accounts for more greenhouse gases (e.g., CO2, N2O, CH4, HFCs, PFCs). The new emission factors follow the UK Department for Environment, Food & Rural Affairs reporting guidelines.

Similarly, scope 2 carbon footprint emission factors, electricity and steam, were adjusted for each supplier, according to supplier specific data or the energy mix of the region/state electricity supplier.



#### CO2 Emissions, (Tonne)

	2014	2015	2016	2017	2018	2019	2020	2021
CO2 (tonne)	383,051	386,773	251,956	237,942	242,249	241,163	214,437	276,061*

<sup>\*</sup> CO2e emission factors were embedded during 2021

#### Energy Consumption, (TJ)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Energy consumption, (TJ)	3,313	3,272	3,312	3,243	3,227	3,344	3,493	3,250	3,758

ADAMA Solutions data. The performance of our two Chinese sites is reported separately.



## **Reducing Energy Use**

#### **Energy Cogeneration**

Cogeneration is an environmental improvement, as it allows us to use the same energy twice. Natural gas drives the first turbine and residual heat generates steam to drive the second turbine, which is reused by our facilities for heating processes.

Two cogeneration power plants running on natural gas supply electricity and steam to our Makhteshim and Agan facilities, which account for 82% of our total electricity consumption and 93% of total steam consumption. This has allowed us to reduce our fossil fuel use and indirectly reduce greenhouse gas emissions by 30% since 2015.

## Use of energy sources (%)

	2019	2020	2021
Electricity	40	40	37
Steam	30	28	26
Internal production (Fossil Fuels)	30	32	37

<sup>\*</sup>ADAMA Agricultural Solutions data. The performance of our three Chinese sites is reported separately.

## **Green Energy**

The transition to cleaner energy consumption is part of our long-term goal to reduce our impact on the environment and our GHG emissions. Our production sites in Spain, Colombia, and Brazil utilize renewable resource-based electricity.

- At our Spain site, we switched to 100% renewable resources, based on solar panels and wind turbines.
- In Brazil and Colombia, we purchased electricity that was mainly generated by a hydroelectric power station, combined with biomass combustion resources.
- Solar panels were installed on the roofs at ADAMA production sites, with a large 300KWH installation at the Agan logistics center.
- During 2021, the Dahej site (India) installed 25KWH solar panels on its warehouse roof.
- The Bonide site (USA) has been running solar panels on its roof for several years.

Saving energy will be achieved also by reducing the demand for electricity by replacing poor efficiency electrical units (e.g. motor, compressors, and lighting) with high efficiency ones. ADAMA has a designated budget to support such environmental initiatives.

Yet renewable energy adoption and energy conservation plans are not sufficient to meet the estimated 15% GHGs emission reduction required to offset the global warming effect, by targeting a 1.5°C global temperature increase by 2030, as calculated by the CDP (Carbon Disclosure Project) and SBTi (Science Based Targets initiative) organizations. Therefore, we expect to accelerate the utilization of carbon-free fuels as hydrogen, and carbon neutral fuels as biomass (wood).

#### Looking Forward

#### 2022-2023 Energy Conservation Actions

- The high energy-efficient chlorine gas production with modern membrane technology will enter commission in 2023, potentially saving up to 45% energy usage per tonne of product.
- Agan is going to operate 38 electrical ion forklifts, saving 185,000 liters of diesel annually.
- On-going upgrade of energy-inefficient equipment, such as medium to large motors.
- Shifting to LED lighting technology.

## **Air Quality**

We invest extensive resources in mitigating air emissions at our production plants, to meet and exceed air quality standards. We acknowledge the importance of disclosing particulate matter (PM) emissions, and started collecting this information in 2020. During 2021, additional production sites monitor PM and implement the best available technologies to control the risk.

The elevated NOX emissions can be attributed to the increased use of fossil fuel. No change was detected in SOX due to use of low sulfur fuel.

	2014	2015	2016	2017	2018	2019	2020	2021
NOX (tonne)	114	100	60	90	106	129	97.3	114.3
SOX (tonne)	67	31	32	22	32	48	21	20
PM (tonne)							14	21

ADAMA Agricultural Solutions data. The performance of our two Chinese sites is reported separately.

# **Looking Forward**

### 2022-2023 Air Quality

During 2023, ADAMA Makhteshim and ADAMA Brazil are going to install two new regenerative thermal oxidizers (RTOs) to better control organic air pollutants.

ADAMA's hydrogen production capacity at Makhteshim is going to increase significantly in the coming years. As hydrogen is a zero GHG fuel with 3 times the amount of energy as natural gas, ADAMA works to extend the use of hydrogen fuel in its thermal oxidizers, replacing natural gas.

## **GRI Sustainability Reporting Standards**

GRI 103, GRI 301-2, GRI 301-3, GRI 306-1, GRI 306-3

Sustainabe Development Goals



Ensure availability and sustainabe management of water and sanitation for all



Ensure sustainable consumption and production patterns



Ensure access to affordable, reliable, sustainable and modern energy for all

## Water, Effluents and Waste

## **Reducing Water Use**

Water is an essential resource that is used in our production cycle. Explicitly, we are committed to reducing our absolute and/or per tonne production water consumption by 10% by 2024 (2019 baseline), through developing and promoting solutions that support efficient and responsible water use. Reuse of wastewater, cooling water, and wash-water are the major practices implemented by ADAMA.

#### Water Consumption (m3)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	Target 2024
Water consumption (m3)	3,616,837	3,521,101	3,517,081	3,631,392	3,231,135	3,503,711	3,580,210	3,586,590	3,575,850	3,222,189

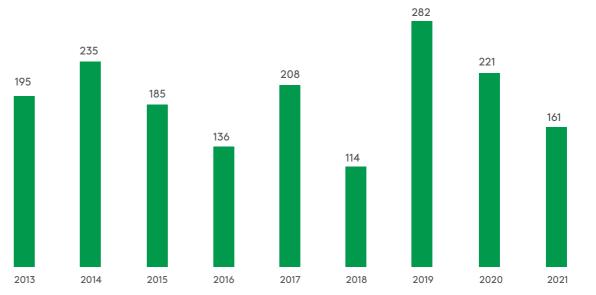
<sup>\*</sup>ADAMA Agricultural Solutions data. The performance of our three Chinese sites is reported separately.

### **Water Reclamation**

Water reclamation projects allow us to reuse wastewater, cooling and wash-water, reducing the environmental impact of discharged water, and saving the consumption of freshwater.

- At the Makhteshim site, we reuse our wastewater following advanced treatment: we operate a reverse osmosis
  desalination facility to treat our wastewater following a biological wastewater treatment plant (B-WWTP). The
  reclaimed water is utilized at the major production facility onsite.
- At the Agan, Londrina, and Madrid sites, we reuse wash-water.
- At the Poland site, we recycle cooling water back into the production process.

## Water, reclaimation (000m3)



The decrease in reclaimed wastewater is due to a decrease in the demand for desalinated water.from averaged values 2011-2020

## **Reducing Effluent Loads**

We aim to keep our surrounding marine and freshwater environments healthy and clean, and so strive to curtail any discharges created at our facilities. Our effluent's treatment system is a multi-stage process comprises of physical, chemical and biological technologies.

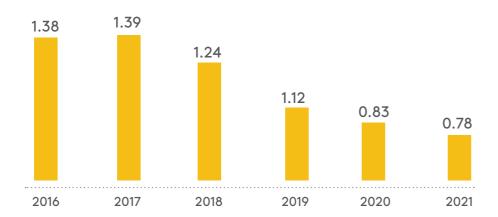
Controlling measures includes online monitoring, composite sampling, and impact assessments. Moreover, at the Agan site, the Israeli Oceanographic and Limnological Research Institute quantify the impact of the effluents, discharged to the Mediterranean Sea, twice a year. The findings are submitted directly to the Israeli Ministry of Environmental Protection. As of today, no evidence of any impact on marine life and environment has been found.

## Case Study: Herbicides at Agan Site

We invest continuous efforts into reducing the residuals of herbicides discharged into the Mediterranean Sea from the Agan site. To that end, we:

- Ensure optimal conditions at our B-WWTP
- Convert liquid waste to solid
- Maintain a high level of housekeeping to eliminate spills
- Despite our increased levels of production, the total amount of discharged herbicides decreased in 44% to 780 Kg within 5 years

# Herbicides discharged to the sea (000 kg')



#### **Effluents and Waste**

	2014	2015	2016	2017	2018	2019	2020	2021
TOC in effluents (tonne)	302	201	178	208	212	189	181	193
Hazardous waste (tonne)	21,940	22,765	27,543	27,126	23,429	28,151	26,588	33,326
Reused or recycle hazardous waste (tonne)						2,817	8,107	7,404

ADAMA Agricultural Solutions data. The performance of our three Chinese sites is reported separately The increase in Hazardous waste is due to increase in production at the sites without an internal wastewater treatment facility.

## **Reuse and Recycling of Waste**

Our production processes generate hazardous and non-hazardous waste that is treated in full compliance with local environmental protection laws. Waste handling is also an important focus for reducing our environmental impact, and to that end we promote diverse initiatives that implement circular economy methodology.



ADAMA promotes recycling, upcycling, and reuse projects to prolong the lifecycle of the materials we use:

## Case Study:

## Hazardous waste used as fuel at Agan and MCW BS

During 2021, 4,295 tons of high caloric value hazardous waste was used as fuel substitute to the thermal oxidizers at Agan and MCW NH, saving natural gas.

## Sulfuric Acid is Reused to Produce Fertilizer, MCW NH

During 2021, 1,200 tonnes of sulfuric acid, originated from our fungicides production was purified and reused by a fertilizer company to produce phosphorus fertilizer.

#### **New Life for Plastic**

The Plastic recycling centers at Agan and MCW BS continues to wash and shred empty containers (IBCs, barrels, and jugs). During 2021, the plastic recycling activity was extended by collecting and recycling empty plant protection containers from Israeli farmers. Designated recycle bins ("Green Stations") were constructed and located at 15 farms, collecting 1-2 tons per month.

Looking Ahead

- We are committed to continue reducing the use and disposal of plastic in our operation and increasing waste recycling.
- We are in the process of embedding recycled plastic in the production of our containers.
- We are in the process of evaluating the disposal of organic hazardous waste to a cement furnace, as an alternative to incineration and landfill.

## **Actions to Minimize our Historical Impact**

#### Soil and Groundwater Remediation

We thoroughly monitor and remediate contaminated soil and groundwater in most of our sites. In 2020, we initiated a groundwater and soil gas remediation at one site, finalized a comprehensive soil gas, soil, and groundwater analysis at another site and conducted verification sampling to verify remediation outcome at a third site.

## Case Study: Remediating Historic Groundwater Contamination at the Agan Site

During 2021, remediation of contaminated groundwater and soil gas took place at the Agan site. A designated well, located at the center of the plume, extracts the pollutants, which are removed by a treatment system. Remediation is planned to last >10 years, until we meet remediation goals. Simultaneously, remediation of soil gas was implemented using Soil Vapor Extraction technology.



## **GRI Sustainability Reporting Standards**

GRI 103, GRI 301-2, GRI 301-3, GRI 306-1, GRI 306-3

Sustainabe Development Goals



Ensure availability and sustainabe management of water and sanitation for all



Ensure sustainable consumption and production patterns

# Bringing Sustainability to Our Chinese Facilities

Since 2018, and even more so during 2021, we managed an ambitious project to improve the environmental impact of our Chinese facilities, by relocating them from the old commercial quarters of their respective cities to new industrial parks, while upgrading their environmental design.

The relocation of Sanonda was completed at the end of 2020. The new plant is already producing, including two state-of-the-art regenerative thermal oxidizers, an upgraded biological wastewater treatment plant, and odor and noise control. Special attention was given to infrastructure eliminating the risk of soil and groundwater contamination. Minimizing hazardous waste disposal is planned through the operation of the designated on-site solid waste incinerator.

During 2021, the Sanonda wastewater treatment plant (WWTP) was upgraded to include the MBR-PAC technology. This upgrade allows to meet and go beyond the Chinese wastewater national discharge standards, and protects the Yangtze river, which serves as the local fresh water source.

The current structure of our Sanonda WWTP comprises a multibarrier systems: i) an advance oxidation section based on Ozone and Hydrogen Peroxide; ii) a biological section with aerobic and anaerobic zones combined with activated carbon adsorption; iii) an ultra-filtration unit, and vi) a phosphorus polishing system.

The WWTP treats more than 10,000 m3 wastewater per day and removes 98.5% of organic matter, 98.6% of Nitrogen and 99.9% of phosphorous.

Similar systems will be installed during the relocation of Anpon, which is expected to be finalized during 2024. Meanwhile, in order to ensure continuity of production, waste gas systems were installed at the old site.

Huifeng is a new Chinese entity which synthesizes and formulates plant protection products. It joined ADAMA during 2021.



## Environmental Systems Being Implemented in Our Chinese Facilities

Waste type	Environmental Systems Being Implemented	Sanonda	Anpon	Huifeng
	Biological treatment	+	+	+
Wastewater	Membrane filtration	+	+	+
	Waste gas treatment	+	+	+
	Organized source treatment by thermal oxidizers	+	+	+
Air and Odor	Non-organized source treatment by adsorption system	+	+	+
	Comprehensive organized and non- organized source capture system	+	+	+
Hazardous Waste	Solid and liquid incinerators	+	-	+
Soil and Groundwater	Isolated floor and drainage ditches surrounding workshop and facilities	+	+	+

# Absolute performance indicators for ADAMA's Chinese entities for the last 3 years, pre-relocation

Parameter	2019	2020	2021
Investment in HSE facilities, million \$	21	9.5	19
Total energy consumption, Tj	8,992	7,506	6,758
Used energy sources (%):			
Electricity	24	42.4	40
• Steam	0	7	11
• Internal production (Fossil Fuels)	76	50.6	49
Water consumption, m3	6,707,923	8,037,799	9,235,279
NOx, tonne	201	34	45
SOx, tonne	130	4	22
CO2**, tonne	620,207	1,059,181	934,799
TOC in effluents, tonne	95	188	490
Hazardous waste, tonne	13,798	14,061	16,138

<sup>\*</sup> CO2e emission factors were embedded during 2021

## **GRI Sustainability Reporting Standards**

GRI 102-10, GRI 203-2

Sustainabe Development Goals



Ensure availability and sustainabe management of water and sanitation for all



Build resillient infrastructure, promote inclusive and sustainable industrialization and faster innovation



Ensure access to affordable, reliable, sustainable and modern energy for all



Ensure sustainable consumption and production patterns

# **Our Social Responsibility**

At ADAMA, we believe social responsibility is an inseparable part our business. This means we continuously listen to our stakeholders, communities, and partners to deepen our understanding of their needs and design programs and initiatives together, using our combined capabilities, strengths, and resources. As a result, our programs are built on rock-solid foundations, ensuring long-lasting relationships that make a positive impact with our communities and on our employees.

Our recent collaboration in Israel with the NGO "HaShomer HaChadash" is a great example of the way we work. The COVID-19 pandemic led to Israel's farmers struggling to obtain field workers, alongside a range of unprecedented challenges. Together, we developed a unique youth volunteer program to support local farmers, while connecting them to the land and the field of agriculture.



## 2021 Social Responsibility Highlights.

\$2.5M

Monetary donations

**2,777\***Volunteering hours

18.5%\*

Employee engagement

2.9%

Community investment from total profit (before tax)

\* Measured only in Israel, work in progress designing a global tool for reliable data collection

# Our Social Investment Policy and Strategy

Each year ADAMA donates at least 1% of its profit before tax each year. In 2021, ADAMA donated \$2.5 million (2.9% of profit before tax). This exceptional donation was due to the additional needs and challenges caused by the COVID-19 pandemic.

Our social investments are mainly in Israel, India, Brazil, and North America. However, we encourage and support local community activities in every country ADAMA operates in.



## **Our Social Investment Policy**

Our policy implementation guidelines are based on six key principles



#### **Alignment with ADAMA core business**

We aspire to align our investments with the company's core business areas.



#### Geographical focus & multi-sectoral partnerships

We prioritize projects in the areas surrounding our sites (globally). Our programs are usually based on multisectoral partnerships that include governmental, NGO's and business sectors.



# Long-term partnerships with potential for independent continuation

We accompany our social partners for a period of at least 3 years to increase the impact of our investments, while encouraging their independent continuation.



#### Measurable impact

We put an emphasis on measuring and evaluating our strategic programs to ensure they meet the set goals.



#### **Employee engagement**

We prioritize projects that allow our people to volunteer or mentor. It is a win-win situation where both our people and communities benefit.

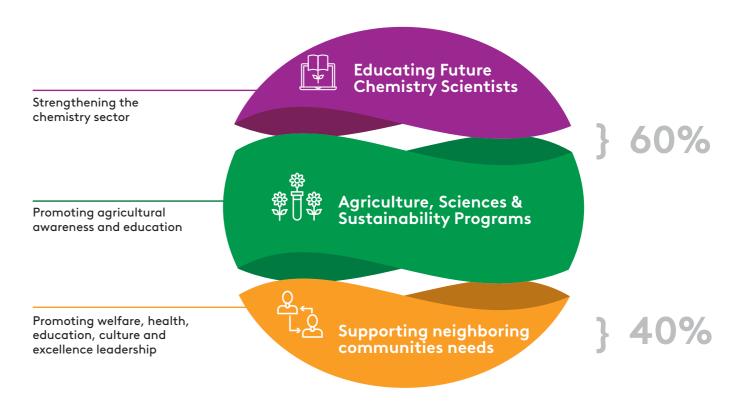


#### Contribution to the company's reputation

We choose projects that have positive impact on our reputation and create a sense of pride amongst our people.

## **Our Community Investment Strategy**

Our strategy focuses on three main pillars, two of which are aligned with our core business, promoting educational programs in chemistry, agriculture, and sustainability (60% of our budget). The third pillar changes according to the needs of our local communities, and addresses a wide range of challenges in the fields of health, culture, welfare, and more (40% of our budget).



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## **Our Social Responsibility Projects**

## **Educating Future Chemistry Scientists**

We strive to educate and nurture the future generation of chemists. Throughout the years, we have collaborated extensively with leading academic institutions to promote excellence and encourage chemistry studies. ADAMA leads, funds, and supports various programs, from their ideation process to their execution. We also facilitate training, mentoring, on-site visits, steering committees, and more.

Through these integrated continuum programs, we instill curiosity in chemistry and empower students throughout their years of study, with the aim of strengthening the chemistry sector.









Marie Curie & Archimedes

Yesodot

**ADAMA** Center at Tel aviv University

Excellence **Scholarships** 

#### Marie Curie and Archimedes - Academic Excellence Programs

ADAMA is proud to have established two leading academic chemistry programs for outstanding highschool students in Israel. The aim of these programs is to increase the number of students studying chemistry at academic levels, and create connections between the students, ADAMA, and the industry.

Since we launched the "Marie Curie" program at Ben-Gurion University of the Negev in 2014, around 400 students have taken part. The "Archimedes" program at the Technion - Israel Institute of Technology - established in 2012, has accommodated around 600 students.



Our programs include practical tools within the academic curriculum. In 2021, a group of 25 students from "Marie Curie" visited ADAMA's Global R&D Center in Neot Hovay, Israel. They toured the site's labs, attended lectures from researchers, and were exposed to future professional opportunities.

In 2021, we launched an impact assessment process for the "Archimedes" program, led by an expert in the field of educational program to evaluate and improve its impact. In 2022, we will begin a similar process for the "Marie Curie" program.





"ADAMA's 'Marie Curie' program enabled me to complete a year of university studies in chemistry while still at high school. Despite the challenge of combining both studies, I've succeeded in pursuing my dream of becoming a chemical engineer."

Tal-Or Cohen Student in the "Marie Curie" program

## **YESODOT - Chemistry Excellence Program**

YESODOT (Foundations) is a Chemistry Excellence Program in the city of Beer Sheva, Israel, aiming to increase the number of students studying chemistry in high school. The program focuses on training chemistry teachers and also encouraging students to participate in the 'Marie Curie' program.

The program is a 3-year partnership (2020-2022) with the Beer Sheva municipality, Ben-Gurion University, and other local partners that promote STEM (Science, Technology, Engineering and Mathematics) education in the city. ADAMA employees are involved in the program committees, as well as supporting the ongoing activities.



ADAMA built a website and social media pages where we share the activities, promote the program, and increase engagement.



"With the help of ADAMA, the city of Beer-Sheva, and all of our amazing partners, we're delighted to see our 'Marie Curie' graduates receive excellence awards in their academic degrees and graduate studies."

#### Prof. Gabriel Lemcoff

Dean of Natural Sciences Faculty, Ben Gurion University

## 2021 Highlights

Over 20 teachers and 600 students participated in the program.

Dosens of teachers visited our global R&D center at Meot Hovav and were exposed to ADAMA's chemical research.

The yesodot Lab was inougurated in Beer Sheva, sarving as a center of excellence for chemistry in the city.



"Our dream in the YESODOT' (Foundations) Program is to see a significant increase in the number of high school students who choose to study chemistry, participate in competitions and projects, and pass on their love for the profession to the next generation."

Sophie Bar Dov

Director of the YESODOT Program

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#### **ADAMA Center for Novel Crop Protection Delivery Systems**

In 2019, ADAMA and Tel Aviv University launched a unique research and teaching program on active substance delivery and formulation, an innovation and growth driver in the worlds of agriculture and crop protection. The collaboration combines the commercial industry with academia, training advanced degree research students in chemistry, life sciences, and engineering in the delivery and formulation of active crop protection substances, a field in desperate need of more experts.

ADAMA invested in a world-class research laboratory that was established in the Tel Aviv University School of Chemistry, where students carry out the program's research and lab experiments. In 2021, ADAMA awarded scholarships to 6 students from a range of disciplines, such as chemistry, materials engineering, and plant sciences, who earned their advanced degrees with a specialization in delivery and formulation. This program provided students with access to ADAMA's state-of-the-art laboratories, in which they can conduct experiments and will receive practical training from our experienced researchers.



#### **ADAMA Excellence Scholarships**

Each year, ADAMA awards around 60 scholarships to outstanding students in chemistry, chemical engineering and agriculture studies, including 11 students studying at The ADAMA Center for Novel Delivery Systems in Crop Protection at Tel Aviv, 9 of whom were female researchers. In 2021, \$140,000 overall was granted to these scholarships.

These scholarships are part of our commitment to educate and support the future generation of scientists, and strengthen our relationships with academic departments and their outstanding graduates.



## Promoting Agriculture, Sciences & Sustainability

We understand the importance of educating youth about where our food comes from and the challenges of growing crops. By rolling up their sleeves and digging their hands in the soil, we help children discover the world of agriculture, connect them to nature, and promote the values of sustainability.

ADAMA has initiated several programs over the years, focusing on educational activities, scientific experiments, and agricultural volunteering,

emphasizing the value of work, mutual responsibility, and love of the land. We know diversity drives creativity, so these programs focus on reaching a variety of sectors within the vibrant and multicultural fabric of our society.

## **Science & Sustainability Projects**

# "Sowing Seeds of Science" The Scientific Research Greenhouses

"Sowing Seeds of Science" is ADAMA's flagship community program in Israel. The project was initiated in 2013, following our vision to promote advanced agriculture by investing in learning infrastructures in the educational system.

Over the years we have invested over \$500,000 in three educational farms in Ashdod (2013), Beer Sheva (2014), and Lod (2020). Our investment focused on building state-of-the-art infrastructures, which include scientific research greenhouses and digital classrooms, and developing unique educational programs. Thousands of school students visit the three farms each week, experimenting with scientific research under the supervision of the educational staff at the farm, experts from the academic world, and our People who volunteer there on a regular basis. In 2021, we added new professional content to include aspects of precision agriculture, healthy nutrition, and more.





"Our partnership with ADAMA in the program 'Sowing Seeds of Science' enables us to encourage and nurture students and teachers in this critical period of climate change."

# **Tali Sabag**PhD Head of Agricultural farm in Beer Sheva, Israel

In 2020, we launched an in-depth evaluation and measurement process with an expert researcher in the field of education. Over the past two years, we conducted dozens of in-depth interviews and sent questionnaires to over 90% of the students studying at the farms. The the results are being analyzed, and changes and improvements will be introduced in accordance with these insights and professional recommendations. The program benefits from the full cooperation of its local partners, including the local authority, the Ministry of Education, and the farm's educational staff.

## **Community Gardens**

Through these activities we aim to empower and strengthen underprivileged populations and promote awareness of environmental sustainability. Each year, more than 6,000 participants take part in 25 projects across Israel.



#### "ADAMA Ofanim"

This unique project within the Bedouin community in Israel connects our social activities with our D&I goals, by involving our People from the Arab sector sharing their personal experiences with the students. In the next 3 years, we are planning to expand this program to reach 75 additional participants each year.



#### "The New Guard"

The Covid pandemic and other challenges, led to labor shortages in the farming sector. Together, with "The New Guard" a local NGO that assists farmers, we formed a unique program to support farmers with labor in 4 volunteering centers in Israel. The young volunteers gain experience in the world of agriculture.





"Thanks to ADAMA's significant support and partnerships, Ofanim's students in Kseife have seen the STEM content they learn in our mobile labs be implemented in the real world."

**Eli Dror** CEO of Ofanim

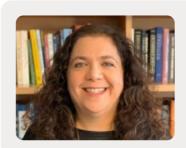
## **Evaluation & Measurement Processes**

For the past three years, ADAMA has led evaluation and measurement processes in our major educational and social projects (investments of more than \$30,000 per year) to understand and improve our social impact. The processes are led by Dr. Liora Pascal, an expert on evaluation and measurement in the education system.

These evaluations are based on:

- Learning from people on the ground, research evaluation questions, development of assessment tools, data gathering, and analysis of findings.
- Metric definitions of the Israeli Ministry of Education's Future-Oriented Pedagogy, and the OECD's Learning Compass.
- Building our social partners' independent evaluation capacity, to deepen the long-term social impact of our investments.

Projects evaluated: "Sowing Seeds of Science" (2020-2023), "Archimedes" (2021), "Marie Curie" (beginning in 2022)



"Evaluation processes with long-term monitoring and measurement to identify trends, contribute to refining the goals of the projects and the expected results of the target populations. ADAMA's explicit requests and expectations, made this happen".

**Liora Pascal** PhD

# Our People Engagement and Community Relations

Employee engagement is a core value at ADAMA. We believe engagement creates a sense of fulfillment, motivation, and pride for employees.

Our volunteers are our ambassadors and main force for good. That is why we design a wide range of volunteering opportunities to ensure things get done with energy and enthusiasm.

ADAMA supports volunteering during working hours (subject to manager approval).

We are currently focusing on formulating tools for reliable data collection.

#### **ADAMA Brazil**

#### Insituto ADAMA - Brazil

Due to the COVID pandemic, ADAMA Brazil held their activities on virtual platforms, introducing several issues with a special pedagogic campaign called: The other side of the mirror: our uniqueness! This campaign aimed to contribute to the development of children so they can become responsible citizens.

#### Some of the topics discussed included:

- 1. Combating and preventing bullying
- 2. Non-abuse: breaking the silence
- 3. Health and wellbeing
- 4. Citizenship: knowing, acting, and transforming

#### The campaign was held both internally and externally:

- Internally: Developing activities for our children
- Externally: Activities on social media channels. In 2021, we reached 172,790 people and engaged 16,254 people through 504 posts (YouTube, Facebook, Instagram, LinkedIn, Spotify, Deezer, Google Podcast, and Radio Public). We also maintained virtual classes with WhatsApp groups, as that was the most democratic way to include vulnerable children.

After creating a specific plan, we returned to assist the children in the last quarter of 2021. It was a great experience that taught us how to proceed in our new post-pandemic reality.

## **Apprentice School Planning 2021**

This program, which has been under development for the last 20 years, has undergone a significant shift due to COVID-19. Students who joined in March 2020 did not have the opportunity to experience practical training due to social restrictions.

## Project: "APPRENTICED" – "Aprendizando"

The project aims to provide professional experiences and new learning opportunities to students in 2020/2021 at the Apprentice School. During lockdowns, the coordinator launched a social media development proposal to support and improve the network of **Instituto ADAMA**.



#### **ADAMA INDIA**

### Saving Lives by Providing an Oxygen Generation Plant to a Medical Health Center

As India battled the second wave of COVID-19 in 2021, the country faced a shortage of oxygen in hospitals. ADAMA India provided access to oxygen care, testing, and screening in several hospitals across the country. A core team executed the project, surveying the rural areas where oxygen supply was most limited. The team met government officials, conducted research, and identified the government hospitals in the country where oxygen was most scarce and the death toll highest. A budget to procure eight oxygen generation



plants and two oxygen storage tanks was approved. The Formulation Plant Engineering team had to procure the equipment, which was a challenge seeing as this was in high demand across the country. However, the team rose to the occasion and executed the project from procurement to installation at all sites within just 15 days.

### Our Continued Support of Asmita Vikas Kendra Center for Special Children

Since 2019, ADAMA Formulation Plant in India has collaborated with Asmita Vikas Kendra hospital by adopting a group of 10 children with special needs and two teachers. We have taken care of their education, residence, nutrition, clothes, medical treatment and other various needs.

In 2021, our team renovated the children's classrooms in the hospital facility. The design was innovative and fun, and suitable for the needs of the children. The



classrooms were inaugurated in a dedicated ceremony along with the local dignitaries, where the community expressed their appreciation for ADAMA's continuous support.



## **ADAMA** Israel

## Participating in the Annual Charity Event "ALYN's Wheels of Love 2021"

28 riders from ADAMA participated in the annual charity event "ALYN's Wheels of Love 2021" in the Ramon Crater in Israel.

ALYN Hospital is Israel's only pediatric and adolescent rehabilitation facility, and treats children with a wide range of congenital and acquired conditions.

This year ADAMA was represented by an excellent team, and a donation was transferred to the hospital on behalf of each of them.

# Giving Back to the Community - Volunteer Event with ADAMA Israel and Their Families

During the Jewish holiday of Hanukkah 2021 (and after almost two years apart), we went outside to volunteer with our People's children. Together, we harvested 2,000 Kg of kohlrabi, which was donated to 1,000 disadvantaged families in the city of Lod, and we also made a cash contribution to send parcels of fresh fruit and vegetables to those in need.

The project is a collaboration of ADAMA with "Leket Israel" - the National Food Bank for the collection and distribution of fresh produce to people in need in Israel.

#### **ADAMA Colombia**

### **Supporting the Children of Local Tomato Growers**

ADAMA Colombia's marketing team organized a drawing contest for the children of local tomato farmers to spark creativity, well-being, and fun using colored pencils and a bit of imagination. Students who participated received gifts such as piggy banks, games and bicycles for those who go to remote schools. Throughout the project, we delivered 600 kits of colored pencils, piggy banks, games and more, while 26 children were given bicycles.

Our entire Colombian sales team was involved in the campaign, with farming families encouraging the children to participate. Our People even delivered the prizes!



Children are an important part of the Colombian agricultural value chain. They learn all about their community's traditions from their parents and grandparents, while simultaneously being agents of change. By promoting the welfare of children, we promote the welfare of their communities.

# Looking ahead

Implement a global volunteering framework to ensure each ADAMA employee volunteers at least **once a year** by 2030

- Short-term KPI: 50%-70% employee participation in volunteering activities
- 3-year plan: Build a community program in 10-15 of our biggest countries production sites
- New impact measurement and evaluation methodology

## **Our Social Response to COVID-19**

During the COVID-19 pandemic, ADAMA demonstrated its commitment to our neighboring communities by supporting local initiatives and helping those in need.



Our People in Argentina collected money for populations in need



Our People in Spain donating weekly boxes with fresh fruit to local NGO's



Donating food parcels to people in need who lost their jobs in South Africa



ADAMA India adopted 10 children with mental health problems



Families receiving masks and protective equipment in Brazil



לתתLATET

Contribution to the

the elderly and for

vulnerable families

purchase of hundreds of food parcels for

Disbursement of grants

to women and children

Ashdod and Jerusalem

the older neighborhoods

אשדוד

who are victims of domestic violence in

Distribution of educational kits to young families living in

in Ashdod



Repair of dozens of the

to at-risk teens

Virtual volunteering by ADAMA employees in a "Preparation for the Job Market" course for organization's computers high school students for donation and distribution



Support of sports associations in Be'er Sheva experiencing financial distress



Purchase of ventilators for the families in Be'er Sheva, Corona ward and support of the Corona ICU, gifts for medical staff







שיבא

Supply of hypochlorite to disinfect all

שבע 🦠

Purchase of computers

for school students

from disadvantaged

Ashdod and the

Yavneh region



Purchase of life-saving respiratory devices for home use





Support of disabled children, who are considered an at-risk population עלה וגב - נחלח ערן



**ADAMA** 

ADAMA's social engagement in Israel during the 2020 COVID-19 crisis

1,352,000 NIS donated to the community, alongside employee volunteer hours and engagement with a variety of social partnerships



**הקרן הישראלית** לערבות הדדית

Support children in the hospital, who are considered an at-risk population







Purchase of products from small businesses harmed by the crisis, for donation to patients in hospitals in southern Israel

קרן באר שבע לפיתוח... BEER SHEVA FOUNDATION



Sending agricultural produce to hundreds of underprivileged families, and payment of a grant to farmers who donated their produce and experienced distress as a result of the crisis

Joining dozens of leading companies to support personal victims of the Corona crisis through collection of donations from employees and matching the amount from the company

Support for Economic Victims of the COVID Crisis

## **GRI Sustainability Reporting Standards** GRI 103, GRI 102-12, GRI 413-1



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

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## **Annex**

## **About the Report**

We present here our ESG report with regard to the result of the year 2021.

This report was issued in accordance with the Global Reporting Initiative (GRI) SRS framework at the "Core" level for the period from 1 January 2021 to 31 December 2021. The detailed GRI content Index that provides an overview of all relevant information to fulfill the GRI indicators can be found in the Annex of this report. We also provide a description of how we contribute to the United Nations' Sustainable Development Goals (SDGs).

The disclosures and performance data in this report addresses our globally owned and managed facilities and assets for the fiscal year 2021.

The report has been prepared with assistance from external ESG specialist consultants. We have conducted both internal and third party appropriate checks on the validity of the detailed data, and have reasonable confidence in all published figures and practices. However, as in any document, there may be generalizations, inaccuracies, errors or omissions. All Forward-Looking Information within this document is based on the company's current estimates/intentions, but may not materialize due to various reasons.

In any case of discrepancy between the information in this report and information appearing in the Company's financial statements to the public, the information in the Company's financial statements is more accurate.

We wish to thank all the people and entities involve with the collection of the data.

ADAMA will continue to the report on our sustainability performance as well as an ESG format, to provide clear and comparable data, and to actively encourage discussion about how we can make improvements.

For any questions or comments, please contact:

Michal Arlosoroff

EVP, General Legal Counsel, Company Secretary,

Chief Corporate Communication & Chief Sustainability Officer

Michal.Arlosoroff@adama.com

## **Assurance**

Specific parts of this report has undergone an independent third-party assurance by KPMG Somekh Chaikin in accordance with the International Standards 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, GRI, or other information.



## **GRI Index**

## **ESG Performance Table**

2018 data includes only ADAMA Solutions data. In 2021, the data boundary is expanded to also include two large sites in China - Sanonda and Anpon

	2018	2019	2020	2021	Adittional Information
Energy					
Total Energy Consumption (TJ)	3,344	12,480	10,966	10,516	Includes Huifeng (2nd semester), Lycored and Chilen production site
Energy Intensity (TJ/ \$million revenues)	0.94	3.12	2.66	2.18	
Total Direct Energy (TJ)	1,251	7,964	4,908	4,686	

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	2018	2019	2020	2021	Adittional Information
Coal (TJ)	0	6,735	3,753	3,210	
Natural Gas (TJ)	675	556	753	1,125	
Fuel Oil (TJ)	95	87	85	80	
Diesel (TJ)	112	39	34	40	
LPG (TJ)	83	41	37	20	
Other ossil fuels (TJ)	286	506	246	127	Not including Hydeogen and Biomass (wood)
Total Indirect Energy (TJ)	2,093	4,516	6,023	5,831	
External Electricity (TJ)	1,248	3,448	4,539	4,082	
External Steam (TJ)	845	1,068	1,485	1,749	
Renewable Energy Used (TJ)	-	50	34	51	Based on energy mix of electricity supplier
Greenhouse Gas Emission					
Scope 1+2 GHG emissions (tonne CO2e)	242,249	1,429,852	1,273,618	1,210,860	Includes Huifeng (2nd semester), Lycored and Chilen production site
GHG Intensity (tonne CO2e/ \$million revenues)	68	358	309	252	
Scope 1 emissions: On-site fuels (tonne CO2e)	93,702	688,557	421,172	413,466	
Scope 1 emissions: company vehicles (tonne CO2e)	not measured	not measured	11,391	24,287	2021 less lockdowns due to the epidemic
Scope 2 emissions: Indirect energy (tonne CO2e)	148,547	741,295	852,446	797,393	
Scope 3 emissions: others indirect (tonne CO2e)	not measured	3,048,317			Not evaluated
Water					
Total Water Consumption (m3)	3,503,711	10,289,074	11,624,389	13,565,073	Includes Huifeng (2nd semester), Lycored and Chilen production site
Water Intensity (m3/ \$million revenues)	989	2,574	2,816	2,818	
Total Wastewater discharged (m3)	1,837,594	6,434,057	9,398,207	9,511,529	
Total Wastewater reclaimed ** (m3)	114,090	282,155	220,690	160,531	

	2018	2019	2020	2021	Adittional Information
TOC in effluents (tonne)	212	284	369	682	
COD in effluents (tonne)	636	852	1,107	2046	
TSS in effluents (tonne)	94	235	254	234	
Herbicides discharged *** (tonne)	1.2	1.1	0.84	0.8	
Air Emissions					
Particulate matter (tonne)	not measured	not measured	14	28	Includes Huifeng (2nd semester), Lycored and Chilen production site
NOx emissions (tonne)	106	330	131	159	
SOx emissions (tonne)	32	178	25	41	
VOC emissions (tonne)	72	82	89	81.3	
Solid Wastes					
Total Hazardous Waste (tonne)	23,429	44,766	121,262	158,735	
Hazardous waste to landfill/incineration (tonne)	NA	40,827	40,649	49,464	
Hazardous waste to recycling (tonne)	NA	3,939	80,613	109,271	
Total Non-Hazardous Waste (tonne)	8,214	108,804	79,256	78,061	
Non-Hazardous waste to landfill/incineration (tonne)	NA	107,165	72,646	71,049	
Non-Hazardous waste to recycling (tonne)	NA	1,639	6,611	7,013	
<b>Environmental Management</b>					
Expenditures on Environmental Protection (Million USD)	12	9	19.2	41*	*Not include China
Expenditures on Environmental Protection (Million USD)				19*	*Investment in China only
Investments on Environmental Protection (Million USD)	48.6	48.2	50.6	54.5	
Sites certified to ISO 14001 or to an eqv. Standard (%)	NA	NA	64%	57%	Huifeng and Colombia
<b>Environmental Compliance</b>					
Environmental Fines (Million USD)	0	0.1	0	0.008	

	2018	2019	2020	2021	Adittional Information
Significant Environmental Incidents	5	3	4	4	
Health and Safety					
Recordable Injuries	55	49	40	49	
Fatal Incidents	0	0	1*		
Injury Rate (IR)	0.76	0.56	0.46	0.45	
Total Days missed due to safety incidents	710	878	874	1,744	
Recordable Occupational Illness cases	0	0	0	0	
Sites certified to ISO 45001 or to an eqv. Standard (%)			56%	43%	
Quality Employment					
Total Employees	7,675	7,759	7,505	9,162	
*Female		1,825	1,800	2,236	
*Men		5,934	5,705	6,926	
Total full-time employees(FTEs)	7,635	7,719	7,562	9,145	
*Female		1,793	1,800	2,222	
*Men		5,926	5,676	6,923	
Total part-time employees	40	40	29	17	
*Female		32	22	14	
*Men		8	7	3	
Unionized employees portion of workforce (%)	23%	21%	21%	16%	
*Female				3%	
*Men				13%	
Employee Retention rate (%)		89%	88%	87%	
Employee Turnover rate (%)	8.70%	12.20%	12.80%	13.70%	
New Hires- Employees	742	944	749	2,617	2020 - Due to reorganization and relocation in China
New Hires- Managers	100	112	65	191	

	2018	2019	2020	2021	Adittional Information
New hires by gender and ag	e group				
Female <30	-	-	-	97	
Female 30-50	-	-	_	525	
Female >50	-	-	_	67	
Men <30	-	-	_	257	
Men 30-50	-	-	-	1107	
Men >50	-	-	_	755	
Total new hires <30	-	-	-	354	
Total new hires 30-50	_	_	_	1632	
Total new hires >50	-	-	-	822	* Include new company ADAMA Huifeng & ADAMA Dibai
End of Employment- Employees	595	866	1,101	1,014	
End of Employment- Managers	72	79	113	135	
Leavers by gender and age g	group				
Female <30	-	-	-	24	
Female 30-50	-	_	_	165	
Female >50	-	-	_	68	
Men <30	_	_	_	81	
Men 30-50	-	-	_	478	
Men >50	_	_	_	333	
Total leavers <30	-	-	_	105	
Total leavers 30-50	_	_	_	643	
Total leavers >50	-	-	-	401	
Employees participating in performance review* (%)	93%	95%	96%	95%	
Open positions filled by internal candidates (%)		27%	25%	35%	
Employee Role distribution					
Manufacturing	3,221	3,034	2,817	3,871	

	2018	2019	2020	2021	Adittional Information
R&D	238	264	243	250	
Sales & Registration	1,716	1,835	1,739	1,939	
Management & Administration	568	485	469	500	
Other	1,932	2,141	2,237	2,602	
Total	7,675	7,759	7,505	9,162	
Employee Age distribution					
Total employees senior managers	127	131	130	125	
Total employees middle managers	523	621	684	810	
Total employees non-managers	7,004	6,986	6,672	8207	
Top management	21	21	19	20	
Female Top Management	2	2	2	2	
Female senior managers	21	24	25	25	
Female middle managers	140	161	176	212	
Female non-managers	1,588	1,638	1,597	1,997	
Men Top Management	19	19	17	18	
Men senior managers	106	107	105	100	
Men middle managers	383	460	508	598	
Men non-managers	5,416	5,348	5,075	6,210	
Total Top managers - under age 30	0	0	0	0	
Total Top managers - age 30-50	5	4	2	2	
Total Top managers age - age 50 and up	16	18	17	18	
Total senior managers - under age 30	0	0	0	0	
Total senior managers - age 30-50	54	55	49	43	
Total senior managers age - age 50 and up	73	76	80	81	
Total middle managers - under age 30	8	7	4	4	
Total middle managers - age 30-50	378	446	460	526	
Total middle managers - age 50 and up	135	166	214	279	
Total non-managers - under age 30	995	833	603	591	

		•	•	•	
	2018	2019	2020	2021	Adittional Information
Total non-managers age 30-50	4,554	4,540	4,447	5,172	
Total non-managers - age 50 and up	1,447	1,602	1,610	2,444	
Total employees - under age 30	1,003	840	607	595	
Total employees age 30-50	4,991	5,045	4,958	5,743	
Total employees - age 50 and up	1,671	1,862	1,921	2,824	
<b>Diversity and Gender Equality</b>					
Women FTEs	1,719	1,793	1,800	2222 (All = 2,236)	=
Men FTEs	5,916	5,926	5,705	6923 ( All = 6,926)	
Non-Management Employees - Women	1,588	1,638	1,597	1,997	
Middle Management Employees - Women	140	161	176	212	
Senior Management Employees - Women	21	24	25	25	
Top Management - Women	2	2	2	2	
Non-Management Employees - Men	5,416	5,348	5,075	6,210	
Middle Management Employees - Men	383	460	508	598	
Senior Management Employees - Men	106	107	105	100	
Top Management - Men	19	19	17	18	
Gender Salary Ratio- non-management employees ** (%)	79%	77%	76%	72%	
Gender Salary Ratio - middle management ** (%)	103%	100%	97%	93%	
Gender Salary Ratio - senior management ** (%)	110%	109%	105%	114%	
Gender Salary Ratio - top management ** (%)	113%	113%	109%	112%	
Community Engagement					
Community donations (USD)	1,866,000	1,920,000	2,738,000	2,599,000	
Donation per pre-tax profits (%)	0.90%	0.94%	2.70%	2.80%	

		. <b>.</b>	. <b>.</b>				
	2018	2019	2020	2021	Adittional Information		
% of workforce participating in volunteering *** (%)	10%	10%	20%	19%	*** Volunteering figures only currently available for ADAMA Israel		
Hours of employee volunteering (hours)	1,400	1,120	1,300	2,777	*** Volunteering figures only currently available for ADAMA Israel		
Hours of volunteering per employee (hours per employee)	10.6	8	9	11.5	*** Volunteering figures only currently available for ADAMA Israel		
Board of Directors - ADAMA Ltd							
Total number of directors	6	5	5	5			
Number of Non-Executive Directors on Board	4	4	4	4			
Number of External Directors	2	2	2	2			
Number of Independent Directors	2	2	2	2			
Separate Chair and CEO	Yes	Yes	Yes	Yes			
Annual Election of Directors	6	0	3	5			
Average Age of Directors	56	57	58	59			
Women directors	0	0	0	0			
Board meeting held	11	9	10	10			
Attendance rate - general board meetings (%)	100%	100%	100%	100%			
Audit Committee - meetings held	6	5	5	6			
Audit Committee - attendance rate (%)	100%	100%	100%	100%			
Nomination Committee - meetings held	2	-	5	1			
Nomination Committee - attendance rate (%)	100%	-	93%	100%			
Compensation and Appraisal Committee - meetings held	2	2	3	2			
Compensation and Appraisal Committee - attendance rate (%)	100%	100%	100%	100%			
Strategy Committee - meetings held	0	0	0	0			

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	2018	2019	2020	2021	Adittional Information			
Board of Directors - ADAMA Solutions								
Total number of directors	7	7	7	7				
Number of Non-Executive Directors on Board	5	5	3	3				
Number of External Directors	2	2	2	2				
Number of Independent Directors	1	1	1	1				
Separate Chair and CEO	Yes	Yes	Yes	Yes	Aviram Lahav served as the Company's CEO & CFO until September 30, 2021, continuing to be employed by the company till December 31, 2021			
Annual Election of Directors	No	No	No	No	Please note that there is no regulatory nor other need within the AOA for an annual re-election of the board members, whom are being nominated by the sole shareholder. The external directors preside for 3-year terms (for a tenure no longer than nine-year period)			
Average Age of Directors	58	57	59	60				
Women directors	1	1	1	1				
Board meeting held	7	7	7	7				
Attendance rate - general board meetings (%)	89%	80%	84%	76%				
Audit Committee - meetings held	11	8	13	10				
Audit Committee - attendance rate (%)	93%	93%	92%	97%				
Financial Statements Review Committee - meetings held	4	4	4	4				
Financial Statements Review - attendance rate (%)	92%	100%	83%	92%				
Remuneration Committee - meetings held	3	4	8	5				

	2018	2019	2020	2021	Adittional Information
Remuneration Committee - attendance rate (%)	78%	92%	92%	100%	
Ethics					
% of Employees trained on code of ethics		80.00%	92%	87%	
% of Employees trained on data privacy	-	63.40%	-		
Commitment to avoid political donations	Yes	Yes	Yes	Yes	
Complaints reported to speakup hotline			5	20	20 cases were reported via SpeakUp and 3 in addition were reported directly to General Counsel or senior managers/HR
% of complaints regarding suspect of bribery/corruption	-	40%	-	10%	
% of complaints regarding HR issues	-	20%	20%	20%	
% of complaints regarding Product Compliance	-	20%	-	-	
% of complaints regarding Other Issues			80%	70%	
<b>Economic Value Shared</b>					
Payments to suppliers (Million USD)	2,851	3,006	3,150	3,410	
Employee wages and benefits (Million USD)	479	495	522	560	
Payments to governments (taxes) (Million USD)	92	100	31.5	59	
Payments to providers of capital (Million USD)	114	144	9	12	Includes payment of interest on loans and dividends to shareholders
Capital expenditure (Million USD)	196	207	214	402	
Community donations (Million USD)	1.87	1.92	2.8	2.6	
Total Economic value shared (Million USD)	3,734	3,954	3,930.0	4,446	



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