



ADAMA



Modern Slavery 2019



Our Policies on Slavery and Human Trafficking

ADAMA is committed to protecting human rights. We place great importance on this value and view it as a cornerstone of our activities. Furthermore, we invest great efforts into identifying and doing business with partners who aspire to conduct their business in a similar manner.

Adama's Code of Conduct (revised 2018) is a guide to the ethical standards that are expected of all our employees as representatives of the Group, when dealing with governmental authorities, suppliers, customers, competitors, and the community in which we conduct our business. It outlines our business, social, and environmental responsibilities, and clearly sets out the standards we expect from our people and our partners.

In 2018 all Adama employees were trained via on-line training or face to face training in all aspects of our Code of Conduct. The Code of Conduct is available at www.adama.com

Our Employment Practices

ADAMA employs more than 6,600 people in over 45 countries. At the end of 2017, 97% of our employees were working in full-time positions. ADAMA prefers to employ its personnel on a permanent rather than a temporary basis. Thus, the vast majority of employees receive a full salary and benefits.

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

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

The conditions for employment at ADAMA are determined by collective agreements, personal contracts, or other arrangements, in accordance with the relevant laws in the various countries of our operations. In many cases, we have established employment procedures and policies above and beyond the standards required by law. We do not use labor-only contracting, subcontracting, home-working arrangements, or apprenticeship schemes to avoid employer obligations.

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

ADAMA provides its employees all the benefits required by law and in many cases – above the legal requirements. To help us define criteria for salaries and benefits, we conduct annual salary surveys (salary benchmarks), which help us evaluate the standard for our terms and conditions versus the market in each country. Our goal is to provide remuneration that is equivalent to those in local markets, or which surpasses them.

ADAMA recognizes the right of our employees to join trade unions, conduct collective negotiations, and enjoy all the rights available to them through their membership in those unions. We have never restricted freedom of association, and we continue to support the process of collective negotiations, and to protect the rights of all employees. Approximately 34% of our employees are represented by collective agreements which generally cover pay rates, working hours, other terms and conditions of employment, certain employee benefits, and orderly settlement of labor disputes.

Corporate Social Responsibility

Our guiding principles in corporate governance are transparency and simplicity. We aim to internalize the values of Corporate Social Responsibility in our corporate culture, and to continue to persevere in disclosure and transparency.

In 2017 Adama published its sixth ADAMA Corporate Social Responsibility Report (CSR) produced in accordance with the GRI Standards framework at the “Core” level. The report provides information to all our stakeholders including our customers, employees, investors, business partners, community members, and governmental and non-governmental organizations. In 2017 Adama took new and significant measures to bolster the substance of our CSR report including partnering with Ecovadis, a leading provider of CSR ratings and scorecard services. We provided thorough input for the company’s CSR questionnaire, which we will continue to work with in the future. In 2017, we also conducted a materiality process to identify sustainability issues and the report grouped the results into three areas, employees, environmental friendliness and corporate governance. The report is available at https://www.adama.com/documents/130172/7253197/CSR_adama_2016-2017_Final.pdf.

Production and Procurement

Adama has 7 global product development centers and 21 production sites - both synthesis and formulation.

We are constantly expanding our production capacity. We do this primarily by establishing new production capabilities at our existing synthesis, formulation, and packaging facilities, as well as by integrating production facilities owned by acquired companies. Approximately half of the production of our active ingredients takes place in one of our plants, with 80% of our products manufactured and/or formulated at our sites. This allows us to ensure the quality of our products and to ensure that good employment practices are adopted. Final formulation and packaging—which require less complex production facilities—are completed in either those main plants, in the customer’s country, or a nearby country under strict rules and guidelines which include detailed supplier quality and performance audits.

Adama procures materials globally and to a large extent in China and India. Our suppliers are chemical manufacturers which is a complex and skilled activity requiring employees with advanced educational levels and we consider there is less vulnerability to exploitation via modern slavery practices than other industries.

Risk Assessment

Adama believes that our operations are at low to very low risk of forced or compulsory labor or child labor.

Adama does not use forced, bonded, nor compulsory labor, nor participates in any form of exploitative child labor practices. Subject to applicable law, Adama may authorize children at the age of 14-18 to participate in summer work, industrial placement, or internship (but not in hazardous conditions nor during night hours), in compliance with local applicable law and under managerial supervision.

Future Initiatives

From 2019 Adama will take positive action within our procurement division to highlight the issue of modern slavery and to ensure that our suppliers understand that adherence to fair labor conditions is a key part of supplier approval. A system for auditing suppliers will be introduced.

Reporting

In addition to the confidential code of conduct breach reporting process set out in the Code of Conduct Adama runs a Speak Up Service that is a confidential hotline enabling anyone including external third parties to report a potential concern with a modern slavery issue via an independent service which is available in all Adama languages.



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