



Haifa Group

# CORPORATE RESPONSIBILITY

ESG Report 2022-2023



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Haifa Group

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# Opening statements

## The Chairman's Statement



**Dr. Ariel Halperin**  
Chairman of the Board

As Chairman of the Board, I am proud to present Haifa Group's Sustainability Report, which highlights our strong commitment to meeting the highest standards of ESG performance. In an increasingly complex and demanding global agricultural sector, Haifa Group continues to align its strategies with the evolving expectations of sustainability, efficiency, and responsible growth.

This is Haifa Group's second sustainability report, showcasing our newly set strategy and goals for 2030. This report demonstrates our commitment to leading a substantial, long-term IMPACT, and the significant depth of activities we lead to achieve so.

We have built a governance framework that reflects the industry's best practices, prioritizing transparency, accountability, and ethical management across all operations. Our Board provides strategic oversight to ensure that we meet the high standards expected by the global market, while our management team drives execution with professionalism and integrity. This leadership enables us to deliver sustainable, high-IMPACT agricultural solutions that benefit both society and the environment.

To ensure ongoing commitment to sustainability, the Board has appointed a representative who is actively involved in all sustainability matters. Regular Board meetings include reports on IMPACT issues, and strategic decisions are made with consideration of sustainability parameters.

Haifa Group's IMPACT efforts span the entire value chain, guided by our principles of resource efficiency, accountability, and the centrality of growers and crops. By adhering to these principles, we align our operations with our sustainability goals, ensuring a positive IMPACT on the environment and society while maintaining high standards of responsibility.

I am immensely proud to chair the Board of this Group, that approaches IMPACT with the highest level of professionalism. Haifa Group is a pioneer in sustainable agriculture, achieving not only financial success but also setting new benchmarks for environmental stewardship and social responsibility. Our dedication to these values ensures that we remain leaders in the industry, continuously innovating and driving forward the future of agriculture.

Looking ahead, we are committed to continually raising the bar on sustainability. Our ambitious goals reflect the growing need for resilient, responsible food systems in a changing world.

Together, we are shaping the future of agriculture, delivering long-term value to our stakeholders, and ensuring a positive, lasting IMPACT to ensure thriving humanity and our planet's health.

**Respectfully,**

**Dr. Ariel Halperin** *Ariel Halperin*  
Chairman of the Board  
Haifa Group

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# Opening statements

## The CEO's Statement



**Motti Levin**  
CEO

Dear Stakeholders, At Haifa Group, our journey towards precision and sustainable agriculture showcases our unwavering commitment to the future of global food systems. By integrating Haifa's top quality product portfolio with advanced technologies and sustainable practices, we aim to create a resilient food system and agricultural framework that meets today's needs while conserving resources for future generations.

Our dedication goes beyond our responsibility to upholding IMPACT and ESG standards, to challenging ourselves to maximize our positive impact on the world-to ensure food security, planet health, and a thriving global community.

I am proud to present our second Sustainability Report, which showcases our ongoing commitment to advancing global food security and pioneering agricultural INNOVATION. This report highlights the efforts of our 17 subsidiaries across 100 countries, reflecting our vision to positively IMPACT the global agriculture system. It details our strategic initiatives, ambitious 2030 IMPACT goals, and actions, driven by collaboration, INNOVATION, and commitment.

Since the last report, the Group has developed IMPACT work plans for all departments, setting clear goals to drive sustainability. A key focus has

been addressing climate risks by analyzing the company's carbon footprint and identifying emission sources across the value chain. This has enabled targeted actions to reduce emissions, improve energy efficiency, and enhance sustainability efforts to address challenges in modern agriculture.

Our commitment to sustainability is further demonstrated by the pioneering construction of the BLUMONIA plant, which is in advanced stage of constructions and will utilize solar energy to produce ammonia, significantly cutting the carbon footprint linked to fertilizer production. Additionally, we prioritize environmental responsibility by implementing waste minimization strategies in our operations.

We lead in sustainable agriculture with precision plant nutrition solutions and digital tools. Our tools help growers optimize fertilizer, water, and resource use through data-driven decisions. With strong agronomic support and innovative technologies, we boost productivity and reduce environmental IMPACT, ensuring plant and soil health. We will continue investing in R&D to pioneer sustainable agricultural solutions for the best agricultural practices.

Our commitment to achieving and surpassing our IMPACT goals is anchored in our core values of IMPACT, INNOVATION and COMPASSion. The dedication and expertise of Haifa Group's employees are essential in advancing our vision with a sustainable and forward-thinking approach. We are formulating policies on social matters and adhering to the highest standards of good governance, in alignment with global ESG standards.

As we navigate the transformative journey towards more sustainable and precise agricultural practices, we invite all our stakeholders to join us in redefining the future. Together, we can cultivate a world where agriculture thrives in harmony with nature, ensuring prosperity and well-being for generations to come. Thank you for your continued support on this journey.

**Sincerely,**

**Motti Levin, CEO**  
Haifa Group



# Sustainability Highlights from 2022-2023

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# Sustainability Highlights from 2022-2023

Developed a holistic **IMPACT** strategy, long term goals, and cross company implementation workplans

**25-50 gr CO<sub>2</sub>eq saving** per kg yield produced when using Haifa's premium nutrition solutions

**28% Reduction** in carbon footprint in scopes 1 & 2 from 2022 to 2023

**86% Reduction** in TOC emissions from 2021 to 2023

**100% reuse** of industrial sludge as raw material

Over **1.5 million** visitors at Haifa's precision agriculture knowledge-hub website from all around the world

**120% increase** in employee volunteer hours

**20% Women** at managerial positions

**8%** employee turnover rate

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# Sustainability Highlights from 2022-2023

**17%**  
of new hires in Israel were from  
**minority groups**

**The first**  
certified AI lab in the world –  
Haifa's Croptune app got  
ISO 17025 certified

**10 million** NIS  
invested in **R&D**  
efforts and initiatives

3 new core values and growth drivers  
**IMPACT**  
**INNOVATION**  
**COMPASSion**

Over **60%**  
**decrease**  
in the number of customer  
complaints since 2018

**58 hours**  
of safety training per  
employee in Haifa Negev

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# The Haifa Group Story

## Haifa – Heritage of Pioneering

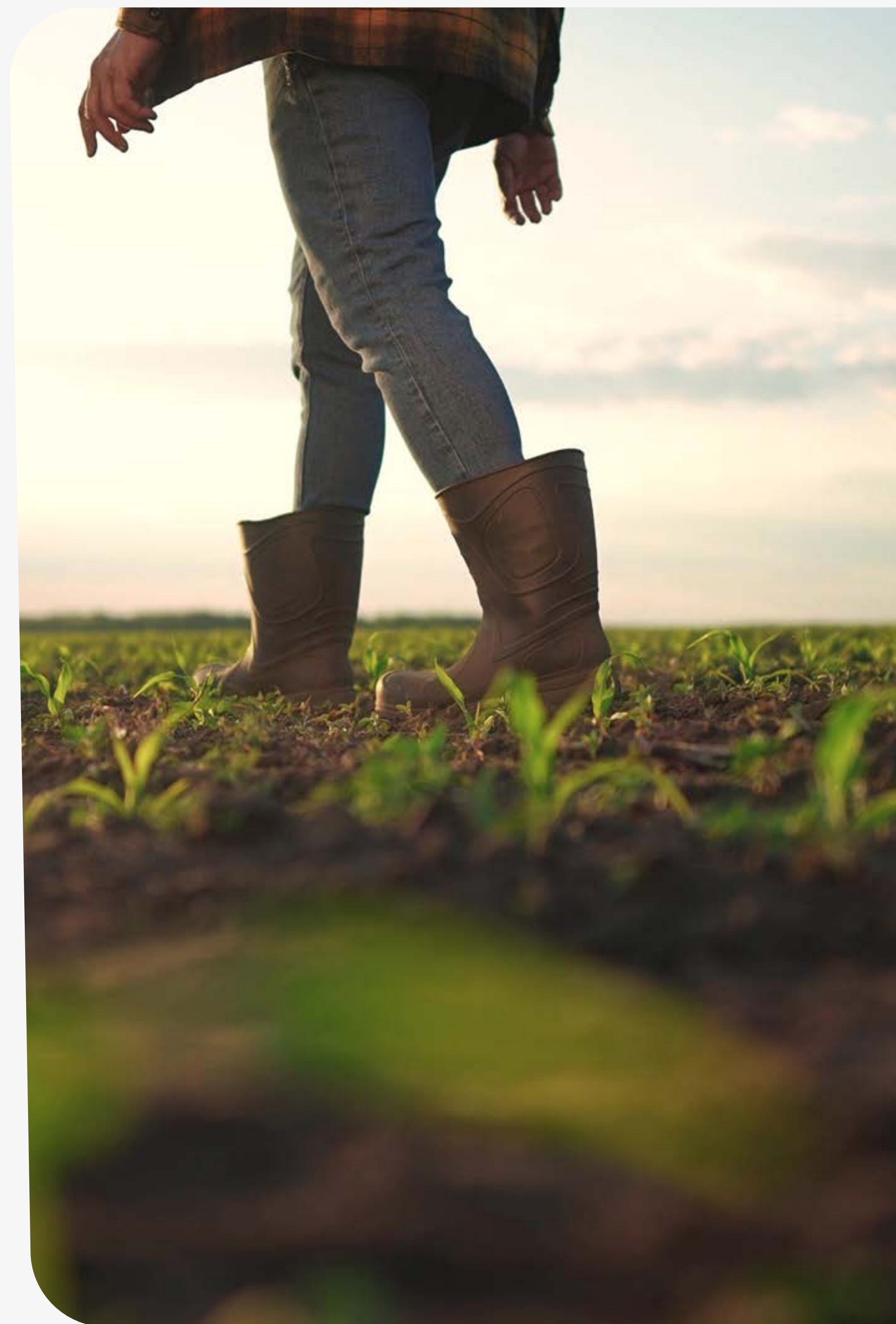
The idea to develop, produce and supply optimal solutions for plant nutrition was born almost 60 years ago, when Haifa Group established its first factory in the Haifa Bay, Israel.

Since its establishment in 1966, the company has developed breakthrough solutions for modern agriculture in the field of precise plant nutrition.

**Since then Haifa Group has become a world leader in plant nutrition, producing special fertilizers, engaged in development of innovative and impactful agricultural products.**

Our agricultural and agronomical expertise has yielded a variety of unique premium products, aiming to provide each growers tailored fertilization solutions adapted to their specific needs.

**Haifa brand products are sold worldwide, providing farmers around the world with precision plant nutrition solutions, improving their yields, and reducing their environmental footprint.**



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# The Haifa Group Story

## Shaping the Future

The company was founded with the vision of transforming Israel's limited natural resources into advanced and revolutionary fertilization products, which will be transported worldwide. Over the years the company expanded and become a world leader in its industry.

**Haifa Group is committed to promoting a better future for humanity and for our planet, by producing more sustainable plant nutrition products and providing holistic solutions, enabling growers to grow more with less.**

The company is manufacturing its products in three sites - its main factory, located in southern Israel, along with two additional production sites in southern France and Ontario, Canada. Haifa's products are sold globally through 18 subsidiaries, in more than 100

countries. In order to sustain leadership position as an innovative producer of future friendly agricultural solutions,

**The Group designed an extensive strategic investment plan. unique in the Israeli industrial arena. This strategic plan aims to increase production capacity meeting growing global demand for premium plant nutrition solutions.**

**The growing demand is rooted in the increasing global population, and in the challenges climate change pose.**

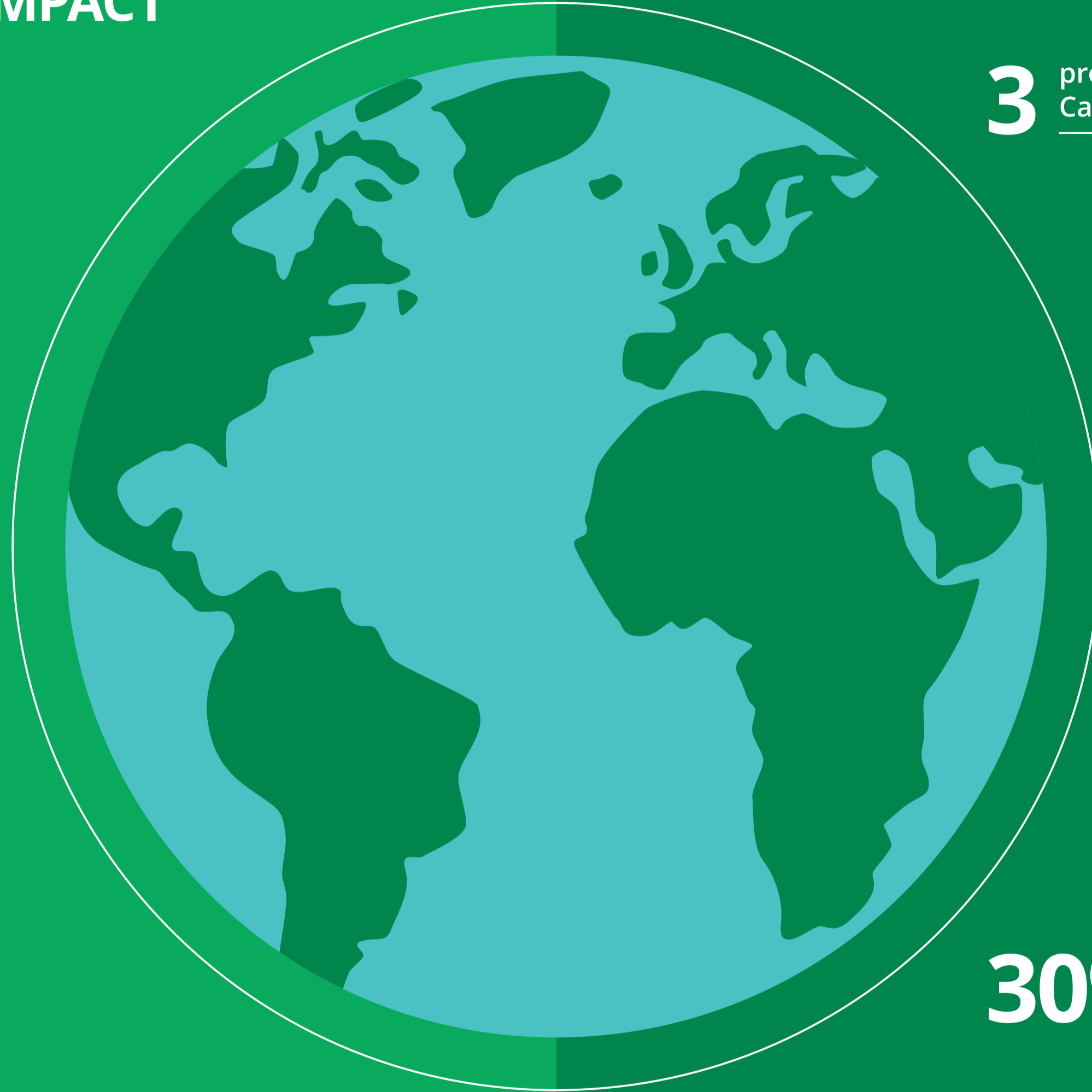
As Haifa's unique solutions are sustainable by nature, compared to commodity fertilizers, the investment in scaling up production and operations is an investment in turning global agriculture into a more sustainable industry.



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# The Haifa Group Story

## The Numbers Behind the IMPACT



**17** subsidiaries around the world

**3** production plants in Israel, Canada and France

**725** employees

Almost **60** years of experience

**100+** countries where the company's products are sold

**30%** of greenhouse farming nutrition global market share

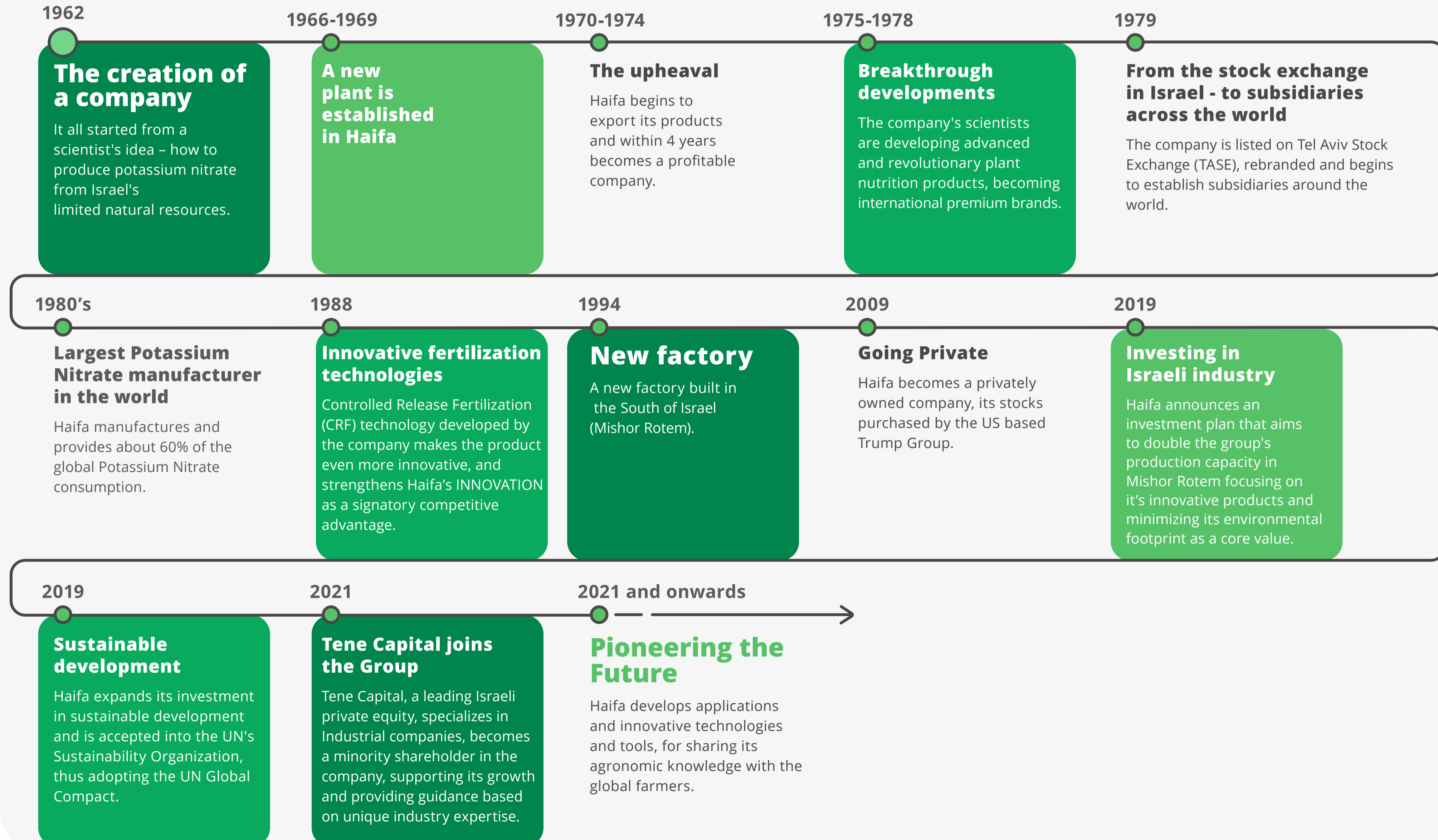
**95%** of Haifa Group's products are exported



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# The Haifa Group Story

## Our Core Values



### INNOVATION

as the world faces growing population and climate change challenges, Haifa Group harnesses INNOVATION to empower the agricultural world. We develop groundbreaking solutions that take advantage of cutting-edge technologies, focusing on nutrient management systems that support precision agriculture. The company's products enable optimal nutrition adjusted to the plants' needs.

Haifa is deeply committed to fostering INNOVATION within the organization, supported by a dedicated R&D department, agricultural research and development farms, and collaborations with various institutions. Employees are encouraged to contribute pioneering ideas through cross-company Task Force groups. These initiatives aim to develop comprehensive solutions addressing the evolving requirements of growers, thereby keeping the group at the forefront of agricultural INNOVATION and solutions for the agriculture sector.



### IMPACT

Haifa's IMPACT strategy is designed to enhance the Group's positive contributions to society and the environment throughout its entire value chain. The Group prioritizes diversity, equity, and inclusion in its internal and ESG practices, along with the wellbeing and safety of its employees and suppliers, and active community engagement. Furthermore, the company views its plant nutrition solutions and services as key elements in leading and accelerating the global transition to sustainable agriculture, thereby contributing to food systems that support the prosperity of both humanity and the planet.



### COMPASSion

Haifa operates to realize its desire to build a more caring and attentive world. Serving as the Group's compass, the value of COMPASSion is rooted in the internal culture and discourse within the company and expands from there to all engagements with our external stakeholders - customers, suppliers, and growth partners.



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# The Haifa Group Story

## Haifa's Pioneering Premium Products

Since its establishment, **Haifa Group has become a world leader in the field of specialty plant nutrition by producing premium fertilizers.**

**The company's signature products were developed in a groundbreaking process based on locally extracted potash and phosphate, which are turned into high-quality products of unique value to agriculture.**

**The core of the company's activity is the creation of efficient and advanced solutions for plant nutrition adjusted to the needs of growers and crops around the world.**

Haifa Group serves the market with more than 20 different plant nutrition product groups, and hundreds of ready-made mixtures, each one dedicated to different crop and growing stage and conditions.

In addition to its agriculture applications, some of Haifa's products can also be used for a variety of industrial applications, including thermo-solar power plants. Some of the industrial products are manufactured from residual materials and byproducts of the main production process. Thus, the company successfully generates new business and revenue streams, while minimizing waste.



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## Voices from the Fields: Stories of Sustainability from Brazilian Grower

"At our farm, we have consistently encountered productivity challenges with successive plantings of yellow melon. However, since being introduced to Haifa's Polyfeed 19-19-19, our situation has significantly improved. This product not only provides essential nutrients required by the plants but also includes *ascophyllum nodosum*, which is crucial for plant development from the initial phase. We began administering Polyfeed during the first four weeks using fractional fertilization.

Consequently, **we increased our productivity from approximately 25/26 tons per hectare in successive plantings to around 40 tons.** Furthermore, **we substantially reduced the percentage of rejected fruit.** Currently, we achieve an average of 6-8 fruits per linear meter, meeting market demands for standardized fruit with excellent quality and vibrant coloration."

**Fran Terto, Agronomic Engineer at Fazenda Sweet Valley, Brazil**



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## Haifa's Pioneering Premium Products

Haifa's plant nutrition products are divided into four main categories:

### Fertigation\water soluble fertilizers

Haifa's broad family of potassium nitrate based water-soluble fertilizers covers the entire range of nutrients that plants need for healthy development and successful yield production. Haifa's water-soluble fertilizers are ideal for highly efficient application through fertigation method. Haifa's blends, containing the different nutrients required for the plant, support the grower by making its farming more efficient, sustainable and profitable.

## Multi-K

The Multi-K™ range offers potassium nitrate formulas tailored to different crops and growth systems, from open fields to hydroponics and soilless cultivation.



## Poly-Feed

Haifa's Poly-Feed™ is the water-soluble fertilizer line, ideal for use in Nutrigation™ and foliar sprays. The different formulas provide plants with the essential nutrients they need for optimal growth, free from sodium and chloride.







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# The Haifa Group Story

## Haifa's Pioneering Premium Products

### Foliar

Haifa's fertilizers and formulae can also be applied on the plants leaves directly, instead of through the irrigation system. These products are mostly used in situations in which the plant needs a rapid correction of nutrient deficiency, nutrient boost or when root absorption is hindered by environmental factors.

### Controlled release fertilizers (CRF)

CRF is granular fertilizer coated with a thin layer of polymer. The coating leads to a controlled diffusion process in which the release of nutrients around the roots over a longer period time, dependent on the soil temperature and the thickness of the coating. A single application of the fertilizer ensures nutrition throughout the growing season, and the nutrients released in a controlled manner are fully consumed by the plant. **This method improves nutrient use efficiency, allowing a significant reduction in the amounts of nutrients applied in the field (by 30% ) and minimizes the environmental impact of fertilization.**

### Multicote

The Multicote™ line feeds plants continuously for months, ensuring maximum nutrient uptake efficiency across, horticulture, ornamentals, and turf.



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## Haifa's Pioneering Premium Products

### Bio-stimulants and micronutrients

Haifa's bio-stimulants are nutritional supplements carefully formulated to enhance the plant optimal growth by alleviating biotic and abiotic stresses, ensuring higher yields and to maximize quality.

**Bio-stimulants improve the entire growth of the plant, resulting in higher yields and quality.**

### HaifaStim

HaifaStim™ biostimulants support optimal growth by improving plants' resilience, boosting yields, and enhancing quality.



### Haifa Micro

The Haifa Micro™ range provides chelated micronutrients, ensuring stability and optimal availability for plant uptake. This guarantees plant health and boosts overall performance.



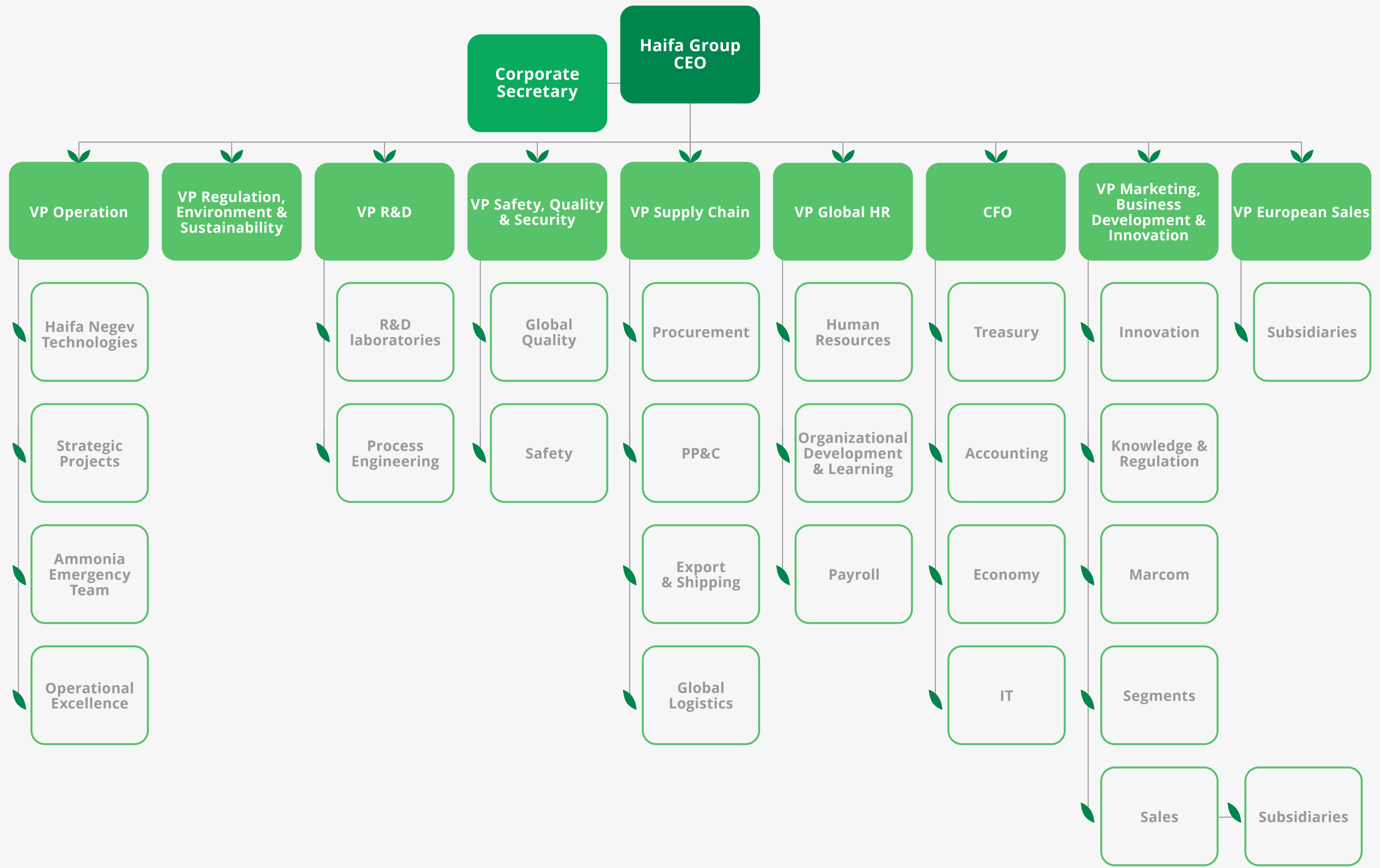
For elaboration on the impact of these products, please see in pages 31-36.



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# The Haifa Group Story

## Organizational Structure



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# The Haifa Group Story

## Our Global Presence



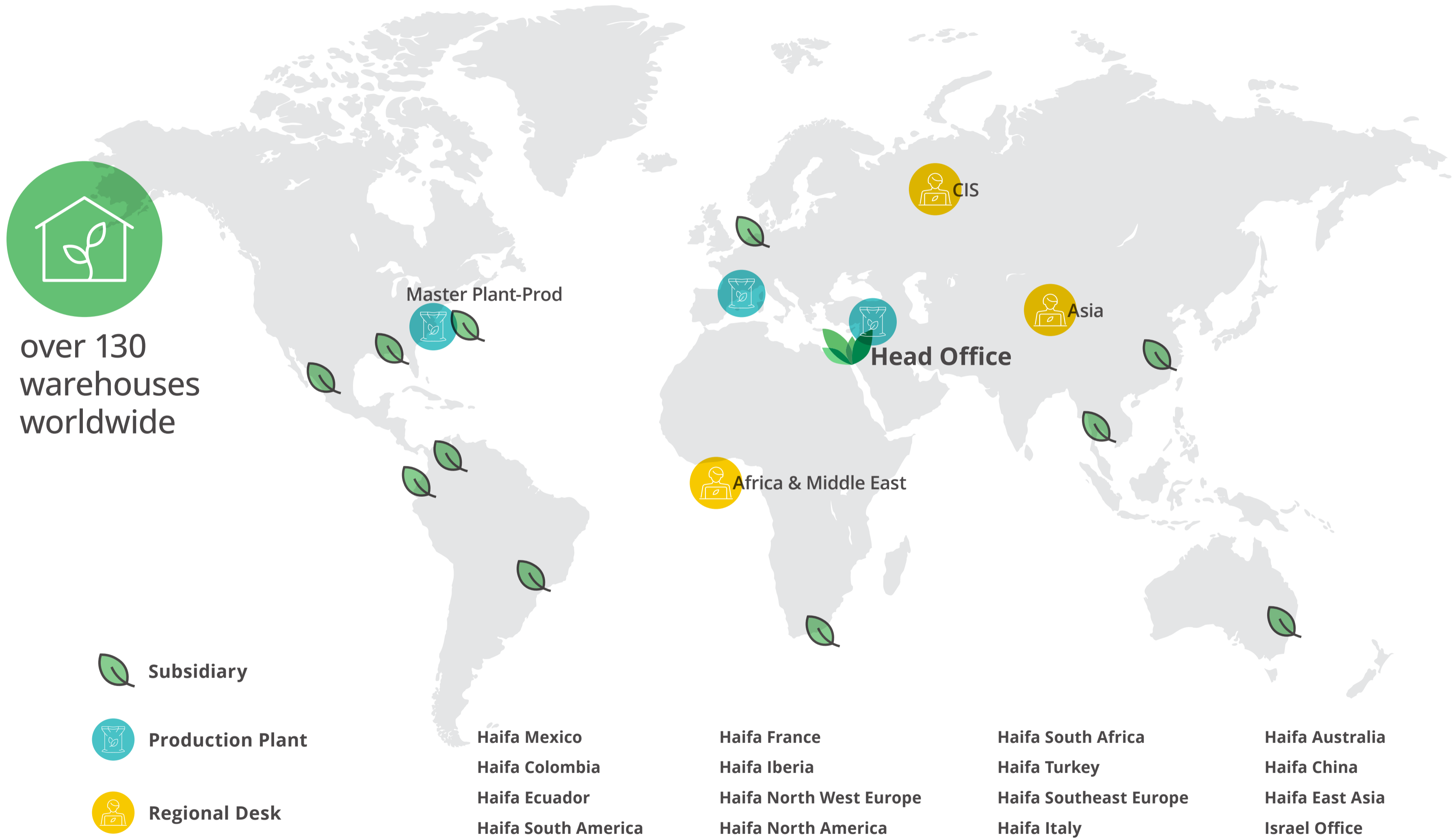
Our global presence includes three production sites located in Israel, France, and Canada, 17 distribution subsidiaries and 130 warehouses worldwide. Haifa's global facilities, partners and infrastructures, along with its global team of agriculture specialists, play a crucial role in delivering the solutions to over 5,000 distributors and customers that serve millions of growers in 100 countries worldwide.



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# The Haifa Group Story

## Our Global Presence



Each of Haifa's 17 regional subsidiaries acts as a regional hub, selling the products to a variety of distributors, and ensuring that Haifa's clients receive the products most accurate for their unique and growing needs. In 2022-2023 the group established a new subsidiary – in Ecuador. Any new subsidiary represents a step forward in Haifa's mission to deliver exceptional value and support sustainable agricultural practices worldwide.

Haifa's 18th subsidiary is called AgrIoT, an innovative startup which developed the Croptune app, on which you can read in page 69.



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# The Haifa Group Story

## Material ESG Topics

### Materiality topics identified by Haifa Group:

During the preparation process of Haifa's previous ESG report for 2021, the group conducted a materiality assessment based on engagement with internal and external stakeholders. This process resulted in a list of material topics that guided the Group's previous report.

Since that report, the company has deepened its understanding of the ESG related IMPACTs on its stakeholders, as well as the business potential risks and opportunities. The engagement with its stakeholders on relevant ESG related topics is embedded in the ongoing communication channels with them. Based on these insights, as well as a dedicated desktop survey, the company re-assessed and updated the list of material topics towards this report.



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# The Haifa Group Story

## Material ESG Topics

### Environment

- ✎ Promotion of Precision agriculture and sustainable products
- ✎ INNOVATION in processes and products
- ✎ Reducing Environmental IMPACTs of operations Sustainable supply chain

### Social

- ✎ Employee engagement, wellbeing & development
- ✎ Employee health & safety
- ✎ Community engagement
- ✎ Indirect economic IMPACT

### Governance

- ✎ Group's values and corporate ethics
- ✎ Corporate governance
- ✎ ESG management
- ✎ Quality management



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# The Haifa Group Story

## Membership in Associations

Haifa Group is a member in several Israeli and international associations:



Manufacturers Association of Israel



The Israeli Institute of Energy and Environment



Israel Export Institute



IFA



Fertilizers Europe



UN Global Compact



SIEF



Maala





# Maximizing Positive IMPACT

# Maximizing Positive IMPACT

## Haifa's IMPACT Strategy:



**TO GROW  
MORE FOOD  
USING LESS  
RESOURCES**

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# Maximizing Positive IMPACT

## Haifa's IMPACT Strategy

**"to grow more food using less resources"**

IMPACT has been one of core pillars on which Haifa Group was founded. Throughout the years, the company invested significant efforts and resources in maximizing its positive IMPACT on humanity and on the planet. The company is committed to promote a better future through its products, solutions and operations: **to enable the world to grow more food using less resources. Such vision has a wide range of positive IMPACT such as enhancing global food security and increasing growers' production capacity, fighting climate change and reducing adverse environmental effects of agriculture industry.**

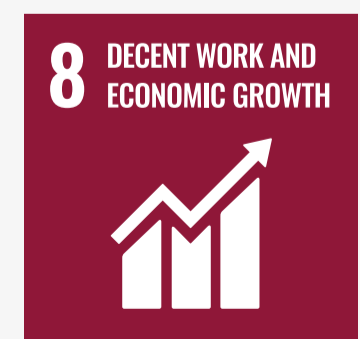
### Haifa's IMPACT contributions to the global food value chain:



Increasing quantity and quality of crops, using Haifa's premium plant nutrition products



Reducing amount of water consumed by farmers and growers



increasing occupational safety for agriculture employees and increasing growers' productivity



Reducing the amount of nutrition materials required for the crops and increasing planet health in agricultural practices



Reducing GHG emissions of crops growing process



Preventing pollution to soil and water sources from fertilizers not absorbed by the plant

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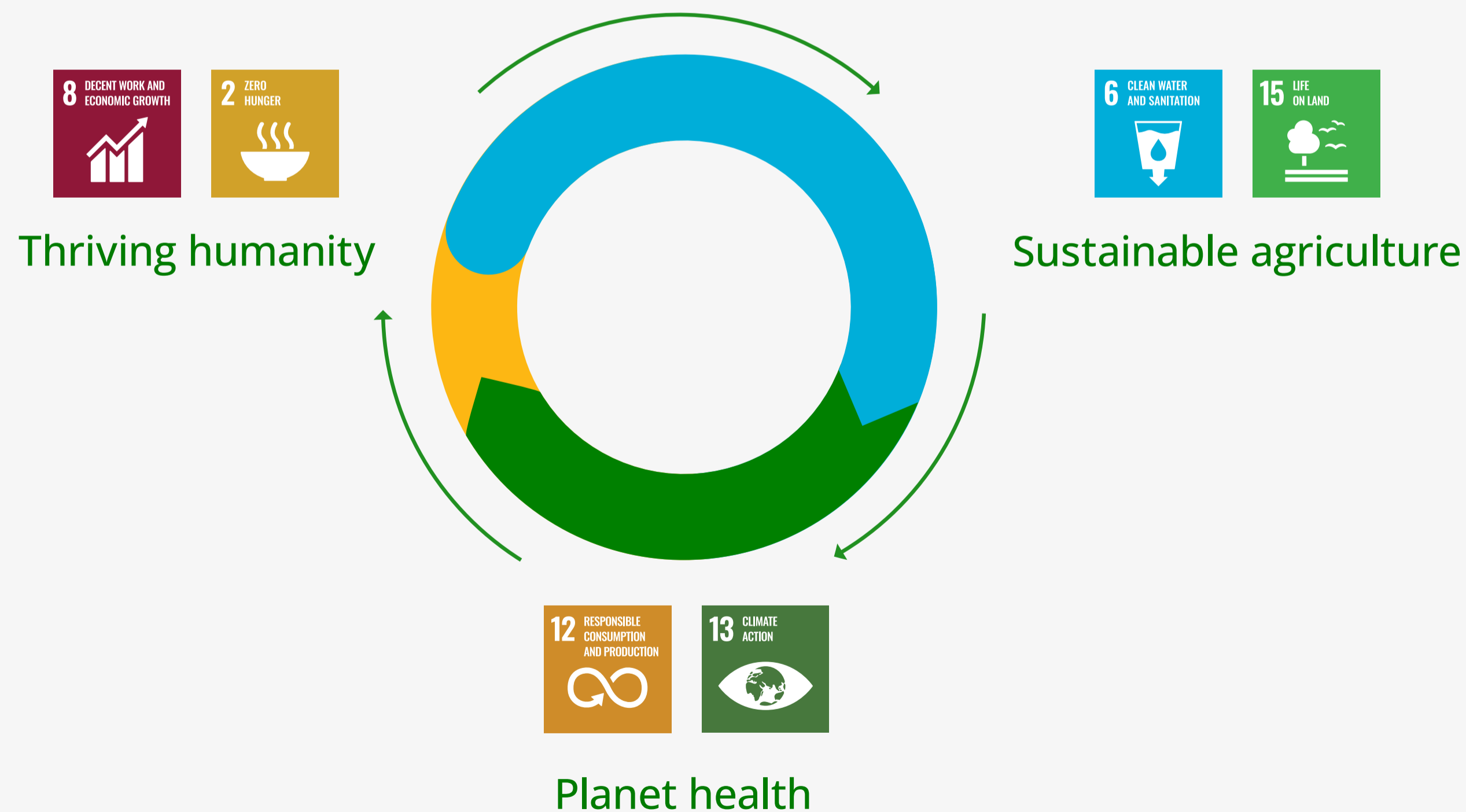
# Maximizing Positive IMPACT

## Haifa's IMPACT Strategy

### "to grow more food using less resources"

As Haifa strives to turn vision into reality, during 2022 the Group developed its inaugural, unique and holistic ESG & IMPACT strategy. This strategy aims to support the company in maturing its IMPACT-related culture and processes, which have already been in place for many years, taking it to the next level of IMPACT management. The strategy addresses the different components of the Group's value chain from suppliers and storage, through production and all the way to growers and after-use of the products. The guiding IMPACT principles the company aims to implement throughout its value chain are **resource efficiency, accountability, and growers & crops centrality**.

The SDGs were a significant source of inspiration for the strategy, and the company selected the six SDGs it focuses on addressing as an integral part of its strategy:



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# Maximizing Positive IMPACT

## Haifa's IMPACT Strategy "to grow more food using less resources"

As a supporting tool, Haifa defined its IMPACT compass, which guides the design of the Group's policies, decision making processes, and actions:



### Transportation & Storage

Optimizing routes & logistical points to minimize transport, transition to eco-shipping & renewable energy sources.

### Production

Maximizing reuse of materials, energy efficiency, emissions capture, & waste minimization.

### Sourcing

Supplier evaluation & Support in reaching ESG goals, transition to more sustainable materials.

### Solutions

Offering a wide range of sustainable solutions & technologies enabling yield increase and enhancing food security' while reducing water usage, emissions, and soil influence.

### Growers

Providing platform & guidance in calculating and optimizing, environment footprint & transition to optimized ag.

### After use & waste disposal

Reuse and recycling of waste streams, enhancing packaging sustainability.



### Guiding principles

Resource affucency

Accountability across value chain

Growers & crops centrality

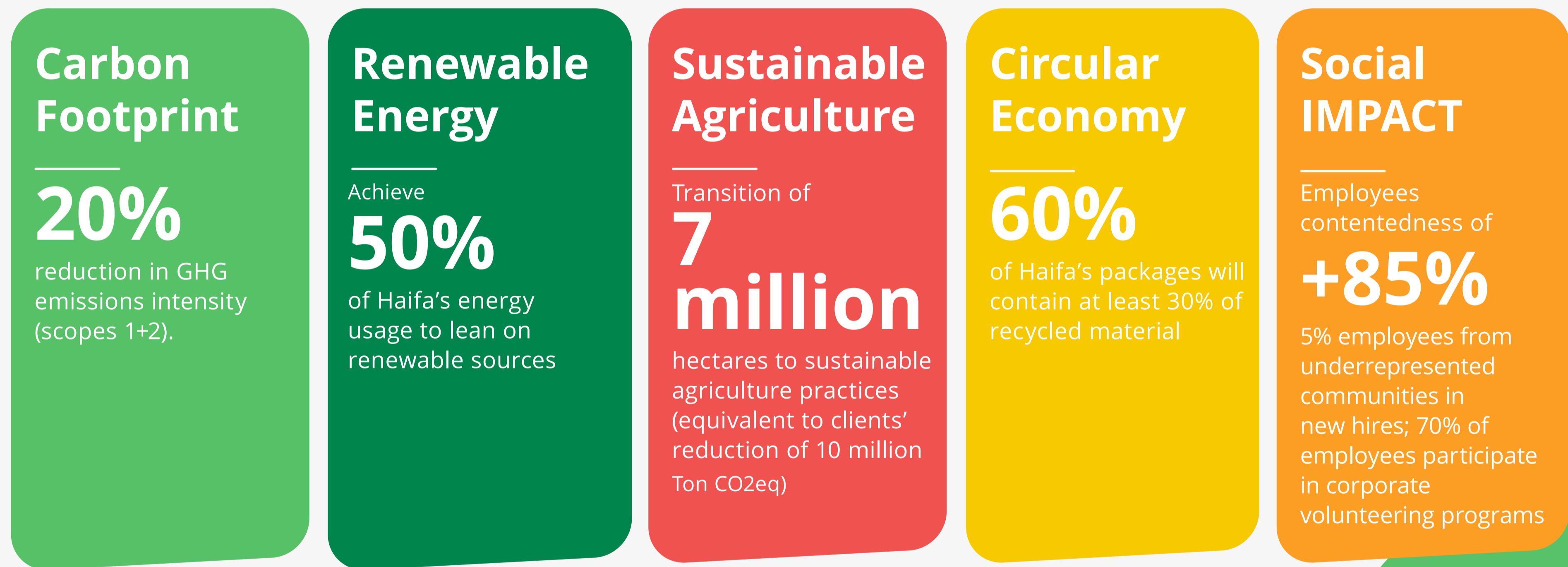




# Maximizing Positive IMPACT

## 2030 IMPACT GOALS

This process led Haifa to set five measurable goals for 2030 (base year 2022), in the five topics that were identified as the most impactful for the Group at this point



Each of these goals were then detailed into a comprehensive work plan with targets and action items for the Group's various departments, including HR, procurement, operations, finance, R&D, marketing, and many more.

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# Maximizing Positive IMPACT

## Pioneering Product – Pioneering IMPACT

Haifa's premium precision agriculture products are better for the growers and better for the planet – supporting them to grow more with less.

### How Haifa products make a unique IMPACT?

**Reduce  
nutrition-  
related  
expenses and  
resources**

**Increased  
quantity  
and quality  
of yields**

**Prevention of  
soil and water  
pollution  
from residual  
nutrient**

**Reduced GHG  
emissions  
from fertilizer  
application**

**Reduced  
machine work  
hours required  
for fertilization**





# Maximizing Positive IMPACT

## Pioneering Product – Pioneering IMPACT

### Fertigation IMPACT in numbers

25% to 30% increase in yields

Up to 30% reduction in fertilizer usage

50% less GHG emissions associated with fertilization

25 to 50 gr CO<sub>2</sub>eq saving per kg produce (depending on crop and cultivation method)

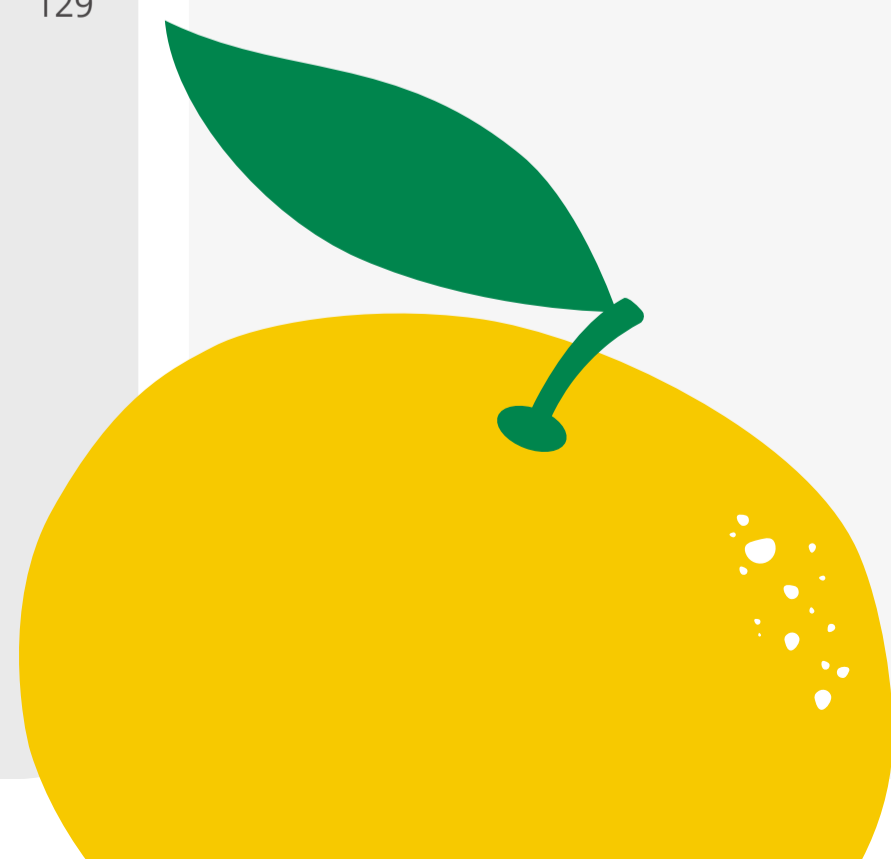
### CRF IMPACT in numbers

10% to 30% increase in yields

30% reduction in fertilizer usage

10% to 50% less GHG emissions associated with fertilization

Average of 35 gr CO<sub>2</sub>eq saving per kg produced (exact value depending on crop and cultivation method)



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# Maximizing Positive IMPACT

## Maximizing IMPACT with Haifa's Pioneering Controlled Release Fertilizers

By using Haifa's premium water-soluble fertilizers, growers can reduce fertilizer usage by up to 30% while increasing yields by 25% to 30% and saving 20 to 50 gr CO<sub>2</sub>eq per kg produce, depending on the crop type and cultivation method.

In 2022, an LCA was conducted by a third party on a field trial of tomato cultivation, and the environmental savings of fertigation were calculated. The results of this trial showed positive outcomes in categories such as climate change, eutrophication, leaching, and fossil resource use, including:

Climate Change	Fossil resource for fertilizer application	Eutrophication	Leaching
<p>Nutrigation with Haifa's premium <b>products reduced the climate change impact (carbon footprint) by 22%</b>, compared to commodity fertilizers, mostly due to the efficiency of the premium fertilizer which leads to higher yields and less N<sub>2</sub>O emissions and therefore to lower amount of CO<sub>2</sub>eq emitted per kg produce.</p> 	<p>Nutrigation with Haifa's products saved the requirement to use tractor to apply and therefore saves <b>100% of the fossil fuels</b> needed for tractor operations in fertilizer application.</p> 	<p>Nutrigation with Haifa's <b>products have a 43% lower impact on freshwater eutrophication.</b></p> 	<p><b>100% lower Nitrogen leaching</b>, compared to fertilizing with side dressing.</p> 

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# Maximizing Positive IMPACT

## Voices from the Fields: Stories of Sustainability from Mexican Grower

"For the past 20 years, Ceickor has specialized in the cultivation of tomatoes and seedlings and disseminating our unique expertise through an established training center. Our collaboration with Haifa and the application of their products have yielded excellent results in terms of nutrient efficiency.

Two years ago, we decided to implement water recirculation, a challenging endeavor due to our specific growing conditions, including high sodium content in the irrigation water. Upon initiating this process, we encountered significant sodium accumulation in the substrate, which necessitated the search for innovative fertilizer technologies to mitigate the sodium issue. Presently, we are utilizing **Multi-NPK Reci and GrowClean**, and are highly satisfied with the outcomes - notably, a significant reduction in sodium-related problems, resulting in improved crop yields."

Fermín Barberena, founding partner of Ceickor, Mexico



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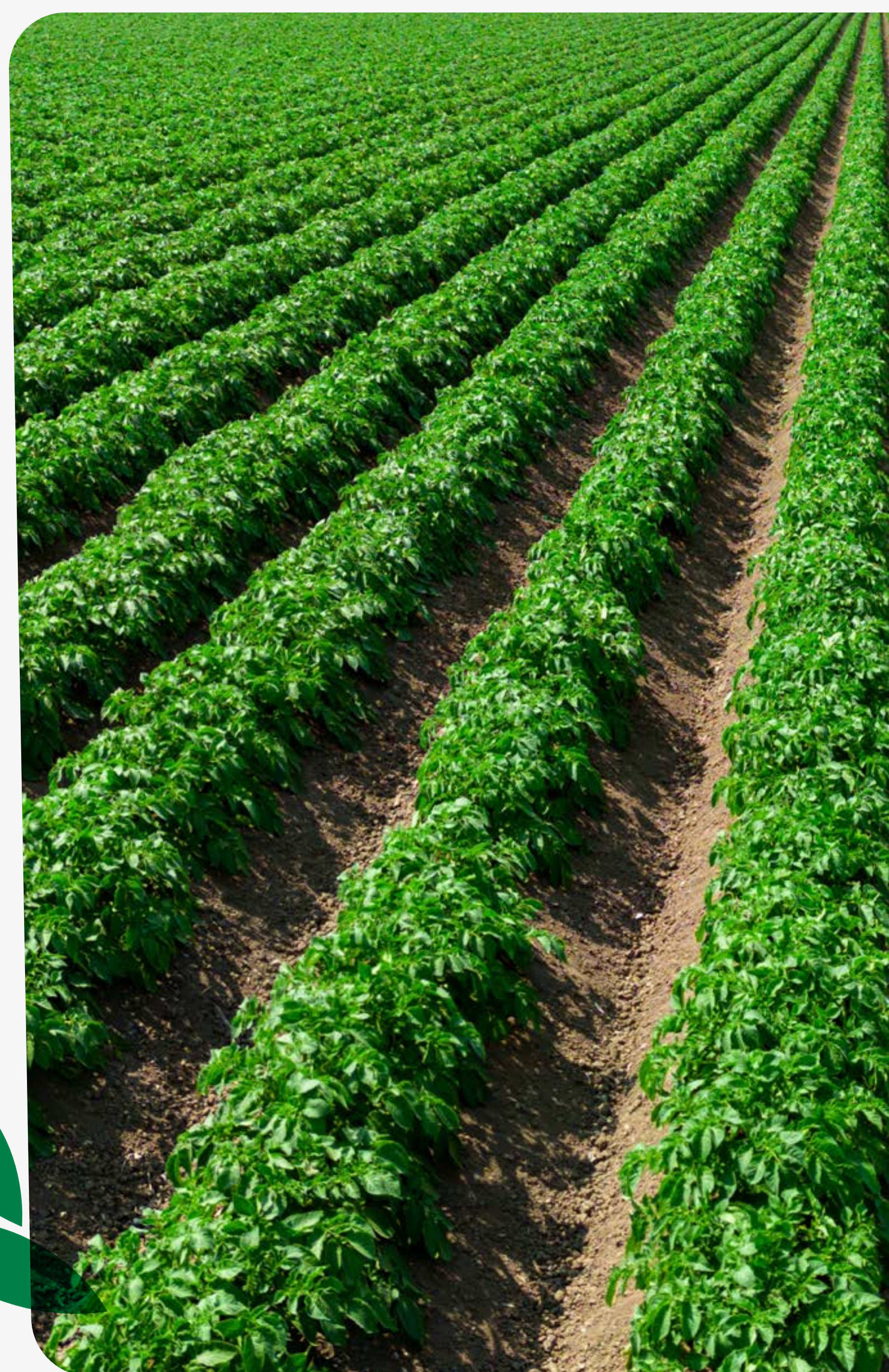
# Maximizing Positive IMPACT

## Maximizing IMPACT with Haifa's Pioneering Controlled Release Fertilizers

Haifa's CRF's are fertilizers coated with a pioneering polymer coating technology developed by Haifa called Multicote. The CRF provide plants with balanced and precise nutrition, according to their needs throughout the growth cycle. This technology ensures optimal development and maximum yields, as well as **minimizing nutritional material losses through leaching, volatilization or fixation, thus preventing environmental contamination.**

Haifa's CRF **minimizes the fertilizer losses and enables reduction of fertilizers application rates by up to 30%** compared to conventional granular or liquid fertilizers. According to Haifa's scientists' experiments, using Haifa's CRF in a correct fertilization program, **the grower can reduce between 10%-50% of the GHG emissions in field, and increase its yields by 10%-30%.**

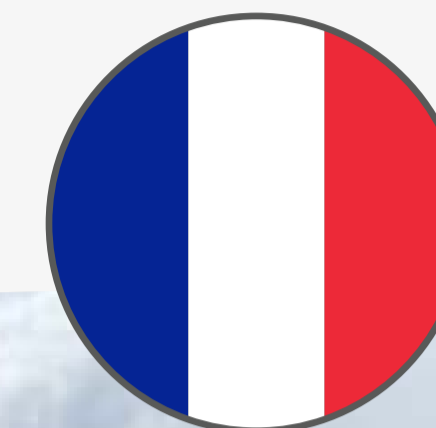
The coating process almost does not increase the product's carbon footprint. According to an LCA finalized in 2024 regarding production of CRF filled with urea, vast majority (80%-90%) of the impact of the CRF production, in most relevant impact categories, is attributed to the Urea production, and not to the coating.



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# Maximizing Positive IMPACT

## Voices from the Fields: Stories of Sustainability from French Grower



"As a winegrower in Gard since 1975, I have been utilizing **Multigro™** on my vines for the past 14 years. A single application of 300 kg/ha of Multigro™ 15.5.22 + 2 MgO applied at budding has significantly enhanced the quality of my harvest.

In the past, when I used traditional fertilizers, I frequently faced issues with excessive vine growth leading to flower drop. However, with **Multigro™**, my vines exhibit healthy green foliage and consistent growth. Currently, I am able to achieve my yield targets of 90 hl/ha even with my old Carignan vines that are 70 years old and without the need for irrigation".

Olivier Roux, winegrower, **France**



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# Maximizing Positive IMPACT

## Indirect Socio-Economic IMPACT

As a major industrial company in Israel, Haifa Group plays a vital role in the Israeli economy, particularly in the southern periphery, while also empowering growers worldwide through advanced agriculture techniques. Haifa's commitment extends beyond economic contributions, to fostering societal growth and promoting sustainable agricultural practices on a global scale.

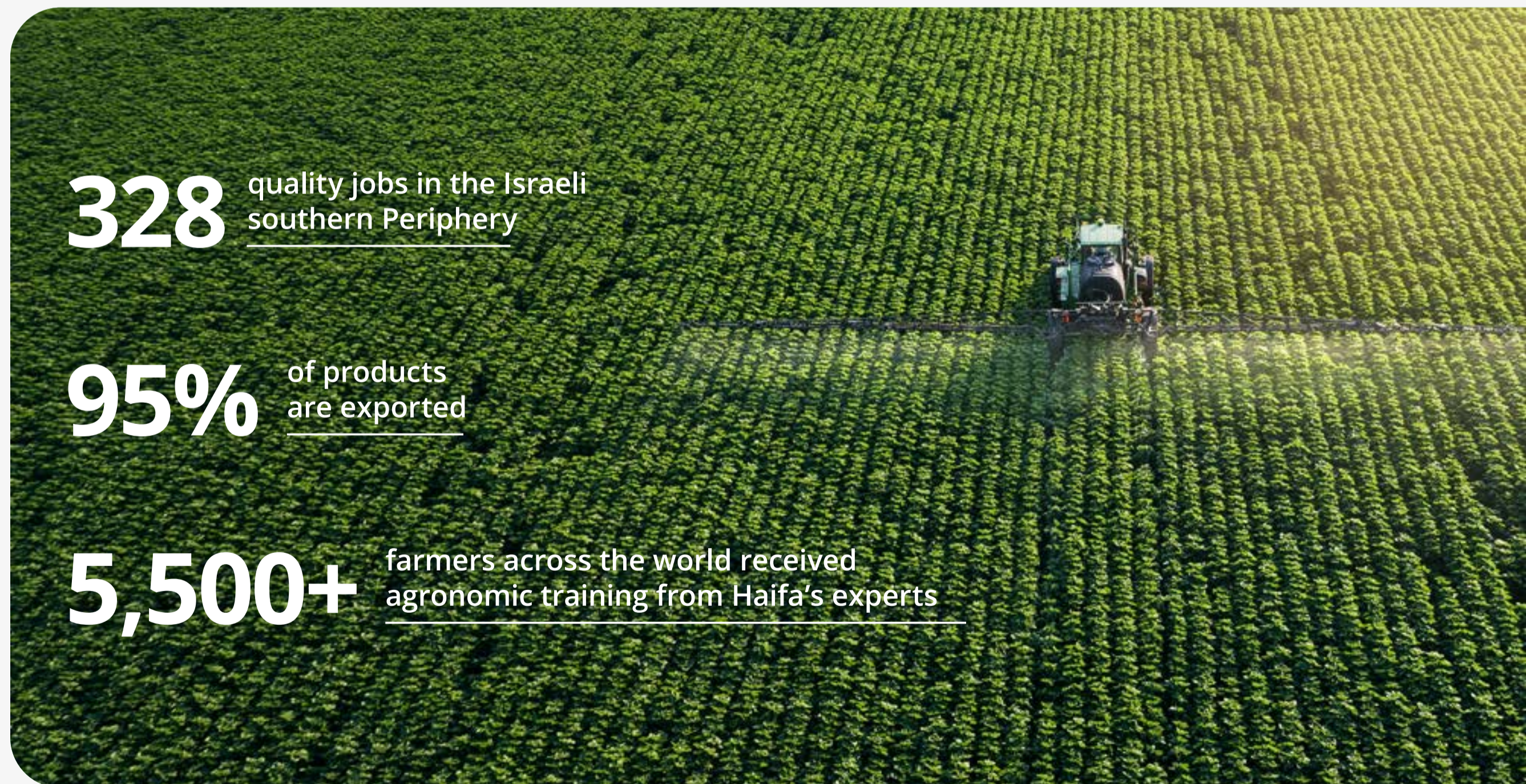
### Indirect Socio-Economic IMPACT pillars

Quality employment and commerce in the periphery

Contribution to Macro Economic KPIs<sup>1</sup> in Israel

Reducing agriculture costs

Creating and sharing unique agriculture knowledge



**328** quality jobs in the Israeli southern Periphery

**95%** of products are exported

**5,500+** farmers across the world received agronomic training from Haifa's experts

<sup>1</sup> Including tax collection, industrial export, growth, etc.

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# Maximizing Positive IMPACT

## Contribution to Israel's Economy and Society

Haifa Group's impact on Israel's economy is significant, with significant revenues contributing to Israel GDP, growth, and tax collection.

Haifa's workforce of 460 employees in Israel, including 328 jobs in the southern periphery, underscores pivotal role the company has in the national economy and its dedication to regional development.

Additional aspects of Haifa's Socio-Economic impact in Israel include corporate donations to societal causes, as well as job creation and promoting growth of local industry through company's supply chain. Vast majority of the raw materials procured for the manufacturing site in Israel are produced by local suppliers, from geographical periphery, as the company prioritizes local procurement where possible. In addition, the company generates long-term relationships with its suppliers and has been working for over 7 years with 80% of them, contributing to economic stability in the country. This approach not only strengthens and shortens the local supply chain but also contributes to the economic resilience of the Israeli manufacturing industry.



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# Maximizing Positive IMPACT

## Indirect Socio-Economic IMPACT

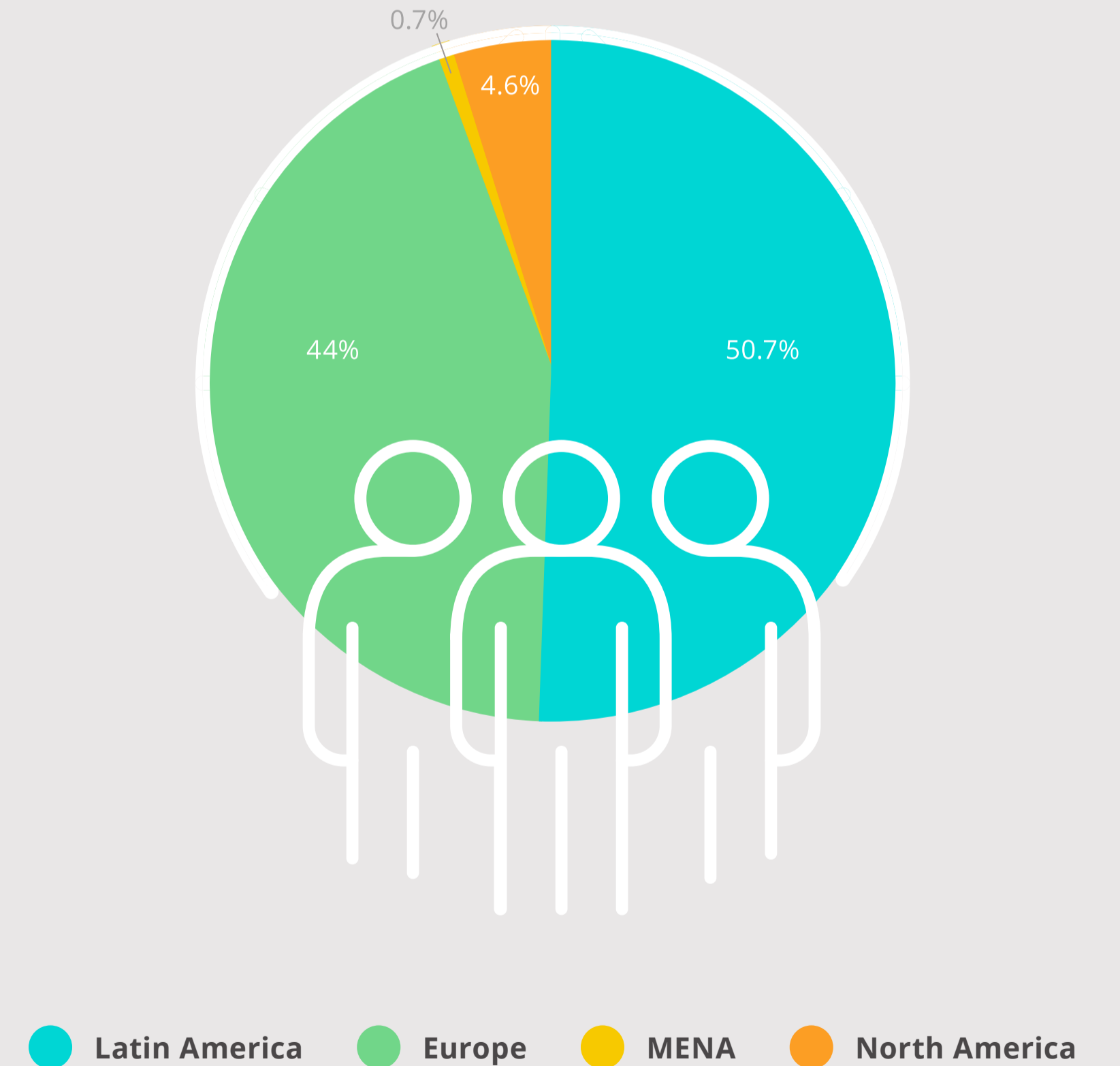
Haifa Group plays a crucial role in the agricultural industry by providing innovative plant nutrition solutions that boost yields and profitability and reduce environmental impacts. Haifa's specialized fertilizers are key to advancing sustainable agricultural practices, enabling growers to adopt precision methods that reduce water consumption and minimize fertilizer use. This transition not only increases crop yields but also lowers input costs, making agriculture more sustainable and economically viable.

Sharing Haifa's agricultural knowledge and its innovative practices is important for supporting growers worldwide. Knowledge sharing is conducted through different channels, including:

- **Dedicated training sessions for growers**
- **Maintaining online knowledge hub available for all in Haifa's website. During 2023, Haifa's knowledge-hub website had over 1.5 million visits, which is an average of 4000 visits a day.**
- **Providing specialized software at no cost to growers, offering tailored fertilization recommendations and highlighting the potential for carbon footprint reduction through adherence to these guidelines. As of the end of 2023, there were over 10,000 growers registered for the service.**

The dedicated training courses are held by Haifa's expert agronomists in each territory. The training is customized to match the different needs of the growers in different growing areas and conditions. In total, in 2023 Haifa's specialists delivered more than 280 training sessions in 8 different subsidiaries, including Mexico, Spain, Ecuador and France, with approximately 5,500 participants.

**Trainings participant distribution to geographic regions**



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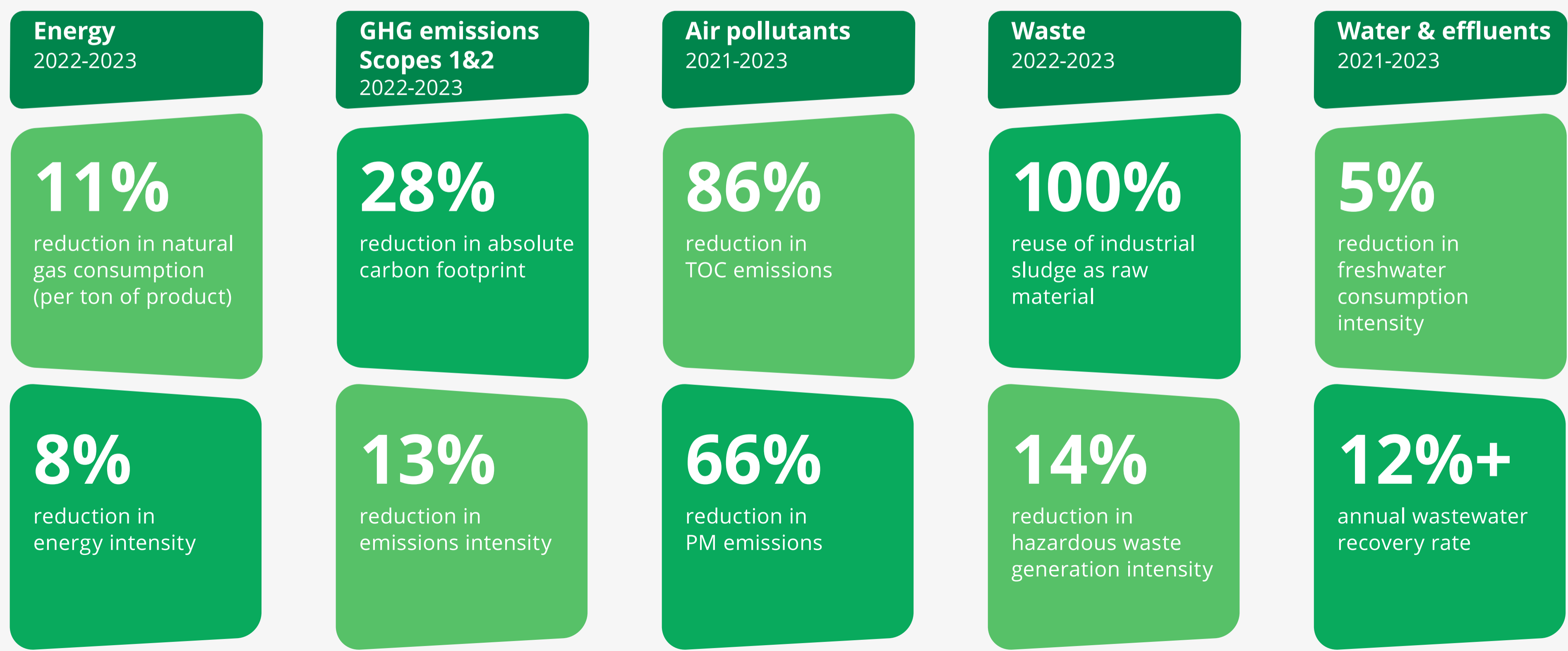
# Maximizing Positive IMPACT

## Environmental IMPACT and Responsibility

As a leading provider of sustainable solutions, Haifa Group integrates sustainability and environmental stewardship into its core values. The company is dedicated to meeting the highest sustainability standards in its operations, mirroring the principles it offers to its clients.

The group promotes environmental initiatives and projects across all its value chain, particularly in production processes. Haifa achieves top environmental performance by implementing the BAT (best available technology) in each environmental topic, as a bare minimum. Haifa aspires to go beyond the BAT, and in many cases, it invests in developing new BAT.

Haifa's "beyond BAT" approach leads to continuous improvements in all material environmental metrics and performance. In 2023, Haifa reached unprecedented achievements in its environmental KPIs, across topics:





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# Maximizing Positive IMPACT

## Environmental IMPACT and Responsibility

### Leading Environmental projects in 2022-2023

#### Environmental Investments:

Investing 70 million USD in environmental projects, as part of strategic multi-year investment plan.

#### N<sub>2</sub>O reduction:

Innovative projects to reduce N<sub>2</sub>O emissions from Negev site's manufacturing processes.

#### Transportation emissions:

Constructing a new railway terminal located next to the Haifa Negev production site, replacing truck transport with rail, thus saving approximately 8 kg of CO<sub>2</sub>eq per ton of delivered products or material.

#### Bio-diesel Vehicles:

In Haifa's manufacturing site in France, all transportation of raw materials from the marine port is being made using dedicated bio-diesel trucks.

#### Energy efficiency in steam system:

Replacing steam boilers with new ones, enabling increased amount of self-generated electricity, and different efforts to reduce steam losses.

#### Hazardous material incident preparations:

supporting national authorities in preparing for hazardous material incidents, by leading mutual training and sharing unique knowledge and expertise.

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# Maximizing Positive IMPACT

## Environmental Management System: The Cornerstone of Long-Lasting IMPACT

Haifa Group proudly operates an advanced environmental management system, certified to the ISO 14001 standard. This system serves as a robust framework for the group, guiding its efforts in environmental monitoring, investment, and performance enhancement. Rooted in the Group's EHSQ policy, the system emphasizes continuous measurement and improvement of environmental practices. It places the responsibility for environmental stewardship not only on the CEO but also on every employee, fostering a collective commitment to achieving the company's environmental goals and key performance indicators.

To promote awareness of this policy and its significance, the core principles have been prominently displayed throughout the Group's facilities, ensuring that all employees are engaged in the mission of sustainability

Environmental oversight is spearheaded by Haifa's VP of Regulation, Sustainability and Environment, who reports directly to the CEO. Environmental oversight is supported by managers at operational sites, ensuring a cohesive approach. The Board of Directors reviews environmental matters at least once a year, while the executive team addresses these topics regularly, guided by monthly reports from manufacturing sites and other relevant materials.

A key tenet of Haifa's environmental management system is its proactive stance towards upcoming environmental guidelines and regulations, particularly in new projects and upgrades of existing facilities. This commitment is complemented by strict compliance with current regulations at every site. As part of its strategic investment plan, the company has earmarked approximately \$70 million for environmental projects in Israel from 2020 to 2025, reinforcing its dedication to sustainable development.



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# Maximizing Positive IMPACT

## Energy

To produce Haifa's premium fertilizers, manufacturing processes in production sites in Israel, Canada and France consumes energy from several sources – electricity and steam (generated from natural gas), and fuels for transportation and emergency generators.

As Haifa's products empower growers to achieve greater yields with fewer resources, the company aims to enhance its energy efficiency, allowing it to produce more with less. Haifa has been on a journey to reduce the environmental impact of its energy consumption for many years. This journey included different steps, like selecting electricity vendors with lower carbon footprint, transition to natural gas, and taking energy efficiency measures. We are excited to continue this journey, taking the next steps in the upcoming years.

Haifa Negev's is the Group's main manufacturing site responsible for 95% of its total production. Its main electricity consumption is from self-generated electricity by an on-site steam turbine.

This turbine is based on high pressure steam originates from two streams: production in steam boilers powered by natural gas, and heat from byproducts of exothermic reactions in the nitric acid facility. However, the steam consumption in the production facilities is of low and medium pressure steam, so the pressure of the steam produced must be reduced to the required pressure, thus the generated electricity in the factory. The source of electricity generation comes from reducing the pressure of steam on the turbine, making this electricity source a "green" one. In Haifa France, majority of the electricity purchased from nuclear source, which has very low environmental impact compared to alternatives.

## Key Energy Efficiency Initiatives

### Energy Savings in Facilities

All new projects are installed with LED lighting for energy savings, and a project to gradually replace the existing lighting facilities is in place.

### Increasing Stability, Quality, and Steam Supply for Energy Production On-Site

A project with an investment of approximately \$5 million to replace steam boilers with new ones, extending operating time and increasing the amount of self-generated electricity from the steam turbine.

### Maintaining Stable Compressed Air Supply

Upgrading the air compressor system and adding an underground tank to store a constant amount of compressed air, ensuring stable compressed air supply to all consumers. This system reduced total electricity consumption from the compressed air system by 10%.

### Reducing Steam Loss

Addressing the plant's steam system, existing steam traps in facilities, examining insulation on steam lines using cameras, and completing or replacing insulation.









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# Maximizing Positive IMPACT

## Energy



Haifa Group total energy consumption:

Energy Source	Unit	2022	2023
 <b>Electricity-grid and external power plants</b>	MWh	44,178	63,638
 <b>Electricity-Self Generation (recovery based)</b>	MWh	59,590	26,708
 <b>Natural Gas</b>	m <sup>3</sup>	57,809,060	42,563,166
 <b>Diesel (fleet fuel)</b>	Liter	190,352	176,345
 <b>Gasoline (fleet fuel)</b>	Liter	246,681	303,504
 <b>Total energy use</b>	GJ	2,367,055	1,798,717
 <b>Electricity Intensity</b>	MWh\Ton product	0.20	0.21
 <b>Energy Intensity</b>	GJ\Ton product	4.6	4.2

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# Maximizing Positive IMPACT

## GHG Emissions

Haifa's carbon footprint is composed of the GHG emissions throughout its value chain:



While scopes 1 and 2 have been measured and managed by Haifa for some years, this report includes for the first time a partial calculation of its scope 3 emissions (of raw material production and operational waste treatment in Israel). The company will strive to complete a full scope 3 calculations in the upcoming year.

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# Maximizing Positive IMPACT

## GHG Emission Reduction:

Despite not being subject to any regulations regarding CO<sub>2</sub> emission levels, Haifa Group is committed to managing and reducing its carbon footprint in accordance with the leading global standards and best practices. In order to meet its long-term goal, Haifa invested in multiple reduction projects and initiatives in the last few years, including:

### N<sub>2</sub>O reduction

N<sub>2</sub>O is one of the GHGs Haifa emits as part of its manufacturing processes, and along the years it has invested significantly to reduce its emissions. Haifa's innovative reduction processes were also recognized as BAT in 2007.

During 2023, Haifa conducted additional project to reduce its N<sub>2</sub>O emissions, to values below regulatory requirements, which was one of the key sources to the reduction of its scope 1 emissions in 2023.

### Reducing transportation emissions

Haifa worked with Israel Railway Company to construct a new railway terminal located next to the Haifa Negev production site, replacing truck transport with rail, thus saving approximately 8 kg of CO<sub>2</sub>eq per ton of delivered product or material. This project will be finalized and launched in Q3 2024, and is expected to reduce 68% of the GHG emissions of transportation between the site and Ashdod port, through which Haifa products are exported.

### Bio-diesel Vehicles

In Haifa's manufacturing site in France, all transportation of raw materials from the marine port is being made using dedicated bio-diesel trucks.

### Renewable energy

Haifa planned a significant solar energy project on the Negev site's ground, on top of rehabilitated wastewater evaporation ponds, with installed capacity of 40 MW, with additional storage capacity. This project is expected to become operational in 2027.

### Cleaner electricity sources

Prioritizing energy from sources associated with less or negligent GHG emissions, including electricity generated in the factory from residual heat of its steam turbine, and procurement of energy from a private power plant, based on natural gas.

### Carbon capture

As part of the new ammonia facility, Haifa plans to build a carbon capture facility, which will capture its CO<sub>2</sub> emissions, which later will be sold for different industrial uses. Haifa invests in R&D for industrial uses of CO<sub>2</sub> to increase demand for its use, thus generating economic viability for carbon capture.

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## GHG Emission Reduction:

Scope	Unit	2022	2023
<b>Scope 1 (direct emissions)</b>	Ton CO <sub>2</sub> eq	194,350	128,854
<b>Scope 2 (indirect emissions)</b>	Ton CO <sub>2</sub> eq	15,309	22,262
<b>Total Scope 1+ 2 emissions</b>	Ton CO <sub>2</sub> eq	209,659	151,116
<b>Emissions intensity (scopes 1&amp;2)</b>	Ton CO <sub>2</sub> eq /Ton product manufactured	0.404	0.354
<b>Scope 3 emissions (indirect emissions)<sup>2</sup></b>	Ton CO <sub>2</sub> eq	Not measured	405,752

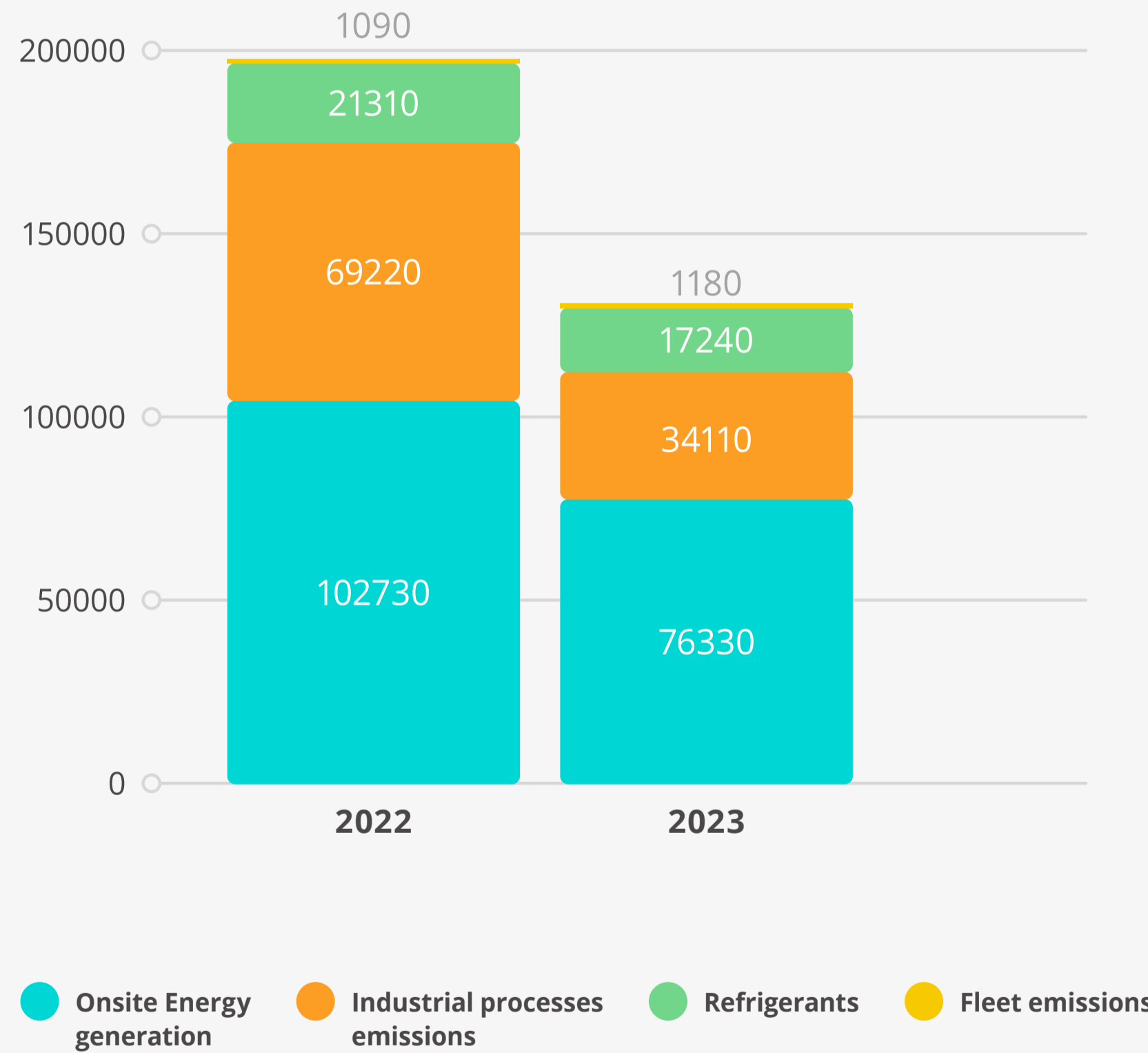
<sup>2</sup> Scope 3 calculation for 2023 was calculated for two scope 3 categories: category 1 (purchased goods and services – focusing on production raw materials only) and category 5 (waste generated in operations – for the Israeli manufacturing site only). For category 1, supplier specific emission factors were taken for 12% of the materials, generic factors based on quantity procured were taken for 81% of the materials, and the rest were calculated based on generic expenditure based factors.

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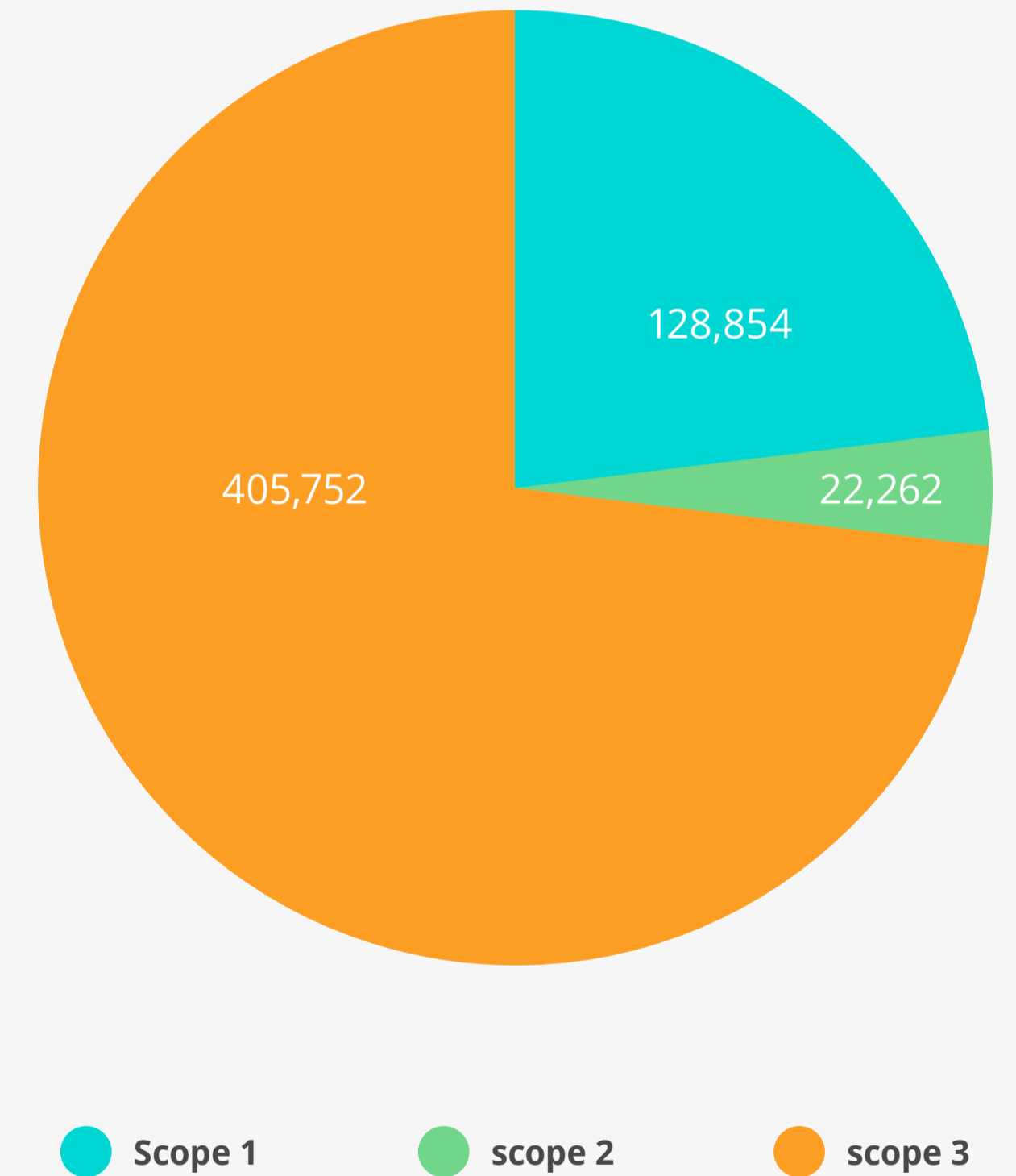
# Maximizing Positive IMPACT

## GHG Emission Reduction:

### Scope 1 emissions by sources (Ton CO<sub>2</sub>eq)



### 2023 carbon footprint by scopes (Ton CO<sub>2</sub>eq)





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## Other Air Emissions



Haifa Group is committed to preventing and reducing air pollutant emissions resulting from its activities. In the reporting period, the group has continued to implement its project of construction of closed warehouses for all raw materials and products to prevent dust emissions (instead of storage in the open air), being a pioneer in the field in the Israeli Negev region. These warehouses handle all processes of receiving, handling, transporting, and packaging raw materials and products, preventing

particles pollution. So far, all key raw materials storage were transformed into closed warehouses, except for phosphate, whose covered warehouse is still under construction (planned to be completed by 2025).

In addition, Haifa operates different technological systems to reduce emissions, such as an RTO to reduce organic pollutants (TOC), and a DeNOx system to reduce NOx emissions and Nitrous oxide. The increase in CO emissions is the result of longer boiler operations hours for steam and electricity generation.

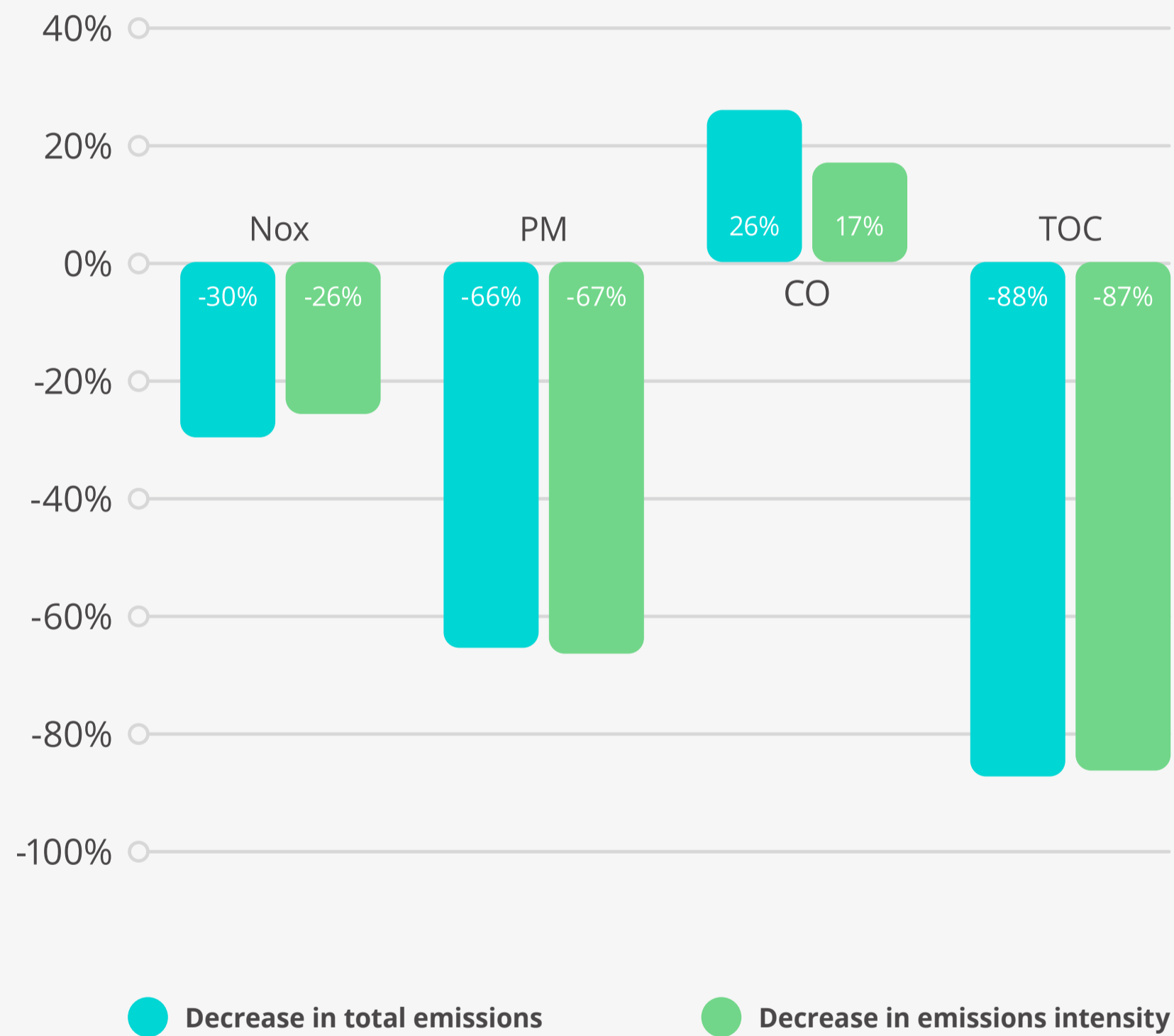
Pollutant	Unit	2021	2022	2023
NOx	Tons	172.3	152.4	120.6
	Tons/ 1,000 Tons of product	0.38	0.29	0.28
PM	Tons	67.35	32.8	22.7
	Tons/ 1,000 Tons of product	0.15	0.06	0.05
CO	Tons	25.4	33.7	32
	Tons/ 1,000 Tons of product	0.06	0.07	0.07
TOC	Tons	339.1	216.3	42.4
	Tons/ 1,000 Tons of product	0.74	0.42	0.10

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## Other Air Emissions

### Decrease in air emissions 2021-2023



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# Maximizing Positive IMPACT

## Waste



Haifa's sites include a diverse range of operational hazardous and non-hazardous waste streams including organic waste from operational processes, packages and containers of materials, industrial waste and by products of manufacturing processes, mineral oils, and more. As Haifa is a growing company, it conducts many constructions projects in its sites, leading to significant & increasing amounts of construction waste in the short-medium term.

The company invests in promoting the circular economy, by utilizing by-products of its manufacturing processes as raw materials for other manufacturing processes. Some examples of these efforts are:

- In the past, Haifa succeeded in receiving government approval for using its sludge waste, composed mostly of phosphate and limestone,

as a raw material for infrastructure projects. Therefore, wastewater treatment sludge is no longer considered as a waste in Haifa, which saves annually about 50,000 Tons of waste, previously sent to landfill.

- Solvents waste, which was previously treated by incineration, is now recovered and recycled. The process was first tried out in one of Negev's facilities, and in 2022 additional facility was included in this innovative process. Total recovery rate of solvents in the group was 26% in 2022, and 30% in 2023.

The recovery is conducted by a third party, and only marginal amounts, which could not be recovered are sent to incineration.

- Reusing wooden pallets, used for storage, packaging and transportation, in Haifa Negev facilities, thus diverting them from landfill.



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# Maximizing Positive IMPACT

## Waste

Haifa Negev site waste (Tons) by stream and treatment methods:

Stream	treatment	2022	2023
Mixed – non industrial	Landfill	1638	2184
Mixed Packaging	Landfill	643.1	513.35
Industrial waste	Landfill	56.86	226.76
Construction waste	Landfill	1294.5	2712.9
Carboard	Recycle	4.536	7.118
Timber	Recycle	223.886	204
Sludge	Recycle	223.5	24.06
Metals	Recycle	220	312
Mineral Oil	Recycle	14	12
Hazardous waste	Landfill	49.9	231.1
	Recycle	1232.05	805.81
	Incineration	343.11	112.34
<b>Total</b>		<b>5943.442</b>	<b>7345.438</b>

The increase in waste generated and sent to landfill is mostly attributed to the increase in complex construction projects executed in Haifa's facilities between 2022 to 2023. These projects lead to the generation of significant amounts of waste.

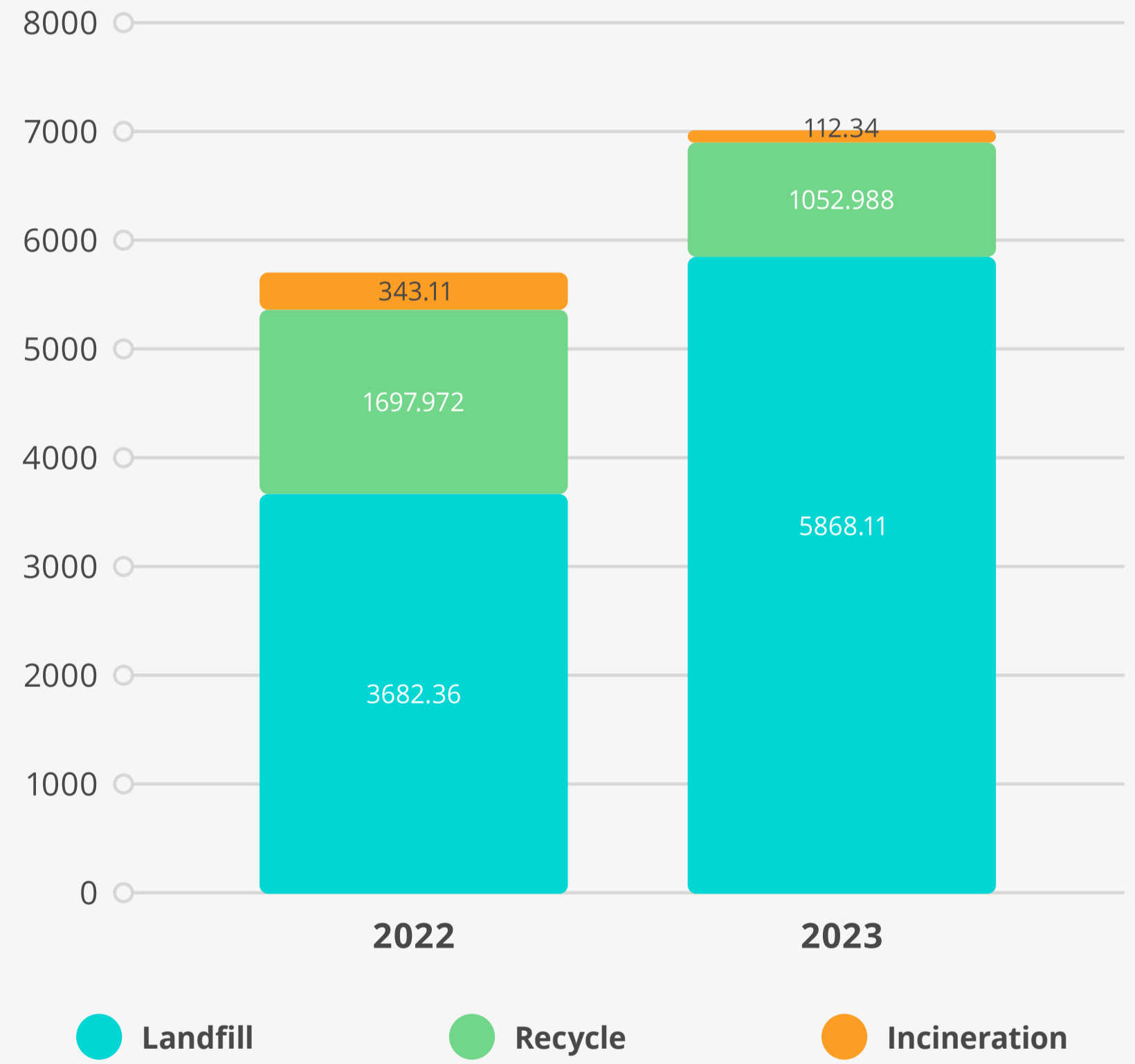


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## Waste

**Total waste by treatment method (Tons)**



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# Maximizing Positive IMPACT

## Water and Effluents



Water is used in Haifa's operations as part of its manufacturing processes, and for cooling and cleaning purposes. Haifa strives to reduce its freshwater consumption, for environmental and operational efficiency reasons.

Haifa's main production site in Israel has a discharge permit of effluents, under which the effluents are discharged into the Dead Sea. The effluents are discharged after a thorough and advanced treatment process, in a facility operated at the site by the plant.

The wastewater is treated strictly to improve their quality and reduce

the concentrations of pollutants, beyond the values required by the discharge permission, by using BAT.

In order to reduce freshwater consumption in the manufacturing process, Haifa reuses benign water which meets quality requirements from its cooling and services processes, and flows drained water into the manufacturing processes. In addition, Haifa Negev operates an internal treatment facility for sanitary wastewater. All treated sanitary waters are used for irrigation on the site, and Haifa does not consume additional freshwater for irrigation.

### Water consumption and discharge (in m<sup>3</sup>)

	2021	2022	2023
<b>Fresh water consumption</b>	2,337,353	2,350,000	2,080,000
<b>Water discharge (to the Dead Sea)</b>	1,221,205	1,267,627	1,127,431
<b>Water recovery</b>	295,578	318,841	252,389
<b>Fresh water intensity</b>	5.1	4.5	4.9
<b>Discharge ratio (discharge \ consumption)</b>	52%	54%	54%
<b>Recovery ratio (recovery \ consumption)</b>	12.6%	13.5%	12.1%

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# Maximizing Positive IMPACT

## Water and Effluents

### Concentrations of Pollutants in discharged wastewater

Pollutants	Unit	2021	2022	2023
TOC	mg/L	41.64	43.58	40.83
total N	mg/L	28.94	33.13	34.52
NO3-N	mg/L	3.5	8.22	4.75
TSS	mg/L	16.35	19.92	10.08
turbidity	NTU	15.08	20.38	19.93

### Total Amount of Pollutants

Pollutants	Unit	2021	2022	2023
TOC	Ton	50.85	55.24	46.03
total N	Ton	35.34	42.00	38.92
NO3-N	Ton	4.27	10.42	5.36
TSS	Ton	19.97	25.25	11.36

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# Maximizing Positive IMPACT

## Hazardous Materials

As a company who manufactures chemical products, many of Haifa's products, outputs and raw materials are considered hazardous materials. Haifa complies with all relevant international and local regulations and meets the highest standards of treatment of hazardous materials. In order to ensure safe use, storage and transportation, Haifa follows strict protocols, and utilizes dedicated safety equipment, suitable for each material.

As part of Haifa's safety protocols, the company conducts periodic Emergency Response (ER) training for ER teams designated to deal with hazardous material incidents. In Israel, Haifa is considered an expert in dealing with an emergency event involving Haifa hazardous materials (with an emphasis on Ammonia), and supports local ER authorities (including Israel Police, and Israel Fire and Rescue Services) in training and educating on the topic.





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# Maximizing Positive IMPACT

## Community IMPACT

### Haifa's Social IMPACT Focus Areas

**Equal opportunities for people with disabilities**

**Agriculture related education for youth in peripheral neighboring communities**

**Pioneering agricultural knowledge, leadership, and capabilities.**

### Haifa's channels to make significant Community IMPACT

**Long term partnerships with leading social NGOs**

**Monetary donations**

**Employee volunteering**

**Sharing agricultural knowledge and resources**

	2021 <sup>3</sup>	2022	2023 <sup>4</sup>
<b>Donations (NIS)</b>	1,272,000	1,211,682	1,881,901
<b>Total employee volunteer hours</b>	2,391	2,080	4,626

<sup>3</sup> Israel data only

<sup>4</sup> The significant increase in 2023 performance is attributed to the additional resources invested in Community IMPACT due to the October 7<sup>th</sup> war in Israel.

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# Maximizing Positive IMPACT

## Highlights on Leading Social Programs and Partnerships



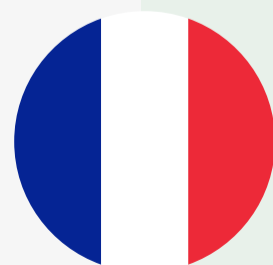
In **Israel**, Haifa partnered with Dimona, a city in the Israeli periphery, neighboring its Haifa Negev site. Within this context, Haifa established Dimona's agricultural farm, a local educational and research facility dealing with Haifa's core business and expertise. This exceptional educational institute, enriches the knowledge of youth from Israel's periphery, using, among others, Haifa's expertise and agronomists professionals. In the farm, students can conduct experiments and incorporate unique research as part of their matriculation. The partnership includes monetary donations, employee volunteering hours, and advanced practices and knowledge.



A unique project carried out by Haifa South East Europe, provides dedicated support to local agriculture ecosystem in **Greece**, affected by a series of climate hazards. Haifa donates significant amounts of Haifa's premium plant nutrition products, as well as plant and soil analysis, supporting local farmers to recover from the hazard.



In Quito, the capital city of **Ecuador**, there are nearly 100,000 stray dogs. This issue raises health, social and environmental concerns. Haifa Ecuador partnered with Happy Paws, a project that builds shelters for these stray dogs out of recycled materials. Within this partnership, Haifa donated wooden pallets from its warehouse, which otherwise would have been treated as waste, for the shelters' construction. In this way, Haifa created social value, while reducing the environmental impact of its own operations.



Haifa **France** supported and sponsored Anais Vincent - a paralympic athlete in the field of hand bike - to make her dreams come true and be able to compete in world championship and paralympic games in Paris.

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# Maximizing Positive IMPACT

## How Haifa Manages its Community IMPACT?

As a strategy, in relation to each of these goals, Haifa identifies potential social partners, usually NGOs, and works with them on different channels. For each partnership, Haifa donates two types of resources – monetary donations and employee volunteering hours.

Increasing the level of Community IMPACT and contribution, is a top priority for Haifa, and a significant part of its DNA. As a reflection of this importance, the topic is managed and overseen by Haifa's CEO and VP Global HR, who leads the selection of social targets in focus and builds the dedicated donation

budget. As part of Haifa's journey to increase its Community IMPACT globally, each subsidiary was required to form an annual Community IMPACT program. In addition, Haifa has set long term goals to increase the amount of employees taking part in volunteering activity.

In 2023, significant additional resources were invested in Community IMPACT in Israel, supporting the public and Haifa's local partners through the October 7<sup>th</sup> war. For elaborations, see pages 125-128.





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# Harnessing the Power of INNOVATION

With rapid technological advancements, the rising demand for agricultural products, and the challenges posed by climate change, the global food value chain is undergoing a significant transformation.

This is precisely why Haifa has embraced INNOVATION as one of its core values; it's the only viable path to achieving sustainable growth and long-term success.

Haifa's INNOVATION encompasses its global business and operations and includes extensive product and operational R&D efforts, as well as open INNOVATION and investment in external technologies. It is rooted in the group's legacy in plant nutrition, and advanced Israeli INNOVATION. With its innovative efforts and state of mind, Haifa continues to improve its impact on the agriculture industry, the environment, and its clients.

## Pioneering through R&D and INNOVATION

**~10**  
million NIS invested  
in R&D  
efforts and initiatives

**48**  
joint research  
and studies globally

**28**  
R&D partners in 10  
countries

**Countless fertilizers**  
expanses savings  
for growers and  
farmers as a result  
of Haifa's R&D



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# Harnessing the Power of INNOVATION

## Pioneering Through R&D and INNOVATION

R&D efforts are driven by diverse forces impacting Haifa Group and the agriculture industry – improving environmental performance of products, forward looking regulatory trends, changes in the markets and clients requirements, and more. These forces lead investments in two general types of R&D efforts:

### Operational R&D

Improving the efficiency and sustainability of manufacturing processes through innovative improvements and technological developments

### Product R&D

Leading to incremental INNOVATION in current product portfolio, as well as initiation of new products, from new fertilization formulas, to completely new solutions in the plant nutrition field

### Case studies of R&D initiatives led in 2023

#### Reducing CRF environmental IMPACT even more – Going Biodegradable

One of the main R&D project Haifa is leading in recent years is the development of a new biodegradable coating for the CRF products portfolio. CRF fertilizers have significant environmental IMPACT, eliminating the pollution of soil and waters from residual chemicals, not absorbed by the plants. In order to enhance this IMPACT, and in line with future regulatory trends, Haifa strives to develop biodegradable coating, as an alternative to the polymer currently being used.

#### Developing new markets for captured CO<sub>2</sub> – Circular economy in the emission market

CO<sub>2</sub> is one of the byproducts of fertilizers production processes, and as eliminating emissions is not feasible, carbon capture and storage (CCS) techniques are required. To promote investments and R&D in CCS technologies, which still require technological efficiency improvements, an increase in market demand for CO<sub>2</sub> as raw material is required.

During 2023 Haifa invested in research aimed to identify new industrial use cases for CO<sub>2</sub>, and notably in agriculture. Within this framework, among other initiatives, Haifa conducted a series of experiments, showing the potential IMPACT of CO<sub>2</sub> enrichment in greenhouses in warm countries. Haifa hopes to find new additional methods, to make its vision of circular economy in the CO<sub>2</sub> market with financial viability come true.

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# Harnessing the Power of INNOVATION


## Research, Experiments, Scientific Collaborations

After a need is identified, every INNOVATION effort starts from browsing for available solutions in the market. In many cases, due to Haifa's innovative state of mind and high standards and expectations, such an alternative is not available, and Haifa embarks on a journey to develop the solution internally. Haifa Group has established research partnerships with various universities and research centers over the years. Through these partnerships Haifa and its partners conduct a variety of experiments aimed at developing innovative nutrition solutions, as well as examining the efficacy of Haifa's existing products. In 2023, Haifa Group conducted 48 joint research and studies with public and private research institutions, universities and governmental institutions, in 10 different countries around the world.


### Key global research partners in 2023



**Belgium**  
PC FRUIT




**Israel**  
Hebrew University of Jerusalem  
Volcani center  
Ramat Negev



**Netherlands**  
BOTANY BV  
COMPAS AGRO BV  
CULTUS CROP RESEARCH BV  
DELPHY BV  
LUMBRICUS BV



**Mexico**  
Ceickor



**Poland**  
DORADCA JAGODOWY SP. Z O.O.  
IOR INSTYTUT OCHRONY ROŚLIN  
NEFSCIENCE ANETA CHAŁAŃSKA  
PRZEDSIĘBIORSTWO WIELOBRANŻOWE  
FAROL SP. Z O.O  
UNIwersytet Przyrodniczy we  
Wrocławiu



**USA**  
Gulf Coast Research and  
Education Center  
Tidewater Agronomics  
UF/IFAS  
Young's Palnt Farm



**Brazil**  
CENTRO DE INOVAÇÃO E TECNOLOGIA  
GAPES LTDA  
Instituto de Pesquisa Agrícola do C  
MILTON IDE CONSULTORIA AGRICOLA LTD



**France**  
AREXHOR  
CETA HAM



**Greece**  
AGROLAN




**Italy**  
LandLab  
Agrigeos  
I Magredi

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# Harnessing the Power of INNOVATION

## Research, Experiments, Scientific Collaborations

### Example experiments on Haifa's products efficacy carried out in 2022-2023

 Uniszowice, Lublin region  
**Poland**

 Strawberry

**Objective:** To assess the effectiveness of using Haifa Wall-Up S mixed with Haifa Stim Vital compared to common practice

**results:** higher total and marketable yield; increased mean fruit weight; decline of gray mold infection during fruit picking;

**Haifa product:**



 Tecomán, Colima  
**Mexico**

 Banana

**Objective:** Evaluate the effect of the Haifa nutrition program with Multicote® and Nutrigration® with Multi-NPK™ on the banana crop (Number of exportable bunches / ha Fruit quality)

**results:** Better vegetative results – quality and quantity; Increased profit for farmer, despite the cost when using Haifa's products is almost double

**Haifa product:**

Multicote, Multi-NPK



 Quinto Vicentino  
**Italy**

 Corn

**Objective:** To test and demonstrate the benefits of the Haifa MultiMatch software

**results:** The Multimatch™ program lowered the total amount of fertilizer applied, while achieving better plant performance and higher yield.

**Haifa product: MULTIMATCH™ software**

Multicote Agri





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# Harnessing the Power of INNOVATION

## Haifa's Innovative BLUMONIA™ Manufacturing Facility – The Only One in Israel

**Hundreds of Tons  
per day**  
Ammonia  
manufacturing  
capacity

**Up to 60% more  
energy efficient**  
Compared to older  
and more traditional  
ammonia production  
facilities in the world

**Carbon Capture system**  
Will be installed to  
prevent GHG emissions  
and transform them to  
raw materials, promoting  
circular economy

**300 million USD**

**0 effluents**

**40 MW installed capacity**

Capex invested in  
development and  
construction

In the ammonia  
manufacturing

of a dedicated solar (PV)  
power plant to feed the  
facility's electricity needs

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# Harnessing the Power of INNOVATION

## Haifa's Innovative BLUMONIA™ Manufacturing Facility – The Only One in Israel

Ammonia is a critical source of Nitrogen for plants, one of the three basic elements feeding plants and supporting their growth. Nitrogen from ammonia is a key element in the fertilizers required to feed the world's growing population. As supply chain disruptions are on the rise globally and expected to continue to increase due to climate change impacts, as well as in order to reduce the environmental impact of its raw material and supply chain, Haifa strives to increase its resilience, by being able to manufacture this critical raw material itself.

Therefore, Haifa decided to invest in building the first ammonia production facility in Israel, "BLUMONIA™", with production capacity of hundreds of tons of ammonia per day. The facility aims to meet the ammonia needs of the entire Israeli industry. Local production will cut the carbon footprint by eliminating long supply chains and boost industry independence during crises and global supply disruptions.

Environmental considerations have led Haifa to develop the facility so it would manufacture ammonia, with lesser environmental impact and carbon footprint, compared to the alternatives. With an investment of approximately 300 million USD, this facility is one of Haifa's most significant business and sustainability investments in recent years.



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# Harnessing the Power of INNOVATION

## Haifa's Innovative BLUMONIA™ Manufacturing Facility – The Only One in Israel

As part of Haifa's approach regarding reducing its environmental IMPACTs, several significant steps have been taken to reduce the environmental IMPACT of ammonia production at the facility:

🌿 **Increased Energy efficiency:** The facility is expected to consume 30 GJ per ton of ammonia manufactured, in line with BAT standards for energy efficiency, and up to 60% more efficient than existing ammonia production facilities in the world that use more traditional production methods. In addition, the facility will utilize heat recovery loops to ensure all the heat generated in the process is used for steam production used in the facility or in other facilities in the Negev site. In the future, Haifa plans to construct a PV solar power plant to provide renewable energy for the operation of the facility. In line with Haifa's circular economy approach, the power plant will be constructed over old Evaporation pools, sealed with sludge from Haifa's wastewater treatment facility.

🌿 **Reduced Air Emissions:** Haifa installed BAT technologies and means to reduce air emissions from the facility:

**NOx** - To reduce NOx emissions, Haifa will use low NOx burners, and

install a DeNox reactor.

**Methano** - A special catalyst will be used in production, who reduces the amount of methanol generated as a byproduct in the process.

**CO** - The facility will have a catalyst that converts CO to CO<sub>2</sub>, which will be captured by a dedicated facility.

**Storage emissions** - To prevent emissions from the Ammonia storage tank, the tank is equipped with an advanced vapor recovery system, designed to completely prevent such emissions. In addition, safety torches are installed to prevent air emissions in states of emergency.

🌿 **Zero Wastewater:** The facility was designed as a facility with no effluents, all water uses in the production process is done in a closed loop, limiting water withdrawals as well.

🌿 **Carbon Capture:** Haifa plans to install a carbon capture system, enabling the prevention of GHG emissions, and sell them as raw material for industrial uses, as part of Haifa's circular economy approach. In the future, Haifa also plans to develop innovative new products based on this raw material.

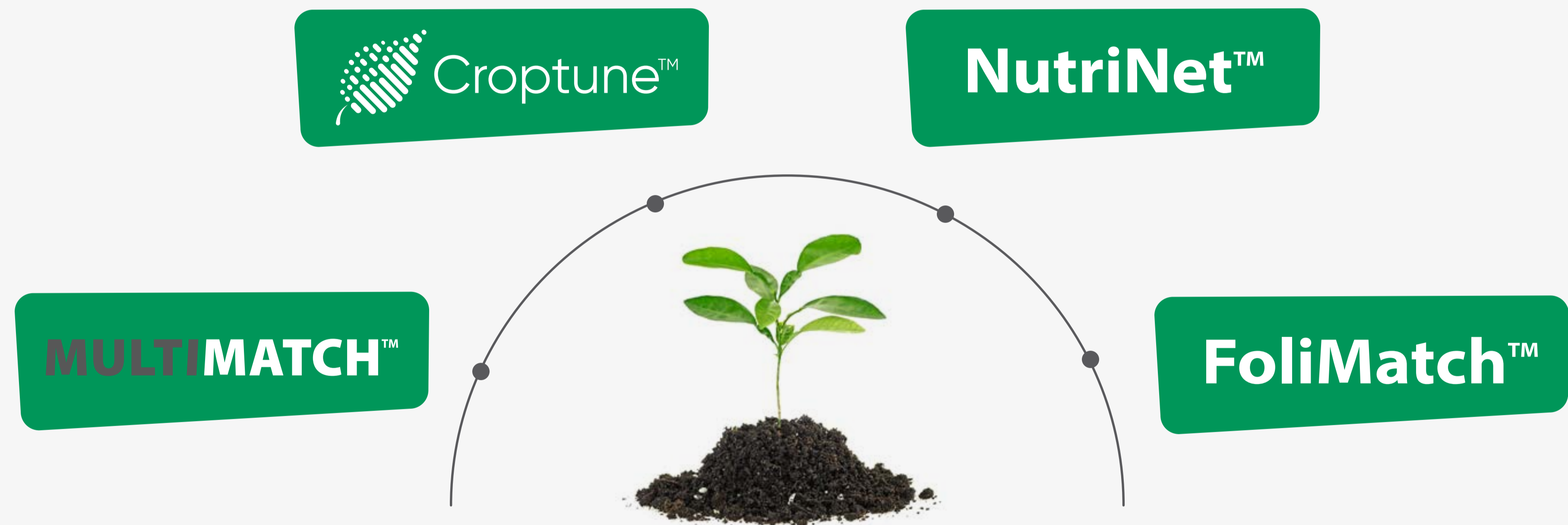


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# Harnessing the Power of INNOVATION

## Revolutionizing Agriculture Management With Digital Transformation

Haifa's innovative digital tools for farmers and growers:



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# Harnessing the Power of INNOVATION

## Revolutionizing Agriculture Management With Digital Transformation



Haifa Group invests in ag-tech startups, enabling to enhance its value proposition to its clients, and create added value to growers in the field of plant nutrition. One of these innovative solutions is Croptune.

**21 crops**

**ISO 17025 certified – the first certified AI lab in the world**

**Up to 30% savings of nitrogen fertilization**

In the past year Haifa acquired the innovative Croptune app. The app can recognize nitrogen deficiencies in the plant in real time, using a picture taken with the grower's personal smartphone camera, processed by an AI-based engine which uses image processing. The app can help the farmer to optimize fertilizer application, reduce costs, and achieve higher yields and quality, while preventing over-fertilization that then seeps into the soil or released into the atmosphere.

For growers that grow according to the GAP standards (Good Agriculture Practices), it is essential to report and reduce the amount of nitrogen applied. Croptune eases the reduction, as field experiments and pilots,



conducted in collaboration with third parties, show a saving of up to 30% of the nitrogen applied, as well as up to 20% increase in yields. Croptune app is currently calibrated to measure 21 crops, including the main field crops like wheat, corn, rice and potatoes. Haifa is currently in the process of adding more nitrogen intensive crops to the app's capabilities, like sugar cane which is currently executed by Haifa Australia.

Croptune has been expanding its use in past years by private and commercial growers. Data collected in the past two out of a three-year pilot with a leading international Food & Beverage company, working with their potato growers on 5 varieties, shows that by using Croptune the growers have increased their yields **by 20% while saving up to 30% of the applied nitrogen fertilizer**, significantly improving the Nitrogen Use Efficiency

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# Harnessing the Power of INNOVATION

## Revolutionizing Agriculture Management With Digital Transformation



### NutriNet™

As a global leader in precision agriculture, Haifa aims to provide a comprehensive solution for growers, including knowledge and fertigation programs. Haifa's innovative NutriNet is a plant nutrition expert system, providing recommendations for most effective fertilization programs. These programs aimed to maximize efficiency from fertigation with Haifa's premium products.

NutriNet helps growers to plan fertigation schemes and programs considering the actual conditions of the crops, by using comprehensive datasets of crop nutrition requirements. The output of the app includes a calculation of the expected environmental impact of the program.



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# Harnessing the Power of INNOVATION

## Revolutionizing Agriculture Management With Digital Transformation

### MULTIMATCH™

MultiMatch is the complementary tool to Haifa's advanced CRF's technology. This online application helps the grower to customize the use of CRF to specific crops, thus achieving optimal growth and nutrient efficiency and lowering fertilizer losses.

**This tool enables Haifa to empower growers with knowledge of their environmental IMPACT attributed to fertilizing, enabling them to measure and manage their IMPACT for the first time.**

MultiMatch calculates for the farmer the environmental footprint of the planned nutritional program and compares it to conventional alternatives, enabling the farmer to choose the more sustainable program.



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# Harnessing the Power of INNOVATION

## Quality Management

As a leading manufacturer of premium agricultural solutions, Haifa Group is deeply committed to delivering products that meet the highest quality standards. Our unwavering focus on quality is driven by our desire to empower farmers worldwide to achieve optimal crop yields and sustainable agriculture. Through continuous INNOVATION and rigorous quality control processes, we make every effort to exceed customer expectations and contribute to a thriving global food supply.

## Contributions

Our Quality Department has made significant improvements in our operational efficiency and product quality. By fostering a culture of continuous improvement and collaboration, we have successfully reduced customer complaints by 60% since 2018 and enhanced customer satisfaction. In 2023 we observed a 12% reduction in client complaints compared to the same period the previous year.

By implementing robust quality management systems, we have consistently improved our products and services in the production line and packing process.

## 2023 Achievements

**60%+**

decrease in number  
of customer  
complaints from 2018

**12%**

decrease in customer  
complaints 2022-2023

Hundreds of quality  
controls executed  
daily, results  
automatically  
shared with relevant  
functions

**0**

recall events  
2022-2023



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# Harnessing the Power of INNOVATION

## Quality Management



### Haifa's Quality Certifications

Certificate	Description	Certified Sites
<b>ISO9001</b>	Quality Management System Standard	Haifa Negev & France
<b>ISO45001</b>	Occupational Health and Safety Standard	Haifa Negev & France
<b>FSSC22000</b>	Food Safety Standard	Haifa Negev
<b>ISO14001</b>	Environmental Management System	Haifa Negev & France
<b>ISO27001</b>	Information Security Management System	Haifa Group
<b>Regulation EU 2019/1009</b>	Standard for Controlled Release Fertilizers	France
<b>HACCP (Hazard Analysis Critical Control Points) of Israel's Ministry of Health</b>	System which provides the framework for monitoring the total food system, from harvesting to consumption, to reduce the risk of foodborne illness.	Haifa Negev
<b>GMP (Good Manufacturing practice)</b>	Quality measures and quality control in production	Haifa Negev
<b>Halal Certificate</b>	Halal certificate for food products (Phosphoric acid food grade)	Haifa Negev
<b>Kosher Certificate</b>	Kosher certificate for food products (Phosphoric acid food grade)	Haifa Negev
<b>RHP</b>	Quality Label for agriculture products	Belgium

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# Harnessing the Power of INNOVATION

## Quality Management

### Key projects for quality management improvement and performance | 2022-2023



#### Operational Improvements: Enhancing Efficiency and Productivity - New Poly-Feed Plant

Haifa's new Poly-Feed plant is a state-of-the-art facility designed to streamline production and meet evolving customer needs. By integrating production and packaging into a single, automated complex, we've significantly increased output and product quality while ensuring consistent composition and appearance.



#### Improving logistics operations through site's infrastructure improvements

Haifa has upgraded its logistics infrastructure, including raw material storage, quality control acceptance tests, and container loading processes. These improvements have enhanced operational safety and minimized contamination risks:

- By implementing portable terminals for container deployment and closure we have significantly improved quality and security control and eliminated potential seal reporting errors.
- Major investment in renovating logistic infrastructures with emphasis on product packing and loading areas to ensure hermetic sealing and prevent contamination.

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# Harnessing the Power of INNOVATION

## Quality Management

### Key projects for quality management improvement and performance | 2022-2023



#### Digital improvement

By integrating digital improvements across our packaging lines, we have implemented a system that allows for continuous monitoring and instant detection of any defects. This proactive approach ensures that our products meet the highest quality standards before reaching our customers. Our commitment to digital transformation is driving us towards a future where technology seamlessly integrates with human operators to optimize our production processes:

- Integration of QR codes into our labelling process and their subsequent scanning on our production lines provides us with real-time data that guarantees order accuracy and traceability.
- Weight monitoring on packaging lines, to enhance quality control processes, guaranteeing that each package meets the exact weight requirements.
- The implementation of a BI system enables us to visualize key packaging metrics, including output volumes, rejected bag counts, and root causes of line stoppages. This data-driven approach provides valuable insights into our packaging operations, allowing for targeted improvements.
- Installation of cameras on the packaging lines for remote control and supervision.

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# Harnessing the Power of INNOVATION

## Quality Policy

Over the years, the 'Haifa' brand has become a global symbol of quality and excellence. Haifa Group views quality as the core of its success, enabling it to be a pioneer and leader in its field. Haifa views the maintaining of stringent international standards and creating advanced quality management and assurance systems, lead to excellent products for farmers as well as for the environment. The company's management leads an unwavering commitment to quality, sets high goals, and takes an active role in achieving them and embedding this commitment at all levels of the group.

### Core Quality Policy Principles

#### Commitment to our Customers' Success

We view our customers as partners, committed to their success. By leveraging our expertise, we deliver tailored solutions that meet their specific needs. Our customers' evolving requirements drive the development of our products and services.

#### Quality is culture

Haifa Group values its employees as key assets. Their dedication and expertise drive our pioneering spirit and leadership position. By fostering a culture of quality and excellence, we empower our employees to excel and contribute to our collective success.

#### INNOVATION

We provide innovative, eco-friendly solutions that empower our customers to practice sustainable agriculture.

#### Safety

We prioritize product quality and safety throughout the entire product lifecycle, from development to field application. We provide comprehensive support to ensure safe usage and strict adherence to regulatory standards.

#### Improvement

We continuously strive for improvement and adapt to the evolving global market. This enables us to remain a leading source of high-quality products, knowledge, and INNOVATION for global agriculture.

#### Partnership

We demand the highest quality standards from our suppliers. We collaborate closely with them to ensure the consistent delivery of safe, high-quality products to our customers.

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# Harnessing the Power of INNOVATION

## Quality-Oriented Processes

Haifa Group is dedicated to a holistic quality management system that aligns with international standards, local regulations, and industry best practices. Our system is built on collaboration, fostering strong relationships with employees, customers, and suppliers. By working together, we continuously improve our processes and ensure the highest level of customer satisfaction.

To achieve this, we have implemented a comprehensive approach to quality, focusing on both internal and external factors. Externally, we have enhanced communication processes with our suppliers by implementing a rigorous supplier assessment process. This process measures a supplier's conformance to Haifa's standards and evaluates their ongoing performance.

Internally, we have prioritized employee engagement as a cornerstone of our quality initiatives. By providing employees with the necessary guidance, involving them in our processes, and exposing them to customer feedback, we empower them to be proactive and innovative in driving quality improvements.

We are dedicated to a culture of continuous improvement, where our quality management system is constantly evolving to meet new challenges and drive greater efficiencies.



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# Harnessing the Power of INNOVATION

## Customer Communication and Feedback

Haifa Group places customer satisfaction at the heart of its operations. We actively seek customer feedback, to identify areas for improvement. By listening to our customers, we can adapt to changing market demands and continually enhance our products and services. Our global quality department plays a crucial role in investigating customer issues, implementing corrective actions, and preventing future problems.

This collaborative approach enables us to create win-win situations, where both our customers and our organization benefit from ongoing improvement.

Traceability and recall management and readiness  
Haifa Group is committed to ensuring the highest standards of

food safety. As a certified manufacturer, we meticulously track our products throughout the entire production process using unique batch numbers. This enables us to respond swiftly and effectively to any potential product recall.

To maintain our readiness, we conduct regular simulated recall exercises. These exercises involve all relevant departments and test our ability to trace products, respond rapidly and effectively to minimize damage, improve employee skills, implement corrective actions, and to exercise communication with relevant regulators. By continuously practicing our processes, we aim to minimize the impact of any potential risks and protect the health and safety of our consumers.

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# COMPASSion Inward and Outward

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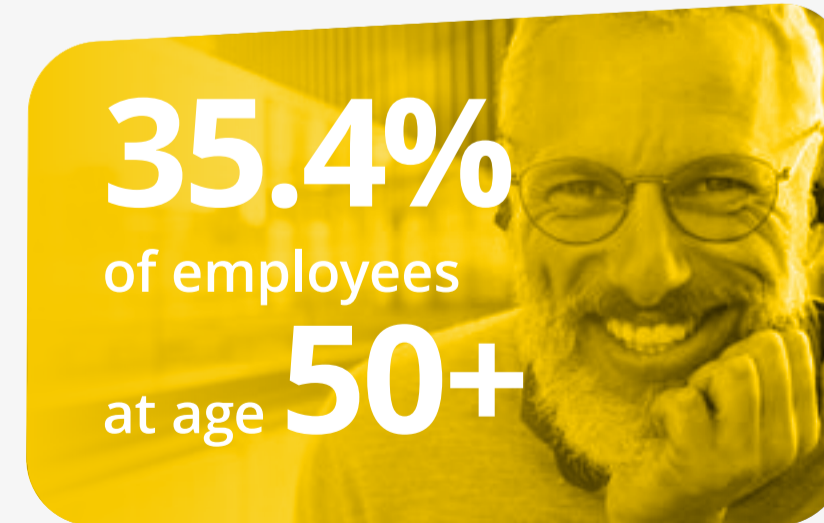
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# COMPASSion Inward and Outward

## The Haifa Family – Putting People First

At Haifa Group, the employees are the capital that drives the group's pioneering spirit, INNOVATION and impact. They are the cornerstone of Haifa's strength and business success. Guided by the value of COMPASSion, Haifa recognizes its employees' contributions. The company is dedicated to creating a supportive, rewarding, and inclusive workplace with dynamic employment conditions and growth opportunities.

Haifa is dedicated to maintaining high standards of employment and labor relations, by providing beneficial work conditions, comprehensive professional and personal development opportunities, and fostering a culture of open and responsive communication. This commitment is reflected not only in the high employee satisfaction and retention rates, but also in Haifa's expansive global presence, providing global working experience.



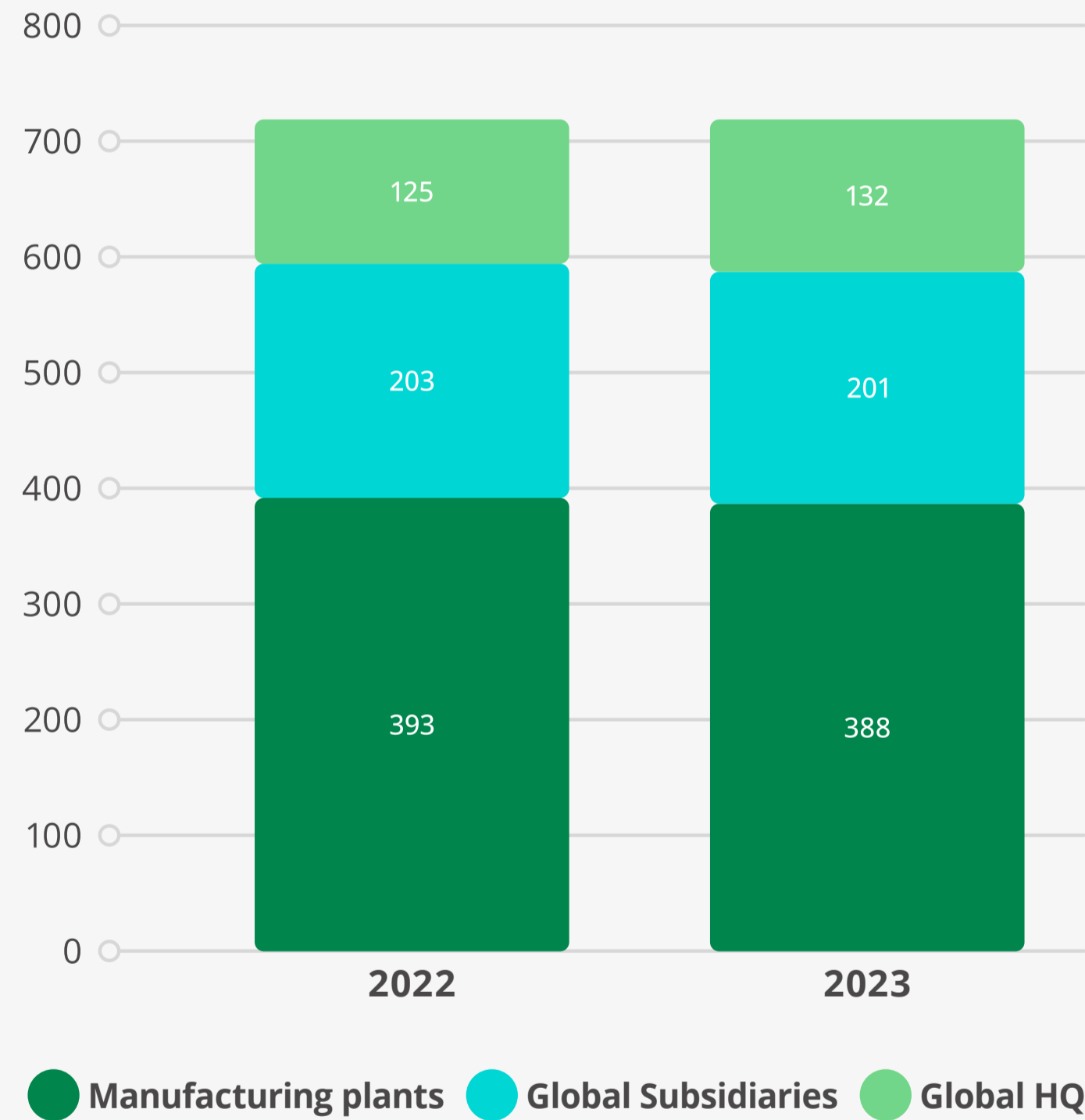


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# COMPASSion Inward and Outward

## The Profile of the Pioneering Haifa Family

### Employees by Position



### Employee geographic distribution

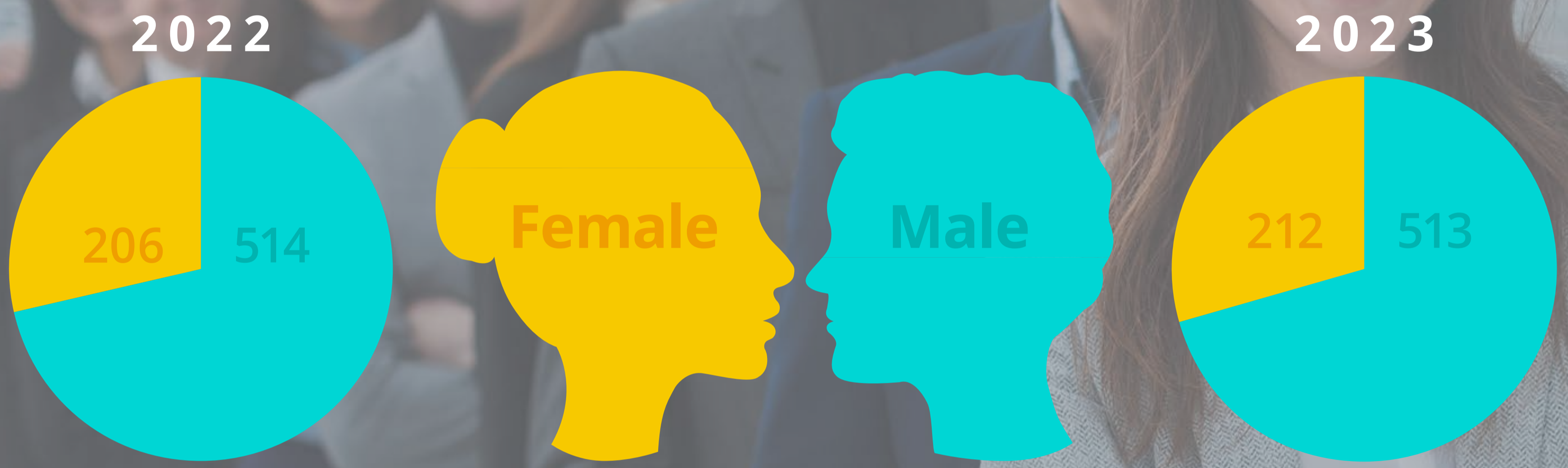


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## Employees by Gender

### Employees Gender Breakdown

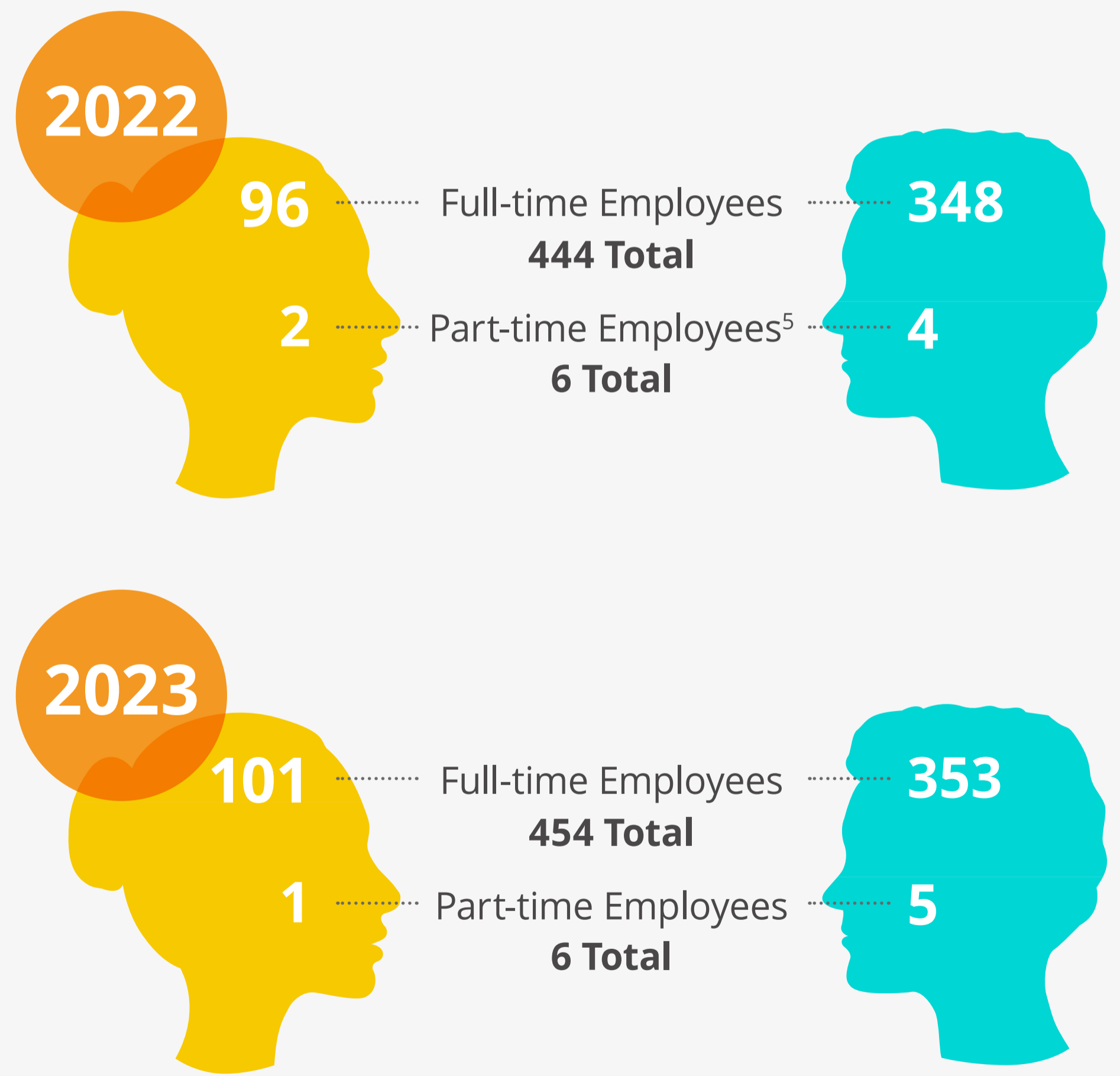


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# COMPASSion Inward and Outward

## Employees by Gender

### Full time / part time, Israel Operations



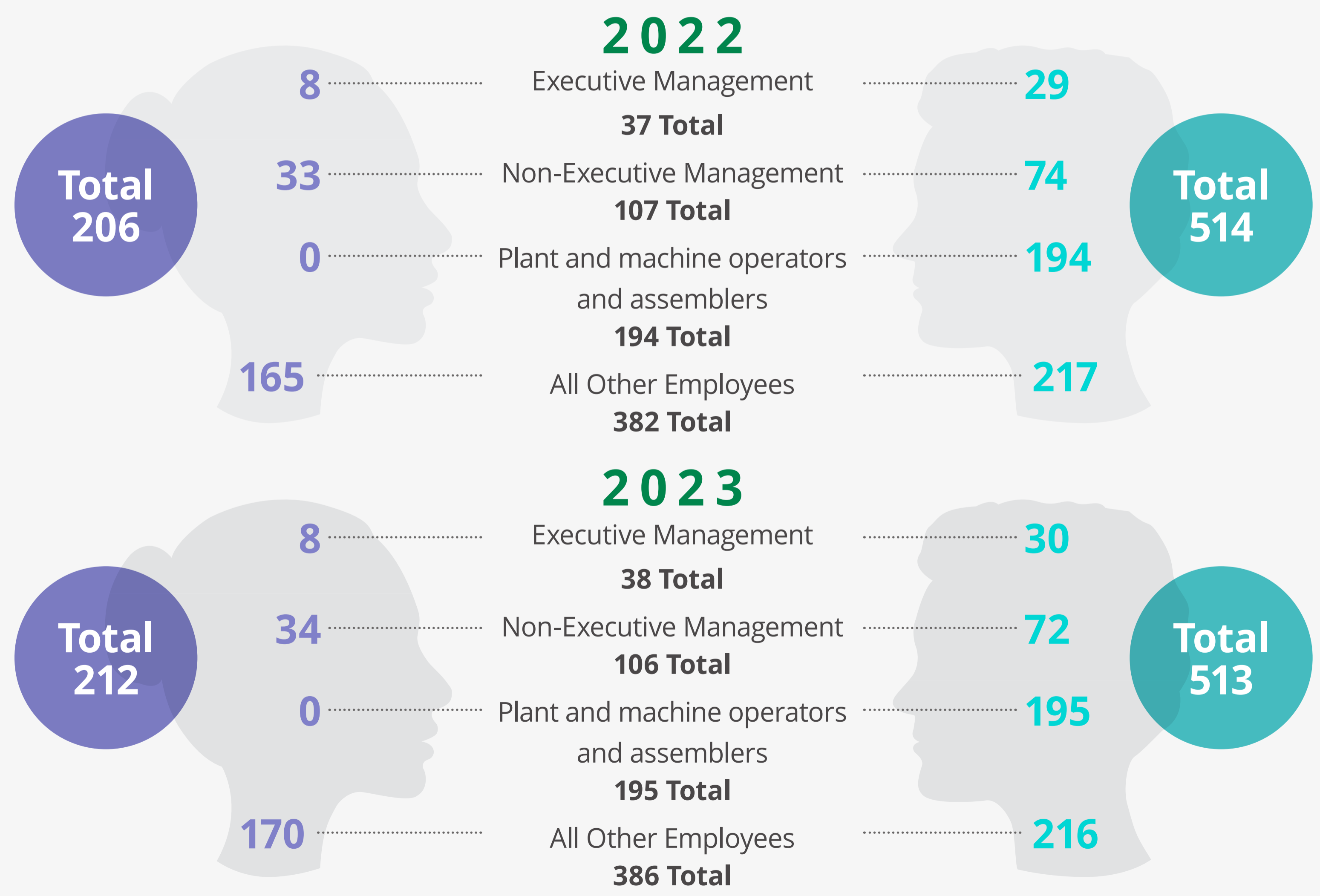
<sup>5</sup> Part time and temporary employees in Haifa are mostly students

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# COMPASSion Inward and Outward

## Employees by Gender

### Gender Representation Across Employee Categories

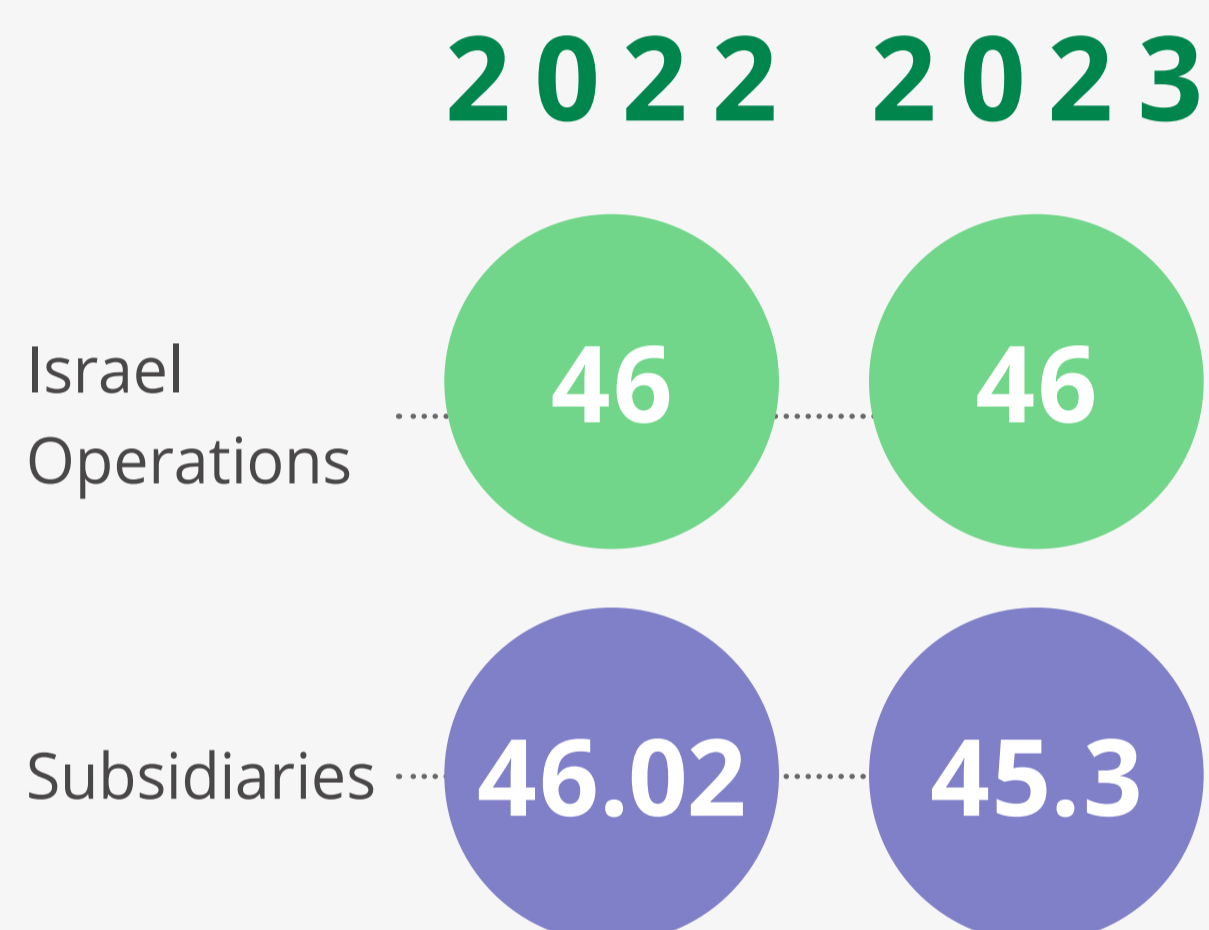


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# COMPASSion Inward and Outward

## Employees by Gender

### Employees Average Age



### Employee Age categories

2022	-30	30-50	50+	Total
Executive Management	0	16	21	37
Non-Executive Management	2	63	42	107
Plant and machine operators and assemblers	8	113	73	194
All Other Employees	44	234	104	382
<b>Total</b>	<b>54</b>	<b>426</b>	<b>240</b>	<b>720</b>
2023				
Executive Management	0	13	25	38
Non-Executive Management	2	64	40	106
Plant and machine operators and assemblers	9	110	76	195
All Other Employees	46	240	100	386
<b>Total</b>	<b>57</b>	<b>427</b>	<b>241</b>	<b>725</b>

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# COMPASSion Inward and Outward

## Employees by Gender

### New Hires and Leaving Employees

2022

New Hires	-30	30-50	50+	Total	Leaving Employees	-30	30-50	50+	Total
	11	33	2	46	5	17	6	28	
	21	73	17	111	2	19	5	26	
<b>Total</b>	32	106	19	157	7	36	11	54	

2023

New Hires	-30	30-50	50+	Total	Leaving Employees	-30	30-50	50+	Total
	15	15	2	32	5	12	6	23	
	9	25	6	40	5	19	10	34	
<b>Total</b>	24	40	8	72	10	31	16	57	

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# COMPASSion Inward and Outward

## A Good Place to Be Working In – The Basis for a Culture of Pioneering

### Why is Haifa a great employer?

**Open and pleasant communications, which fosters INNOVATION**

**Strong labor relations**

**Emphasize well-being and working conditions**

**Continuous employee learning and development**

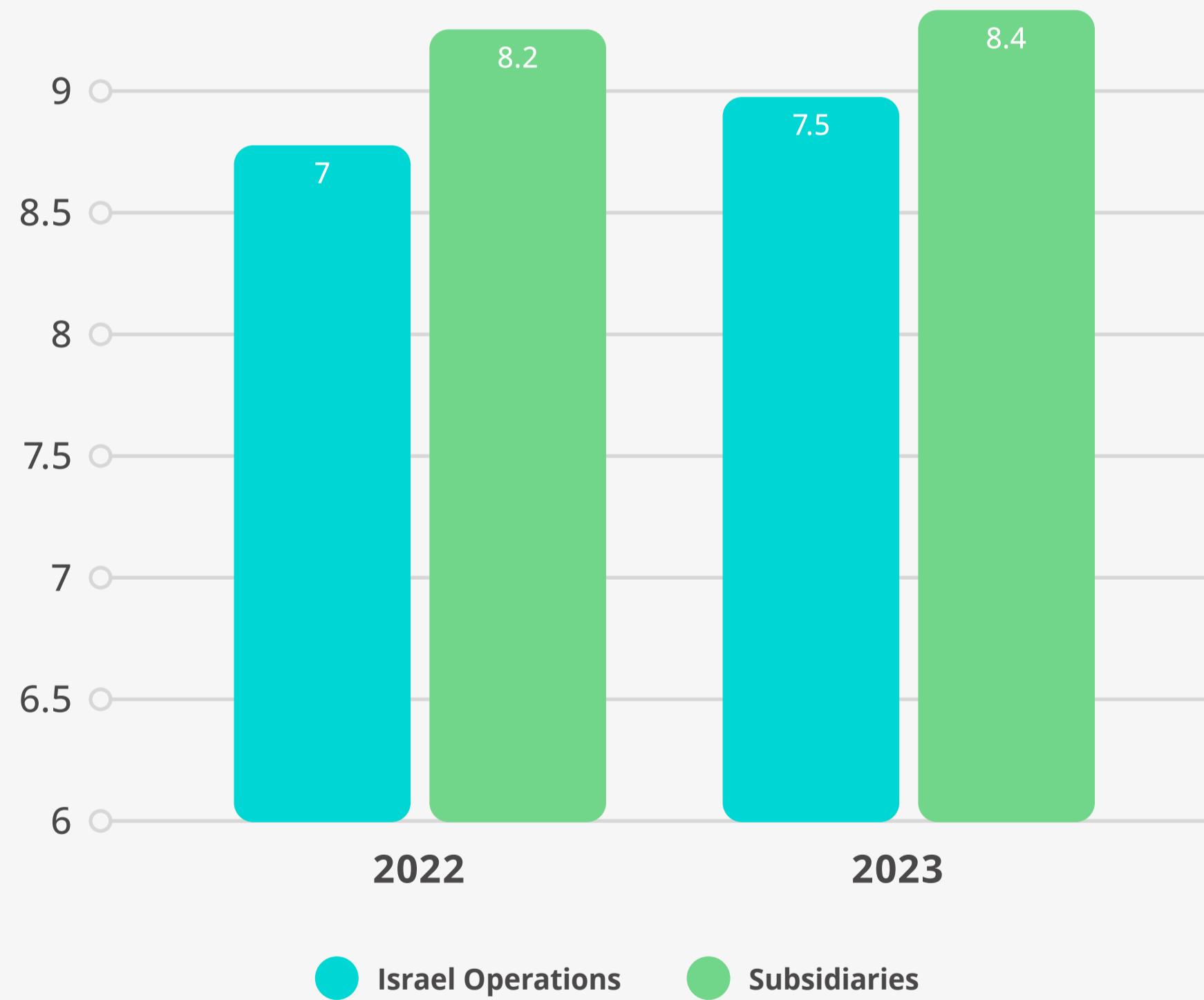


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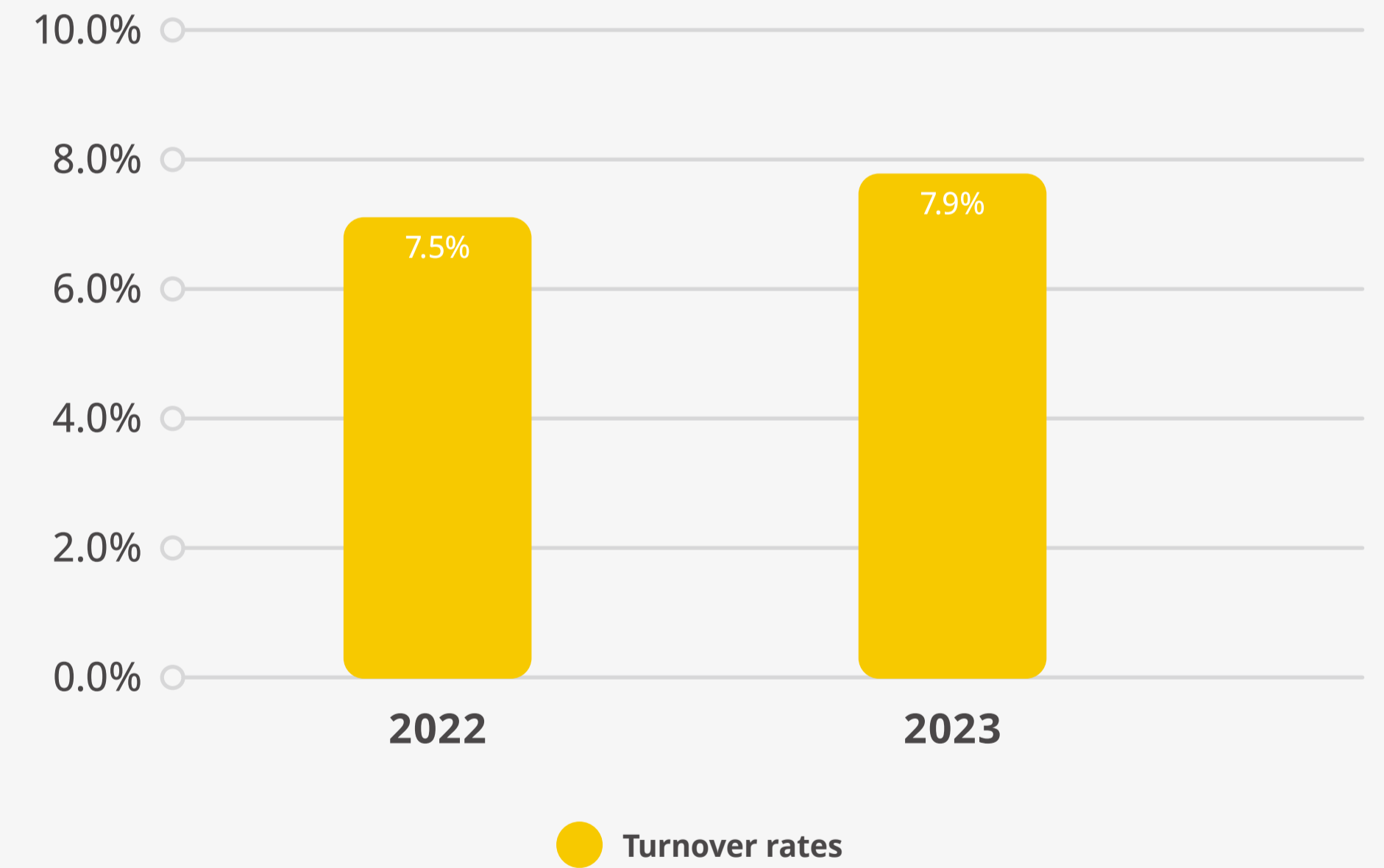
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## A Good Place to Be Working In – The Basis for a Culture of Pioneering

### Average Employees Seniority



### Turnover rates





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# COMPASSion Inward and Outward

## Open and Pleasant Communications

Haifa Group is committed to fostering open communication and collaboration at all levels of our organization, to implement a nurturing working atmosphere as well as encouraging new ideas, creativity and INNOVATION. To support this, relevant policies, protocols and procedures were installed, as well as ongoing efforts to implement the positive organizational culture Haifa aspires to.

### Key Initiatives to lead open communications between employees and management:

**Collaborative Task Forces:** Global Task Forces in different cross-company topics, that empower employees to share ideas, collaborate across departments and regions, and take ownership over projects that lead to IMPACTful decisions.

**Round-table meetings:** Round table meetings between employees and HR representatives, in which they are encouraged to communicate any dilemma and concerns.

**The Door is Always Open:** An open-door policy ensures that employees can freely approach their direct managers, HR managers, or even the CEO with any concerns or feedback, promoting transparency and trust within the organization. Additionally, the informal "Coffee with Motti" sessions allow employees to engage directly with the CEO, Motti Levin.

**Massaging and communication channels:** Diverse communication channels through which the management communicates information and updates to all employees are available, including organizational intranet, boards, WhatsApp groups, pamphlets, and more.

**Company Surveys:** Annual satisfaction surveys are sent to employees, and key findings are presented to the management, and addressed in a dedicated workplan.



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# COMPASSion Inward and Outward

## Open and Pleasant Communications

### Connection with the Group's Retirees

Haifa Group values its community of approximately 300 retirees, with new members joining each year. The company has long maintained a strong connection with its retirees, emphasizing the importance of providing ongoing support and a shared social framework that keeps them engaged to the company. In addition, Haifa encourages employment after retirement age, for employees who wish to continue work. In 2023, 3% of Haifa's employees were at age 64 or above.

The commitment to retirees is expressed through various initiatives, including funding a weekly retirees' club in Kiryat Bialik, where members gather for social activities. The club also hosts traditional toasting events each year, which are attended by company representatives. The company also funds ten trips annually for the retirees and provides holiday gifts twice a year, during Rosh Hashanah and Passover, through the pension fund. Retiree representatives are invited to significant company events, such as employee retirement celebrations and other special occasions, to maintain their connection with the broader Haifa community.



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# COMPASSion Inward and Outward

## Open and Pleasant Communications

### We See Our Employees Well-being and labor relations

As Haifa is proud of providing support for its employees throughout their life cycle, it provides unique working conditions and benefits, compared to other industrial companies. The company uses creative solutions to provide for the needs of its employees, in line with the company operational needs.



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# COMPASSion Inward and Outward

## Benefits and Working Conditions<sup>6</sup>

### Work life balance

- Work from home policy for HQ and Negev employees
- Ending work one hour early once a week
- Offering flexible work hours
- Supporting employees who are caregivers
- Vacations for family welfare events

### Welfare

- Support for life events (birth, Shiva, birthdays, etc.)
- Team-building activities and retreats
- Holiday gifts and bonuses
- Crisis relief fund
- Educational scholarships and continuing education support
- Welfare Events and activities, including sports events & courses

### Lifecycle & Family Welfare

- Summer camp subsidies
- Event tickets for families
- Scholarships for employees' children
- Gifts, events, vouchers for births, first-grade & military service milestones
- Gifts and announcements for weddings and grandchild births
- Home deliveries for encouragement during illness

### Social benefits

- Life insurance
- Health care
- Disability and invalidity coverage
- Maternity leave
- Retirement plans managed by a separate pension (in Israel)
- Dental insurance

<sup>6</sup> Not all benefits are available to all employees

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# COMPASSion Inward and Outward

## Freedom of Association and Collective Bargaining Agreements

**2023** The last collective agreement was signed

**9.5%** increase in employee salaries

**62%** of Negev employees are covered by it

Haifa's employees in the Negev factory are unionized in a dedicated trade union. The management of the groups maintains constructive relationship with the union, and they work closely together to ensure the success of the company and conditions of the employees.

In 2023, a collective bargaining agreement was signed between Haifa Group and the union, for a five-year period.

This agreement improved employment security and increased employee income by 9.5%.

Additionally, a support fund was established to support employees in distress, providing financial aid for medical treatments or loans. The agreement also covered hybrid work environments and work-life balance. Under the new agreement shift employees attend the factory only 16 days a month, and day employees work two days a week from home, with increased flexibility in work hours. The agreement covers 62.4% of the Negev factory's employees, which account for 23% of the group's employees. There hasn't been any labor relations related incident in the group since 2017.

### Benefits in Haifa Global Subsidiaries

The Group's subsidiaries worldwide cultivate a strong sense of community through regular team events and activities. These include year-end celebrations, festive meals with team building or charity work, and quarterly meetings that conclude with team-building exercises. These initiatives aim to enhance team spirit, reinforce collaboration, recognize contributions, and support local communities. Celebrating personal milestones is also a priority. Many subsidiaries observe shared birthdays in the office, with Haifa ensuring that employees receive a birthday greeting and gift. Cultural and religious observances are respected across our subsidiaries. For example, in Turkey, teams gather during Eid al-Adha to distribute food to the elderly, while in Ecuador, employees support the needy through food donations around Christmas. Haifa Group is also committed to providing aid in times of need. Following local disasters, such as floods in Greece, we donate products and essential goods to affected communities.

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# COMPASSion Inward and Outward

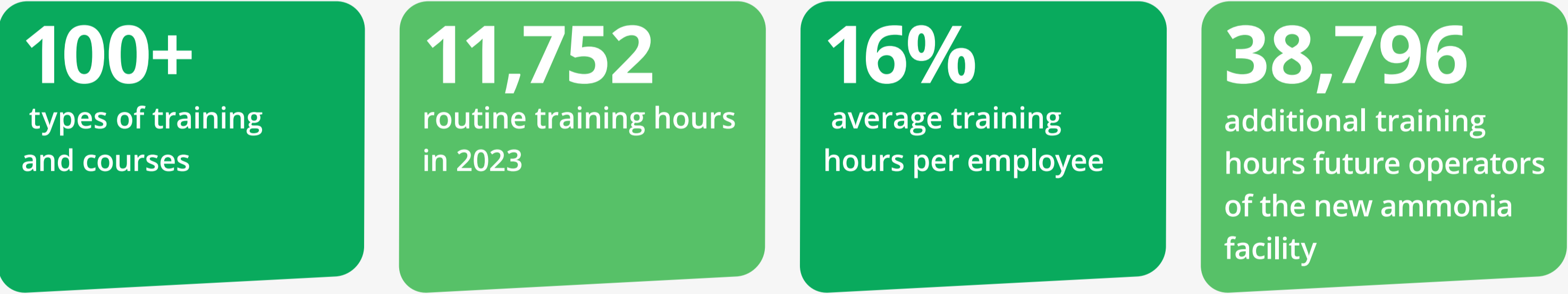
## Continuous Learning & Development

Maintaining a heritage of pioneering and expertise, requires ongoing learning, research, and updated knowledge. That is why Haifa places a strong emphasis on the continuous development and advancement of its employees.

### The three layers of employee development programs



### L&D achievements in 2023



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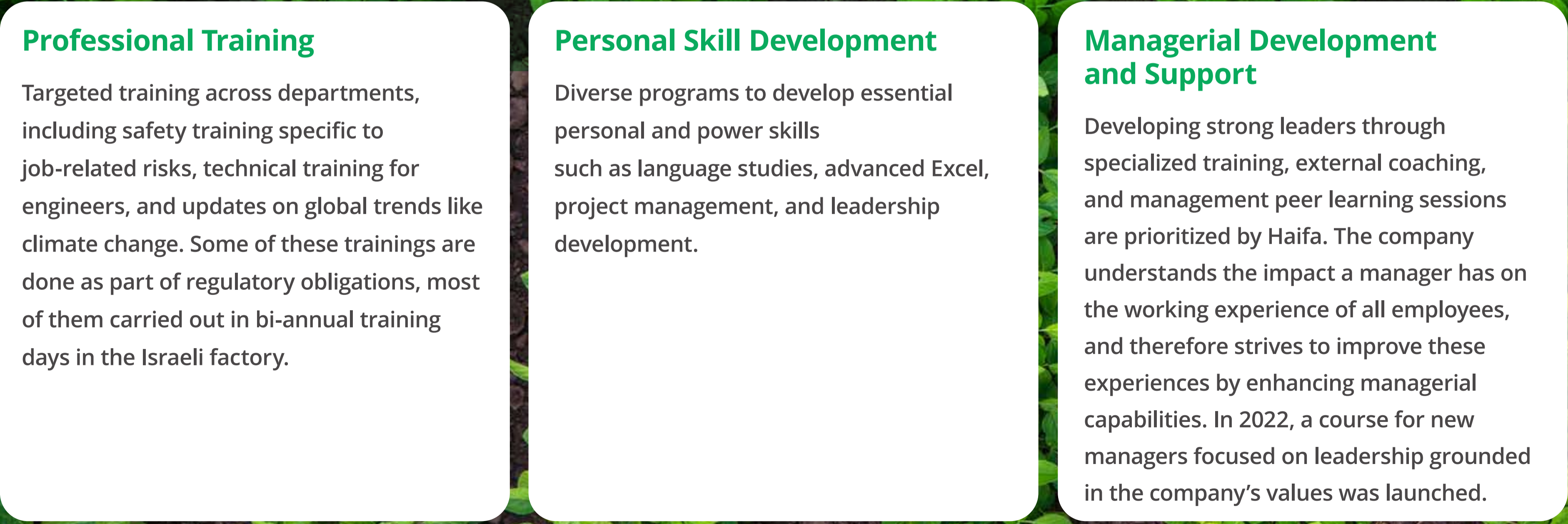
## Continuous Learning & Development

The approach to learning and development is guided by four key principles:



To support these principles, a robust organizational development and learning framework was developed, including a digitized learning system and dedicated training administration.

The comprehensive programs include three layers of formal training:



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## Providing Feedback to Enable Ongoing Growth

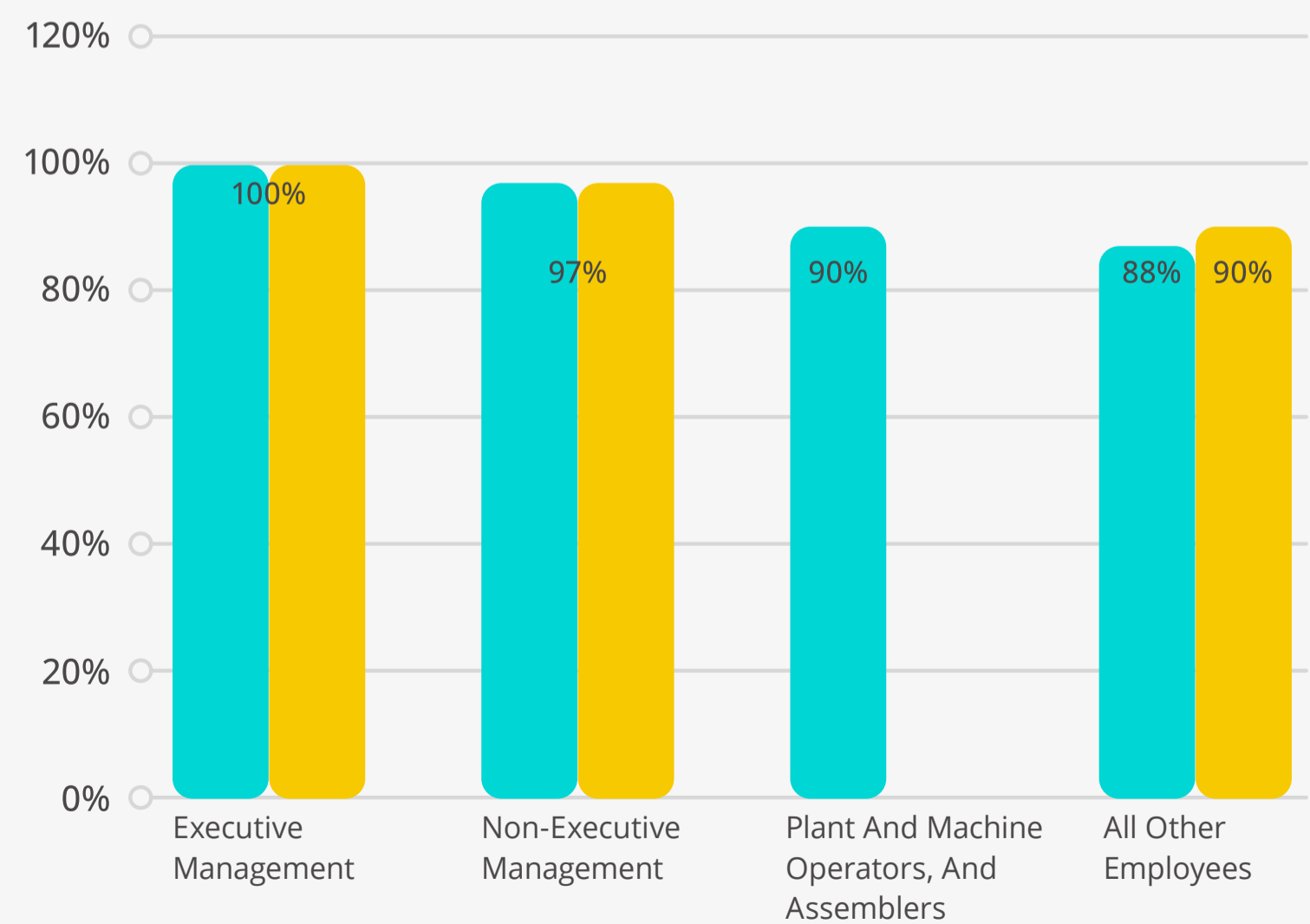
The annual performance evaluation process at Haifa Group reflects its organizational culture, fostering meaningful and efficient dialogue between employees and managers. This process includes setting personal and professional goals, with a focus on learning, drawing lessons, and continuously improving processes.

In 2024, the evaluation process was updated to better align with the company's core values, ensuring that evaluations not only assess performance but also support individual growth and development.

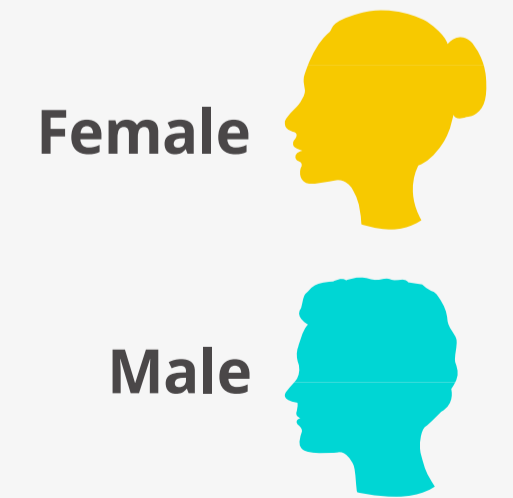
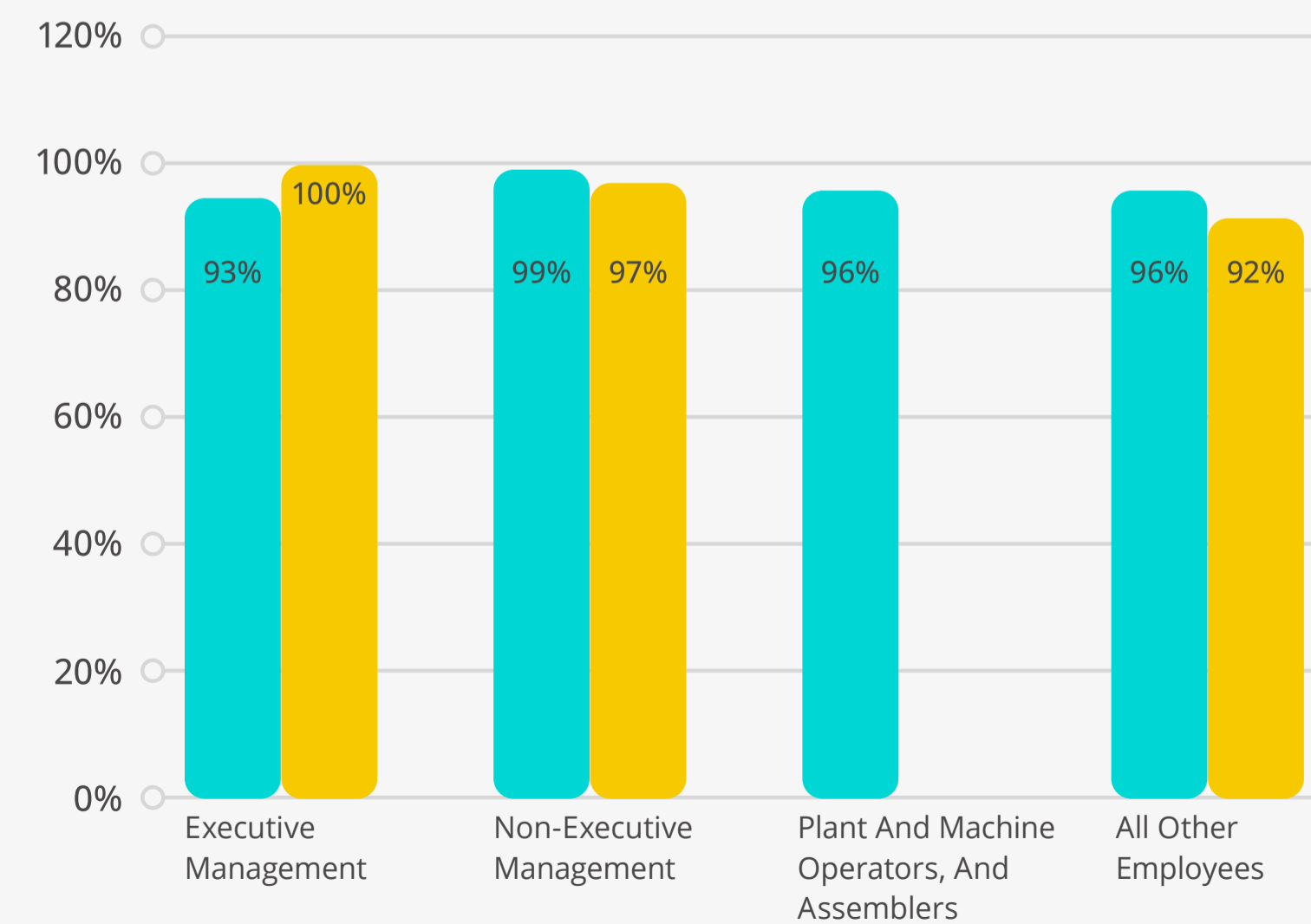
**Employees went through performance review**

	<b>2022</b>	<b>2023</b>
	# 655 % 91%	# 692 % 95%

**Performance Appraisal Rates 2022**



**Performance Appraisal Rates 2023**





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# COMPASSion Inward and Outward

## Diversity, Equity, and Inclusion – Making an IMPACT and Driving INNOVATION Through a One COMPASSion Effort

Diversity, equity, and inclusion are central to Haifa’s corporate ethos. As an innovative company, Haifa understands the value of diverse approaches, backgrounds and opinions to inspire innovative and creative ideas. Therefore, Haifa had committed that at least 5% of its new hires by 2030 will be from minority groups, enhancing the multicultural fabric of the Haifa family.



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# COMPASSion Inward and Outward

## Diversity, Equity, and Inclusion – Making an IMPACT and Driving INNOVATION Through a One COMPASSion Effort

**In order to promote diversity, the company promotes a range of initiatives, including:**

The company appointed The VP global HR in charge for diversity. She, along with the head of learning and development, went through a unique certification for DEI management, to ensure professional implementation of best practice in the company.

17.5% of the managers in Israel went through training concerning multicultural and diverse work environment.

Ensuring full accessibility to people with disabilities in company offices.

### Employing workers from less represented communities

In Israel, Haifa employs 28 staff members from underrepresented communities (Arab, disabled individuals, and Israelis of Ethiopian descent), making up 6.1% of the group's employees in Israel. In 2023, 16.6% of the employees hired in Israel belonged to minority groups.

15 of the employees from underrepresented communities are people with disabilities. This was accomplished despite the challenges in hiring individuals with certain disabilities at the Israel plant, where most of the Israeli workforce is employed, due to safety requirements. In the HQ, Haifa prioritize hiring people with mental disabilities and has a dedicated program in place to promote their recruitment, and support their inclusion in the teams.



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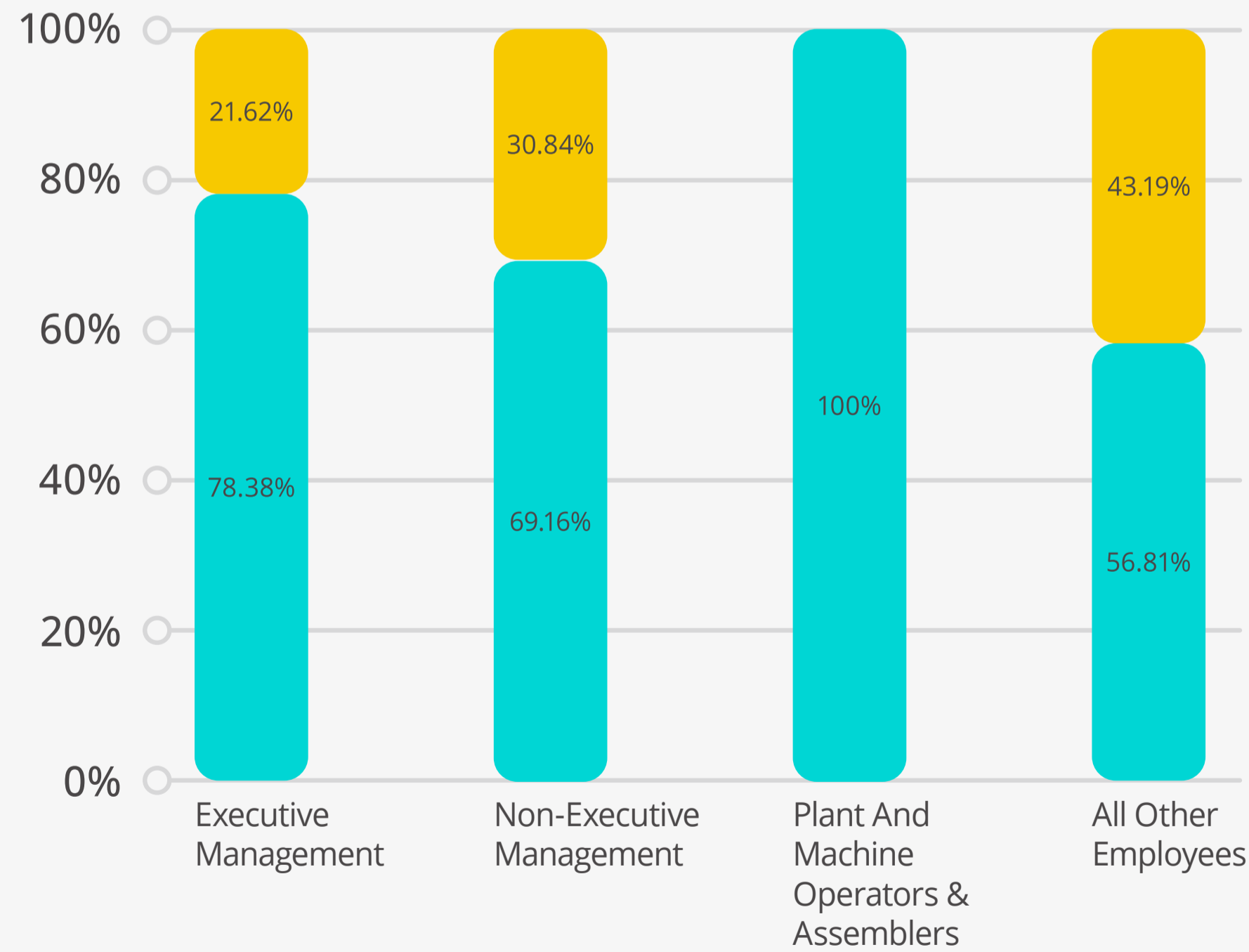
# COMPASSion Inward and Outward

## Gender Diversity

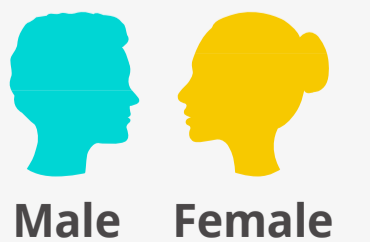
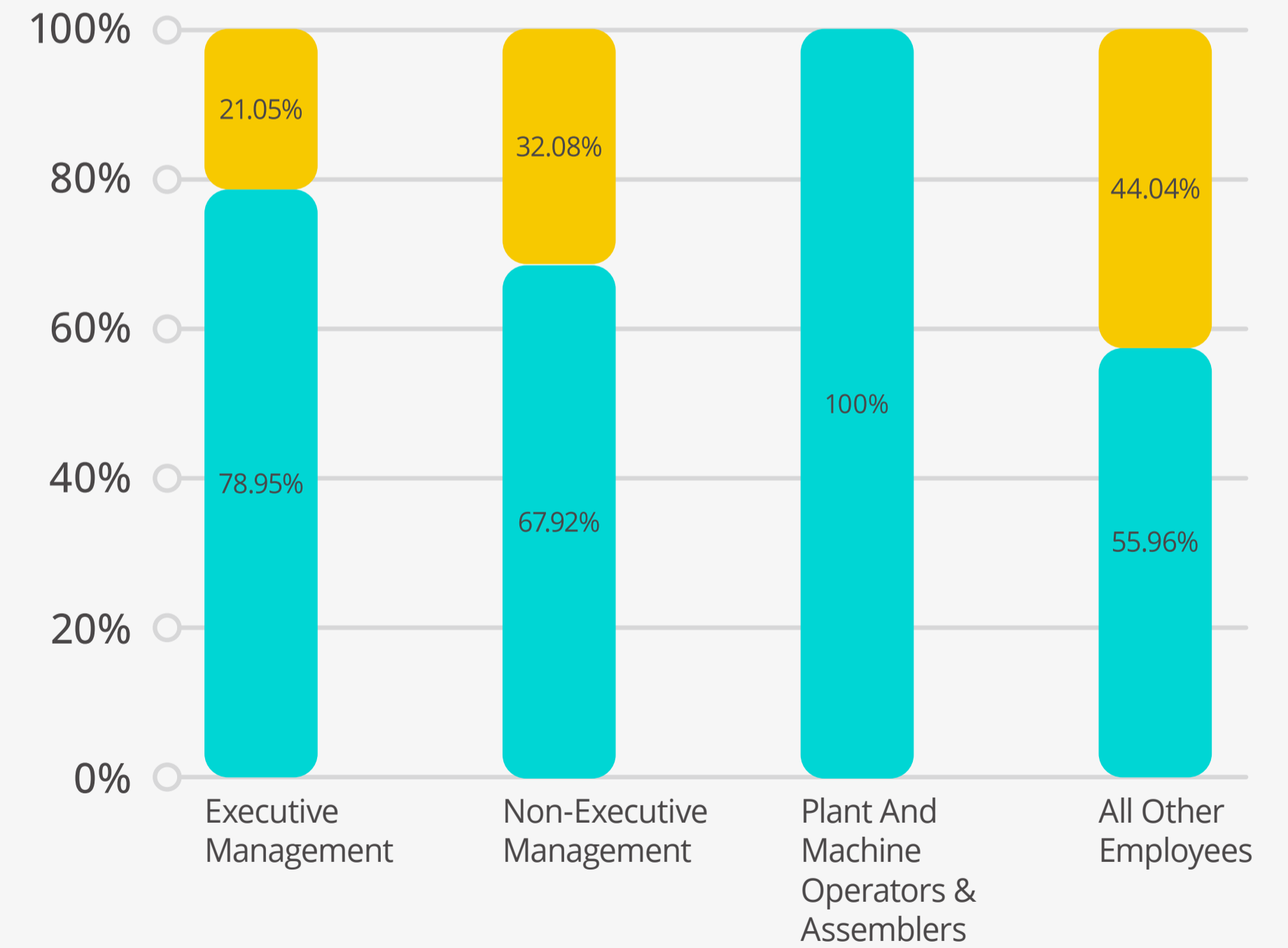
Regular audits ensure parity in wages and benefits across all gender groups, with consistent results showing no disparities in compensation. The recruitment policy also favors appointing women when candidates are equally qualified, supporting our journey to achieve balanced gender representation.

### Gender Representation Across Employee Categories

**2022**



**2023**



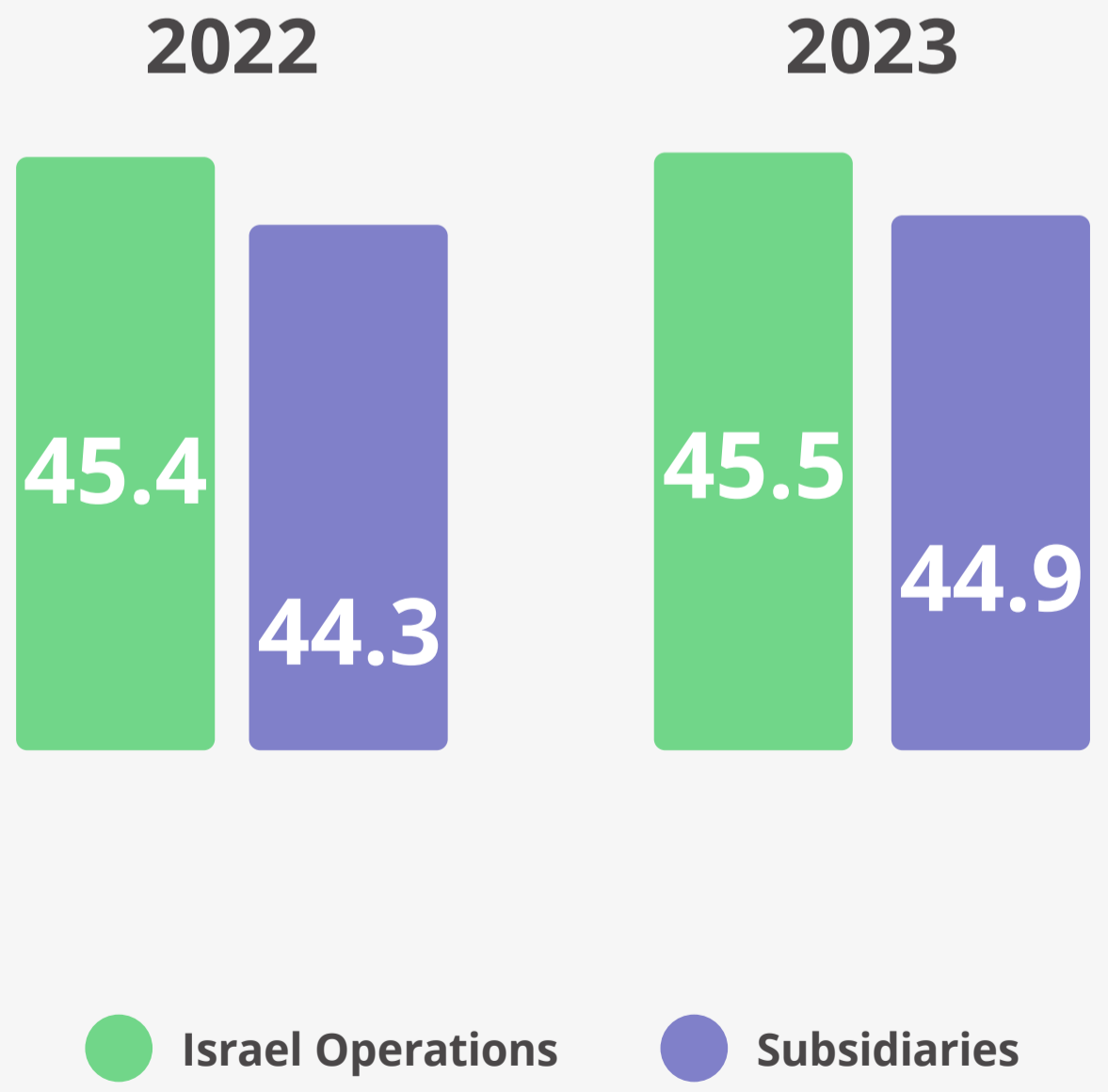
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# COMPASSion Inward and Outward

## Age Diversity

Haifa values the contributions of employees from all age groups and actively integrates older employees into our operations. Acknowledging that older employees bring valuable experience and stability, unique benefits tailored to their needs are offered, including career adaptability, flexible consulting roles, and retirement planning. In 2022, Haifa Group employed 238 workers over the age of 50, increasing to 241 by 2023.

### Average Employees Age



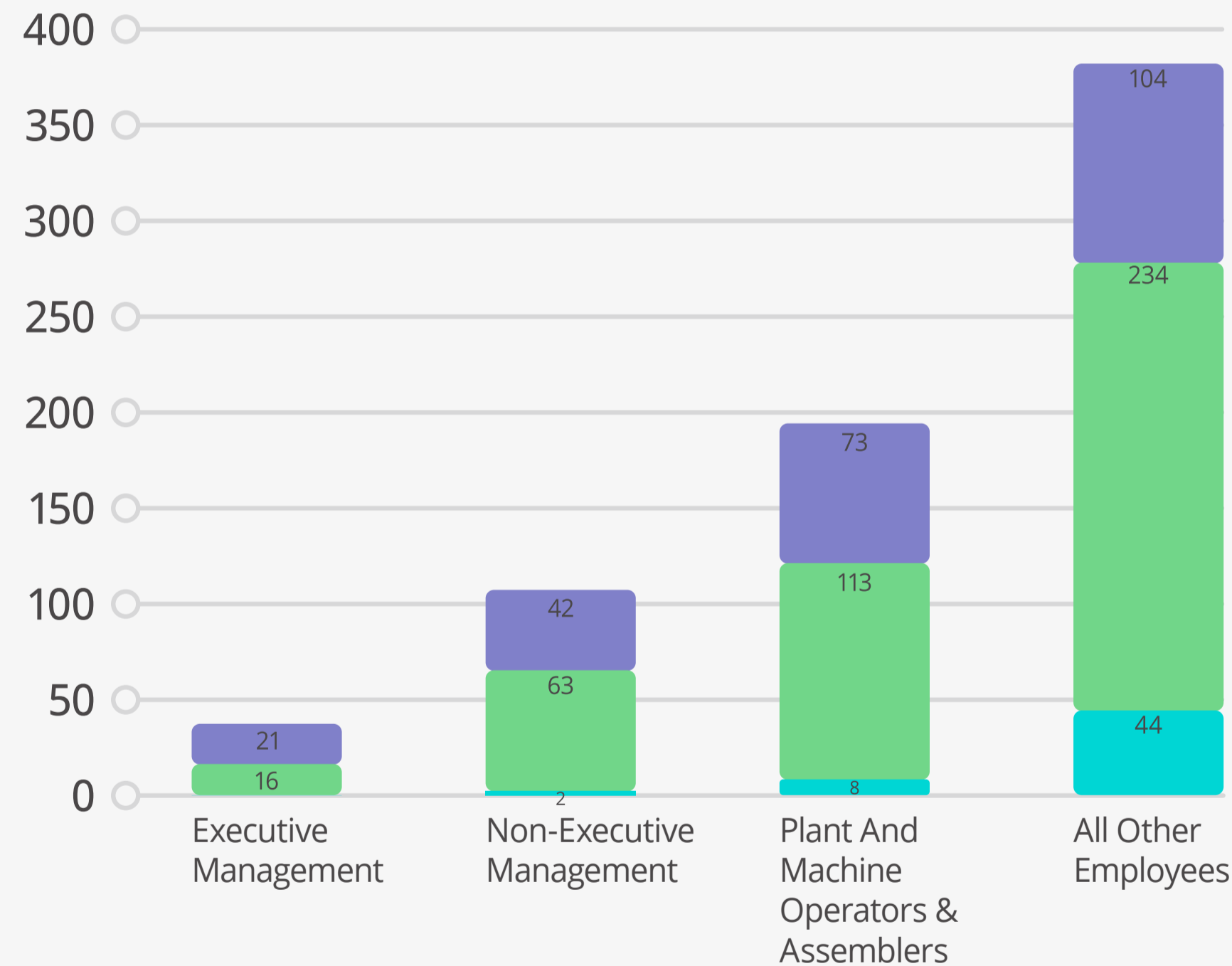
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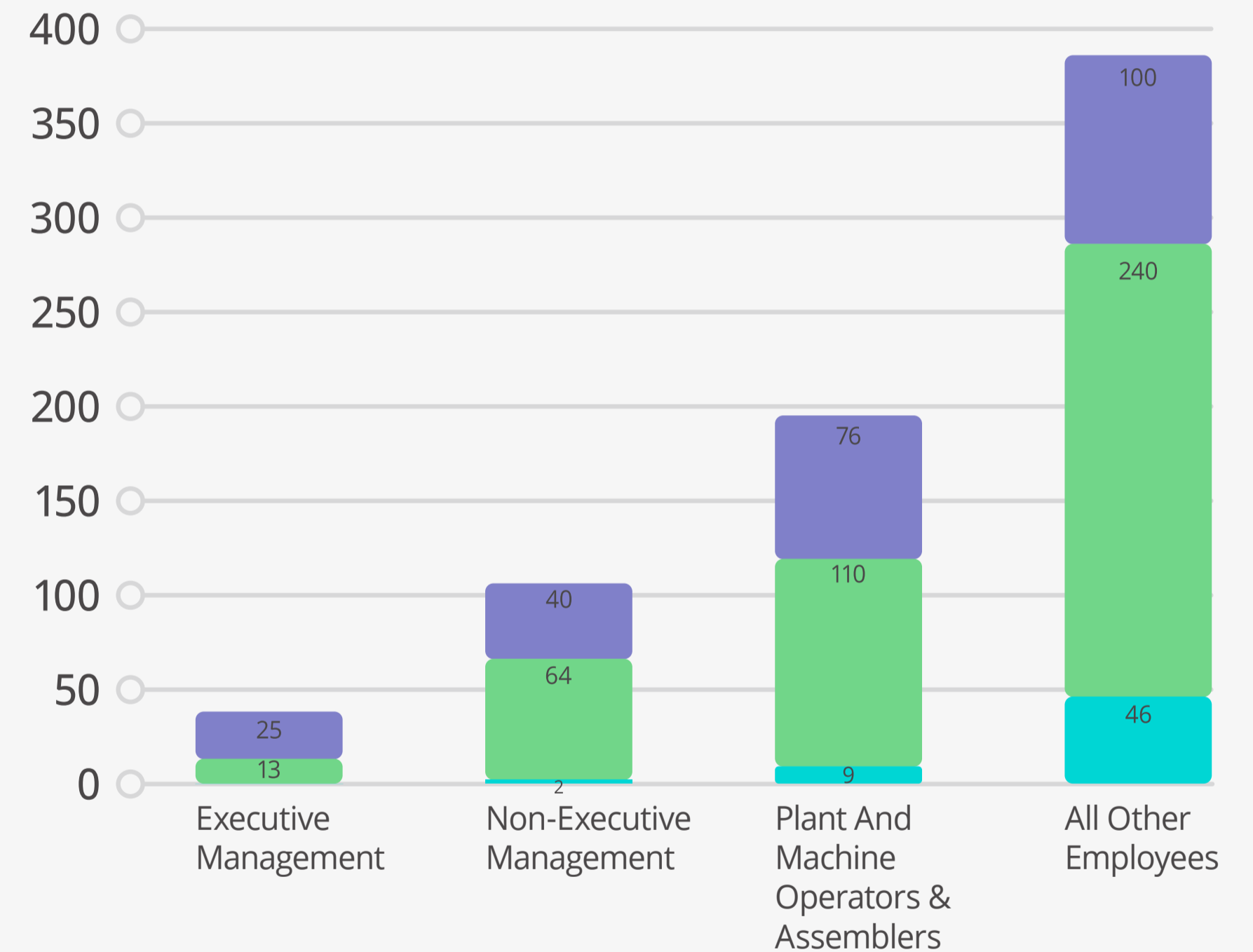
## Age Diversity

### Employee Age categories

2022



2023



● Under 30    
 ● 30-50    
 ● 50 and above

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# COMPASSion Inward and Outward

## Occupational Health and Safety

**58** safety training hours per employee

**0** work-related ill health incidents

**6** employees lost time injuries

**0** employee or contractor fatalities

**80%** increase in employee safety observations reporting through HAIFA-SAFE APP



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# COMPASSion Inward and Outward

## Occupational Health and Safety



### Safety Policy

Haifa Group acts to ensure and promote the safety of its employees, contractors and customers around the world, and safety considerations are highly ranked in business and operational decision making. The group's holistic approach to health and safety responsibility towards its stakeholders is based on several core principles:

#### Protection and prevention

ensuring safety is a prerequisite for performing any work in the group. Every manager and employee are responsible for performing and managing their tasks in a safe manner, prioritizing safety over operational considerations.

#### Compliance with regulatory requirements

the group is committed to strict and complete compliance with all types of health and safety regulations, and in accordance with the globally accepted practices.

#### Organizational coordination and uniformity

safety management in the Haifa Group is based on an overall systemic view, while adapting to local and specific conditions and requirements in each subsidiary and production site.

#### Risk prevention

Haifa Group takes proactive action to manage and minimize the existing safety risks in the production processes and in the variety of activities that take place at the group's sites. Contractor are obliged to go through relevant safety training and review safety procedures before starting their work in the factory.



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# COMPASSion Inward and Outward

## Occupational Health and Safety



### Safety Policy

#### Investing in safety

the group invests in managerial and technological measures, and dedicates the time and resources required to help site managers ensure a safe and hazard-free work environment.

#### Debriefing for continuous improvement

the group maintains a focused and systematic efforts of debriefing and drawing lessons from accidents and safety incidents, as well as from "near-accident" incidents.

#### Enforcement and managerial responsibility

the management and enforcement of safety in the group's activity and sites, and the participation of employees in carrying out safety-related activities, are under the responsibility and supervision of the relevant managers.

In addition to these principles, Haifa expects personal responsibility for safety from all employees, managers and contractors. This includes working according to all safety requirements including protection measures provided and reporting any safety events or issues to managers. Employees are expected to immediately stop any operation that does not comply with the safety procedures, or that might create a safety hazard. To encourage their commitment to safety, Haifa rewards outstanding workers and departments in safety activity.





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# COMPASSion Inward and Outward

## Occupational Health and Safety



### Safety performance

2022

2023

Minor injuries - employees	6	7
Lost time injuries - employees	5	6
Fatalities - employees	0	0
Minor injuries - contractors	10	8
Lost time injuries - contractors	5	7
Fatalities - contractors	0	0
LTIR - employees	7.1	8.1
LTIR - contractors	4.5	6.3

### Remarks

All calculations and definitions of criteria in the above table are according to IFA's (International Fertilizer Association) definitions stated in their annual International Safety benchmark survey.

**LTIR is calculated according to the following formula**

$$\text{LTIR} = 1,000,000 \times (\text{No. of LTI}) / (\text{No. of hours worked})$$

The increase in the number of incidents is linked to a significant increase in on-site projects with complex activities and workload. This matter has received managerial attention and solutions have been assigned.

A few examples demonstrating such solutions are implementing activity to encourage safety including holding a contractor conference on safety and awarding a safety prize to outstanding contractors. Site managers and employees were given targets for conducting safety observations as part of the annual evaluation criteria. Prior, this activity was mainly carried out by the safety department. A facility to refresh and test the knowledge of employees working at height on the site was established and made compulsory for all employees working at height.

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# COMPASSion Inward and Outward

## Occupational Health and Safety

Health performance	2022	2023
Recordable work-related ill health incidents - employees	0	0
Recordable work-related ill health incidents - contractors	0	0
Fatalities - contractors	0	0
Fatalities - employees	0	0
Rate of recordable incidents - employees	0	0
Rate of recordable incidents - contractors	0	0



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## Occupational Health and Safety

### Management, controls, and measurement

Haifa Group has in place an advanced OHS management system, in line with the highest global safety standards. Haifa's major production sites are certified for ISO 45001 a safety management system, that undergoes strict audits by the certification body. Hazard surveys and safety risk assessments are performed regularly to identify risks and hazards and take corrective actions to prevent them. The management system is managed by the VP of Safety, quality and security, in cooperation with the safety manager of each production site. The main production site in Israel employs nine safety inspectors certified by the local authority. Each facility on the production site has a safety inspector who is responsible for assimilation, implementation and enforcement of safety procedures.

A safety committee meets at least eight times a year. In its meetings, the committee monitors the implementation of decisions and protocols, reviews, analyzes and discusses safety events in general and work accidents specifically, and receives updates from the safety manager.

Safety KPIs are incorporated as a significant component in the calculation of the annual bonus for site managers. These KPIs include significant reduction in safety incidents, number of safety observation reports, percentage of closure of safety hazards, and closure of corrective action resulting from safety investigations.



### HAIFA-SAFE APP

In order to encourage employee involvement in safety monitoring and reporting, Haifa developed a dedicated and simple mobile application. This internal application is used by all site employees for direct reporting of hazards and risks, safety observations on all workers - Haifa employees and contractors. A written report is automatically generated and sent to relevant parties responsible to resolve the nonconformity. During the reporting period a significant modification was made to enabling access to the app to contractors as well.

In 2022 and 2023 - 2,359 and 4,239 safety observations respectively were made through the application, enabling the company to detect and resolve any potential hazards efficiently, and indicating an increase in employee awareness and proactiveness.

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# COMPASSion Inward and Outward

## Occupational Health and Safety

### Safety Trainings

In order to maintain a high level of safety throughout the entire group, global safety training is provided to all employees, both general, and dedicated training for specific roles and tasks – to production site employees.

In 2022 and 2023 all Negev site employees and contractor employees received safety training regarding the topics detailed below. This accounts for 58 annual hours per employee, and 9 hours per contractor. The training was given in various languages, making it understandable and accessible for all trainees, including Hebrew, English, Arabic and Russian.

2022-2023	Haifa	Contractor
<b>General safety training</b>	1 hour	1 hour
<b>Elevated work training</b>	8 hrs	-
<b>Quarterly training</b>	3 hrs	-
<b>Emergency Team Training</b>	8 hrs	-
<b>Electricians training</b>	6 hrs	-
<b>Laboratory workers training</b>	8 hrs	-
<b>First aid training</b>	8 hrs	-
<b>Drivers' safety training</b>	8 hrs	8 hrs
<b>Extended training for Maintenance workers</b>	8 hrs	

Haifa's training program includes drivers training to all employees entitled to drive on company vehicles and all forklift drivers, Haifa employees and contractor employees. The training is given by external and internal professional instructors, quarterly and prior to winter and summer with specific emphasis for seasonal driving. 15% of the safety training hours are dedicated to safe driving and transportation. In addition, Haifa supports training to external transportation drivers transporting hazardous materials for the company, on safety issues related to Haifa's materials.

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# COMPASSion Inward and Outward

## Occupational Health and Safety

### Employees Health

Haifa conducts periodic occupational health tests based on an annual test program, derived from a preliminary health and hygiene survey, conducted by an authorized laboratory. This survey meets regulatory requirements and is updated every 2 years. The results are published in public areas around the site, ensuring accessibility to all employees.

Any result that does not meet regulatory requirements receives immediate managerial attention from the safety manager and action is taken to eliminate or minimize the hazard.

In In Haifa's production facility in Canada, annual health tests are performed by an external company, that measure the health of each employee with respect to their job functions.

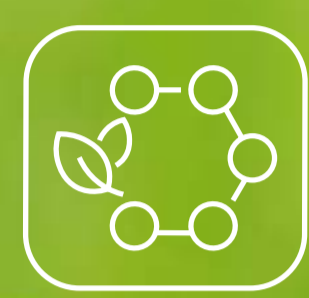
These tests include an annual hearing test.

Air and Noise testing is performed when any new equipment has been installed.

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# COMPASSion Inward and Outward

## Responsible Supply Chain



### Haifa's tools to incorporate sustainability into supply chain management

**Supplier code of conduct**

**Supplier ESG evaluation questionnaire**

**Incorporating ESG related contractual obligations to contracts with suppliers, such as EHSQ appendixes**

**Preferring local vendors, shortening distribution lines**

**Requesting product carbon footprint from production procurement vendors**

### Haifa's supply chain complexity in numbers

**14,000**  
containers exported annually

Working with **120** Ports in **60** countries

**3,000**  
suppliers globally

**500**  
tank containers in the fleets

Haifa products drive **120,000** miles a year



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# COMPASSion Inward and Outward

## Responsible Supply Chain

Haifa Group's supply chain includes Israeli and global procurement, and a large logistic array for distributing Haifa's products worldwide.

As part of its holistic approach to ESG, Haifa strives to implement and measure ESG parameters internally as part of the procurement process. Suppliers undergo a comprehensive quality review before any contract is initiated, which includes specific ESG components in relevant cases. Among the parameters that could be evaluated are employee terms of employment, compliance with competition laws, enforcement of bribery cases, absence of criminal proceedings, etc. In addition, all relevant contractors and suppliers sign contractual obligations to implement ESG-related standards or practices, specified in dedicated appendices, usually focus on occupational health and safety, and quality management systems.

An additional endeavor taken in 2023 was the formulation of a supplier code of conduct. That code aims to reflect Haifa's ethical and ESG standards and expectations to its vendors and partners. This code has been published online and will be sent to suppliers directly. In the first implementation stage, the code will be sent to new suppliers and added as an annex to the engagement documents.



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# COMPASSion Inward and Outward

## Ethics

As a leading global corporation, Haifa Group adherence to legal requirements and governance standards, goes beyond compliance, to meet its ethical values. The COMPASSion value guides the group's conduct in all business endeavors and in all its relationship with its stakeholders, and since its inception, it has become an integral part of the group business approach.

To the best of the company's awareness, in 2022-2023 there were two ethical incidents or violations at Haifa Group, one of embezzlement and the other of non-compliance with company's protocols. Haifa implements a zero-tolerance policy towards ethical incidents, and the involved employees work in the company was terminated.

in **2022** the code of conduct was last updated

**3** core company values

**100%** of Haifa employees signed the code of ethics





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# COMPASSion Inward and Outward

## Ethics

### Haifa's Code of conduct

Haifa's code of conduct is the moral and behavioral compass guiding Haifa's employees and managers day to day activities. It is based on relevant global governing laws and regulations and moral values, to whom The Group is committed to comply. The code addresses issues relevant specifically to Haifa's employees' activities, such as commercial negotiations, participation in tenders, safety in the workspace, and competitive behavior.

The code of conduct is available in all of Haifa's offices and sites in Israel to guide employees in their daily decisions and actions. All the employees read the code and approve their commitment to

it upon joining the group, as part of their onboarding process. The code is available online, for accessibility and transparency purposes.

The code of conduct was updated in 2022 after a comprehensive process led by Haifa's CEO, to match the group's new set of core values. In order to implement the new code and its principles, Haifa selected a unique interactive way of presenting it to employees. A short video of the group's CEO presenting and discussing the code was prepared and presented to new employees during the onboarding process.

### Code of Conduct guidelines

High quality of products and services

High ethical conduct

Full compliance with organizational culture rules and requirements of laws and agreements

partnerships for fulfillment of the goals and obligations of the Group

commitment to maintain customer and supplier satisfaction

Honesty in all relationships

committing to employees advancement & sense of belonging, while treating all employees equally

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# COMPASSion Inward and Outward

## Ethics

### Internal Enforcement Program

The company developed an internal enforcement plan in the field of anti-trust laws, which is updated periodically in accordance with relevant regulations.

**The antitrust enforcement plan includes key elements to promote awareness, accountability, and ethical business practices:**

#### Annual Training

All the company's relevant employees participate in yearly training sessions led by the company's antitrust lawyer.

These sessions provide updates on relevant laws, real-world case studies, and guidance on identifying and avoiding anti-competitive behavior.

#### Digital Course

During 2023 Haifa developed four new digital courses for more interactive anti-trust training. Throughout the year, once a quarter, each of the relevant employees goes through one course, thus completing the full training cycle by the end of the year, while keeping in touch with content all year long. In 2024, as the digital course was launched, 76 employees were found relevant (in accordance with their roles and responsibilities) to complete the digital learning journey.

#### Code of Conduct

The company's code of conduct explicitly addresses antitrust policies, emphasizing zero tolerance for anti-competitive practices and providing clear examples of acceptable and prohibited behavior.

#### Mandatory Reporting

Employees are required to report any activities or agreements that may involve potential antitrust issues.

#### Compliance Officer

The company appoints the Corporate Secretary as the internal compliance officer, responsible for overseeing the enforcement of the program, providing guidance to employees along with the company's antitrust lawyer.



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# COMPASSion Inward and Outward

## Corporate Governance

### Board of Directors

Haifa Group is a privately owned company, who aims to meet the same governance standards of a publicly owned company. It has a two-tier board structure, with separate supervisory board (or "Board of Directors"), and an executive management team.

The board of directors, which includes representatives from the Israeli Tene Capital and The Trump Group, collaborates fully with the group's management. The board provides strategic guidance, supervises strategy implementation, and approves significant actions. To facilitate informed decision-making. In 2023, a board member from Tene Capital was appointed to oversee ESG efforts and supervise sustainability management.

As the board members are highly experienced in the industry and in business leadership, the management is assisted by their experience, advice and support to ensure the company is taking the right direction.



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# COMPASSion Inward and Outward

## Corporate Governance

### Board Members



**Dr. Ariel Halperin**  
Chairman of the Board

Representation: Tene Capital

Age: 68

Board tenure (years): 3

Board committees: Compensation

Industry experience: Yes

Additional nominations: Leading industrial companies held by Tene Capital



**Ran Ben Or**  
Director

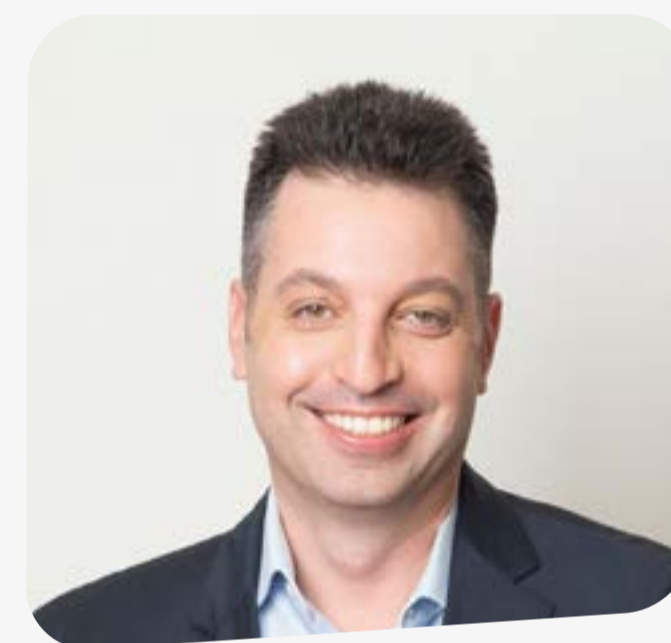
Representation: Tene Capital

Age: 60

Board tenure (years): 3

Board committees: Finance, Compensation

Industry experience: Yes



**Eyal Shamir**  
Director

Representation: Tene Capital

Age: 42

Board tenure (years): 3

Industry experience: Yes



**Deborah Yafarah**  
Director

Representation: Tene Capital

Age: 45

Board tenure (years): 3

Industry experience: Yes

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# COMPASSion Inward and Outward

## Corporate Governance

### Board Members



**Jules Trump**  
Director

Representation: Trump Group

Age: 80

Board tenure (years): 13

Industry experience: Yes

Additional nominations: Privately held Trump Group; various non-for profits



**Attorney Mark S. Hirsch**  
Director

Representation: Trump Group

Age: 69

Board tenure (years): 2

Board committees: Finance

Industry experience: Yes

Additional nominations: Privately held Trump Group; various non-for profits



**Josh Trump**  
Director

Representation: Trump Group

Age: 45

Board tenure (years): 1

Industry experience: No

Additional nominations: various non-for profits

# COMPASSion Inward and Outward

## Corporate Governance



### Board Meetings

Board Meetings	2022		2023	
	# of meetings	Attendance Rate	# of meetings	Attendance Rate
<b>Board</b>	8	85%-100%	8	85%-100%
<b>Finance Committee</b>	4	100%	4	100%
<b>Remuneration Committee</b>	1	100%	1	100%



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# COMPASSion Inward and Outward

## Corporate Governance

### Executive management

Haifa's executive management is responsible for overseeing the group's daily operations. This team collaborates closely, holding monthly meetings to make strategic decisions and to steer both current and future initiatives.



**Motti Levin**  
CEO

Seniority in the group: 5 years



**Nir Yitzhaki**  
CFO

Seniority in the group: 20 years



**Natan Feldman**  
VP Sales, Marketing, Business  
development & INNOVATION

Seniority in the group: 24 years



**Gil Elimelech**  
VP Research &  
Development

Seniority in the group: 30 years



**Sharon Eyal**  
VP Operations

Seniority in the group: 25 years



**Maarten Roelofs**  
VP European Sales

Seniority in the group: 32 years



**Dorit Koltin**  
VP Regulation,  
Environment & Sustainability

Seniority in the group: 15 years



**Natali Sifado**  
VP Global HR

Seniority in the group: 26 years

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# COMPASSion Inward and Outward

## Corporate Governance

### Executive management



**Mark Aviv**  
VP Safety, Quality & Security

Seniority in the group: 19 years



**Dori Liberman**  
VP Supply Chain

Seniority in the group: 20 years



**Lior Beit Halachmi**  
CIO

Seniority in the group: 8 years



**Uri Gutman**  
CEO of Haifa Negev Technologies

Seniority in the group: 20 years

### Internal Audit

To uphold top governance standards, the group reinstated internal audits in 2023 as an extra defense against material risks. These audits are managed by the company's secretary and controller. In 2023, two audits were conducted: one on the technical warehouse's and another on rebate practices, including anti-trust analysis.





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# COMPASSion Inward and Outward

## Meaningful Stakeholder Engagement – Collaborating for IMPACT Making

Haifa Group is committed to a meaningful dialogue with all its stakeholders. The company works constantly to deepen the relationship and ensure that every interaction contributes to a more constructive, long-term and collaborative partnership.

**Haifa identifies  
7 main stakeholder  
groups:**

**employees**

**investors**

**customers**

**governments &  
regulators**

**communities**

**suppliers**

**associations**

Haifa uses tailored communication channels for each group of stakeholders to ensure effective and meaningful relationships.



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# COMPASSion Inward and Outward

## Meaningful Stakeholder Engagement – Collaborating for IMPACT Making

### employees

Haifa Group is committed to fostering open communication and collaboration at all levels of our organization. Haifa conducts employee satisfaction surveys to achieve high organizational satisfaction levels. This survey is usually conducted every 2 years, and the results are transparently communicated to all the group's employees. The results are then analyzed, and changes in the groups are implemented accordingly.

In 2023, a company-wide survey was conducted to assess the impact of the October 7th events in Israel on employees' well-being and to ensure all employees receive adequate support during such periods.

The group conducted workshops with all company employees at the headquarters and the factory to share information about the initiatives in the IMPACT field and to collect additional suggestions that could be implemented within the company. In 2023 and early 2024, approximately 8 such meetings were held, where ideas from employees were gathered and incorporated into the Group's 2025 IMPACT work plan.

### investors

Communication with the Group's equity investors is conducted through the board of directors, which represent the two shareholders of the group.

For elaboration on the board, its composition and its communication with the company, see pages 115-118.

### customers

Haifa's relationships with its direct customers and growers, are built on trust, guided by a customer-centric business approach. Although Haifa doesn't sell directly to the growers, it has deep and meaningful relationships with them, focused about two key aspects: sharing knowledge and understanding their needs.

The key communication channels with the customers, are held by Haifa's specialists in across the world, and include different means of direct and personal communication, like WhatsApp groups, and training sessions.

As a group, Haifa always strives to improve. Therefore, an annual customer satisfaction surveys are conducted (as well as for distributors and other business partners). These surveys' results show constantly high satisfaction from Haifa's premium products and services.

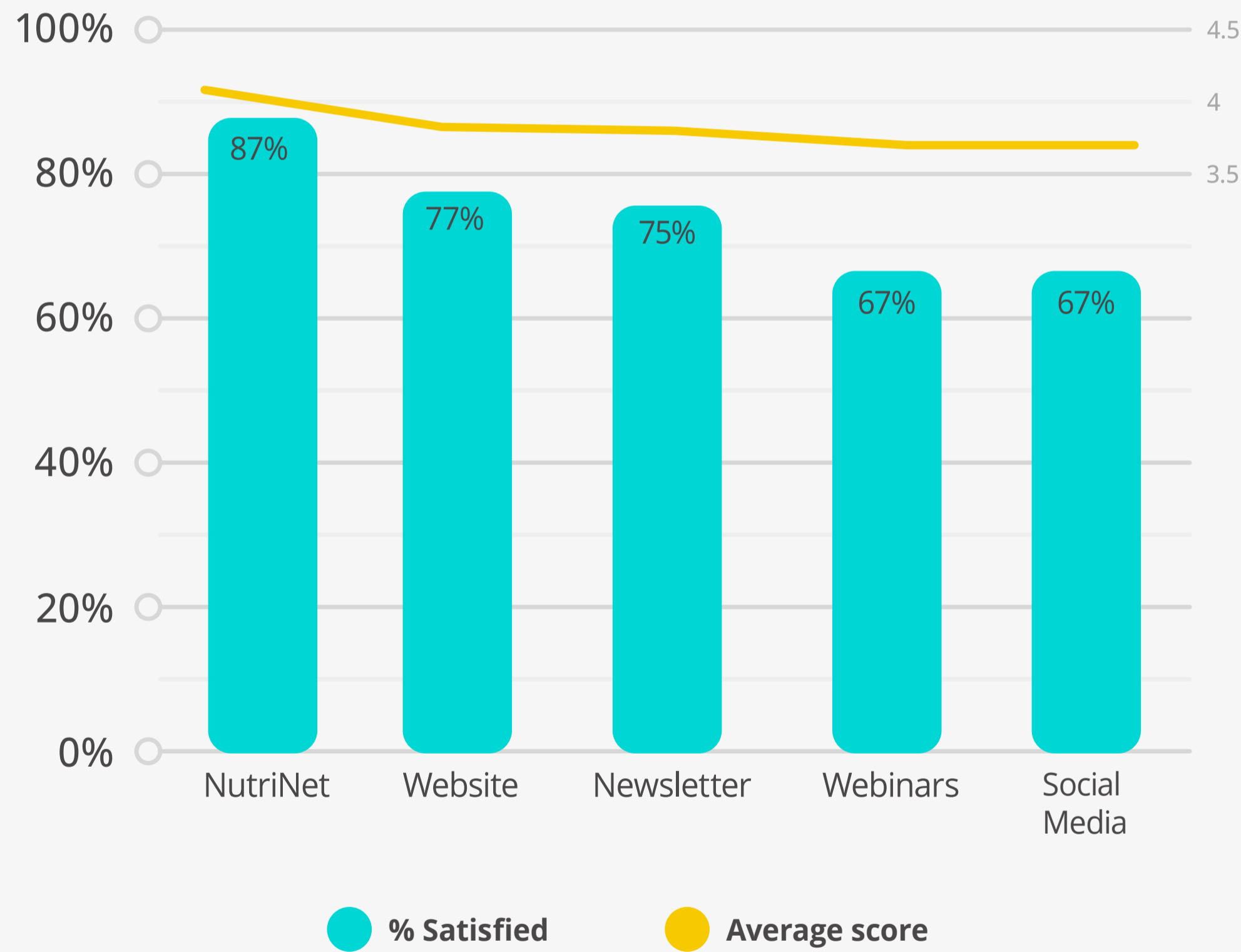
In 2023, the survey focused on identified industry trends and changes. 2022 survey results show high improvement and satisfaction rate. The major contributors the high satisfaction rate was the reliability of the company, efficiency and dissolvment of the fertilizers, package handling, and diverse range of products.

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# COMPASSion Inward and Outward

## Meaningful Stakeholder Engagement – Collaborating for IMPACT Making

### Satisfaction with communication channels



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# COMPASSion Inward and Outward

## Meaningful Stakeholder Engagement – Collaborating for IMPACT Making

### Governments and Regulators

Government entities and regulators are crucial stakeholders, with significant IMPACT on Haifa's operations and long term success. Haifa ensures full compliance with regulatory requirements. Haifa holds regular meetings with relevant governmental and affected municipal agencies, to ensure alignment with their expectations and reflect the IMPACT of their decisions on Haifa. Also, Haifa actively participates in policy design processes and strategy development, contributing from its unique expertise in different related topics.

### Communities

Relationships with neighboring communities are maintained through local authorities and NGOs, as well as through community involvement by the Group's employees. For elaboration, see pages 57-59.

### Suppliers

Haifa's supply chain division oversees supplier interactions, focusing on collaboration and trust to build long-term relationships. They identify and assess new suppliers and manage ongoing relationships with existing vendors through relevant channels. Haifa performs evaluations, surveys and meetings with the suppliers to improve service and evaluate needs.

### Associations

Haifa participates in conferences, association groups, and knowledge-sharing initiatives reinforces our commitment to creating a healthier planet for future generations. For a list of main associations in which Haifa is a member, see page 24.

**Haifa interacted proactively with the IFA International Fertilizers Association.**

**We took a special position in club 100 of Wageningen University, a leader in R&D and know-how in the Horticulture sector**

**Horti center, Netherland, a famous hub of knowledge and education college for greenhouse sector.**

**Landlab, Agri tech R&D farm in north of Italy for scientific field tests.**

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# COMPASSion Inward and Outward

## Haifa is Standing by its Stakeholders in Times of Crisis - Activities During the October 7<sup>th</sup> War in Israel

On October 7th, 2023, Israel experienced a significant attack in its southern region. This conflict has had, and continues to have, a substantial impact on Israeli society and the market, especially affecting peripheral communities in the southern and northern areas. Haifa Group was also impacted, resulting in an immediate halt in production at the Negev site and the suspension of several construction projects at the location.

Many of Haifa's stakeholders were impacted as well – including employees, customers, communities, and the Israeli public. Staying faithful to its core values of COMPASSion and IMPACT, Haifa stood by its stakeholders in these difficult times, despite the operational difficulties it faced itself.

Farmer communities	Israeli society	Suppliers	Employees
Donations of equipment and products	Monetary donations <b>515,000 NIS</b>	Maintaining <b>100%</b> of open engagements	Establishing diverse support and communication channels
Allowing postponing payments	Employee volunteering	Increased purchasing from affected suppliers	<b>10%+</b> employees served in reserve service
Selling fertilizers at cost prices	Donations of equipment and necessities for displaced families		Extending remote work options



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# COMPASSion Inward and Outward

## Haifa is Standing by its Stakeholders in Times of Crisis - Activities During the October 7<sup>th</sup> War in Israel

### Farmer Communities and Charitable Donations

Haifa has demonstrated its commitment to Israeli growers by making significant donations to aid growers affected by the war. Understanding the devastating impact of such circumstances on agricultural livelihoods, Haifa provided volunteers, essential resources, and logistical support to help them rebuild their fields and livelihoods. These efforts include:

**Donation of 130 avocados plants and 15 bags of fertilizers to the recovery of Kibutz Kisufim.**

**Haifa allowed its local clients to postpone payment in light of the situation, in sum of over 4 million NIS.**

**Haifa employees and their families volunteered hundreds of hours in agricultural activities, supporting affected farmers manage through the crisis, in face of sharp decline in available employees.**

**Donation of a shelter for the Bedouin community in southern Israel**

**Selling products at cost prices to farmers who were affected by the war**



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# COMPASSion Inward and Outward

## Haifa is Standing by its Stakeholders in Times of Crisis - Activities During the October 7<sup>th</sup> War in Israel

### Israeli society

During the war, Haifa worked with Tene Capital to assist various groups within Israeli society in different ways, including:

**Donations of food, baby products, toys and more to the major displaced Israeli communities of refugees, evacuated from their homes.**

**Phone calls to elderly people to offer help with coopting with the implications of war on their day-to-day.**

### Blood donations to hospitals

**Volunteering in hubs which provided food and clothing to soldiers.**

**Partnership with "My Wave" NGO, providing emotional support to affected youth and communities through surfing.**

The total sum of war-related donations was  
**515,000 NIS**  
(on top of the ongoing charitable donations awarded annually to Haifa's partners).



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# COMPASSion Inward and Outward

## Haifa is Standing by its Stakeholders in Times of Crisis - Activities During the October 7<sup>th</sup> War in Israel

### Suppliers

Haifa Group has kept working regularly with its contractors and did not stop contracts with any of them, supporting their business continuity and livelihoods.

Moreover, one of the main bags suppliers is from Sderot city, which was severely affected during the war. To assist this critical local supplier whose factory was severely impacted by the war and to help stabilize its business, Haifa increased its purchasing from this vendor.

In addition, Haifa increased its total purchasing from local vendors in the southern Israel, affected from the war.

### Employees

Despite business interruptions, as a result of the war the group maintained occupational security for its employees, with no layoffs or income decreases. The group even expanded its remote work options for additional positions.

The Group offered its employees a diverse range of support channels, from psychologic assistance, ongoing communication and personal support to employees and families in need (including directly by the CEO), sending care packages, and more. The group developed tools for the managers to assist in this type of difficult communication and provided employees trainings on managing through crises. More than 10% of the Israeli workforce served in reserve military service. Haifa supported them and their families through this difficult service and awarded them special financial grants.





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## Appendix A - About this report

This report is Haifa Group's second ESG report, demonstrating its ongoing efforts to utilize its products and operations to create a positive impact for people and the plant.

This report describes the group's activity in 2022-2023 and was written with reference to the GRI non-financial reporting standards. This report shows the progress of the group made during the reporting period in each of the material ESG topics, according to the group's core values and growth engines: IMPACT, INNOVATION and COMPASSion.

Unlike its first report, focusing mostly on the operations in Israel, this report aims to reflect Haifa's full global operations and activity. Therefore, all the data points and metrics in this report are for the whole group globally, unless stated otherwise specifically. There could also be difference in some of metrics for 2021, presented in the previous report, due to this reason, as in this report they are for the whole group activity.

**We deeply appreciate your interest in Haifa Group and in our ESG activities. We welcome any feedback and opportunity to engage with our stakeholders. For any comment regarding the report or described activities, please contact Dorit Koltin, VP Regulation, Environment & Sustainability: [Dorit.koltin@haifa-group.com](mailto:Dorit.koltin@haifa-group.com)**



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	2-2 Entities included in the organization’s sustainability reporting	pages 20-21
	2-3 Reporting period, frequency and contact point	page 130
	2-4 Restatements of information	page 130
	2-5 External assurance	The report did not go through an external assurance.
	2-6 Activities, value chain and other business relationships	pages 14-18, page 110
	2-7 Employees	pages 80-101
	2-8 Workers who are not employees	pages 80-101
	2-9 Governance structure and composition	pages 115-120
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	2-23 Policy commitments	page 30
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	2-25 Processes to remediate negative impact	pages 115-124
	2-26 Mechanisms for seeking advice and raising concerns	page 78, page 89
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	<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics
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	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pages 92-93
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