

Haifa Group - Code of Conduct

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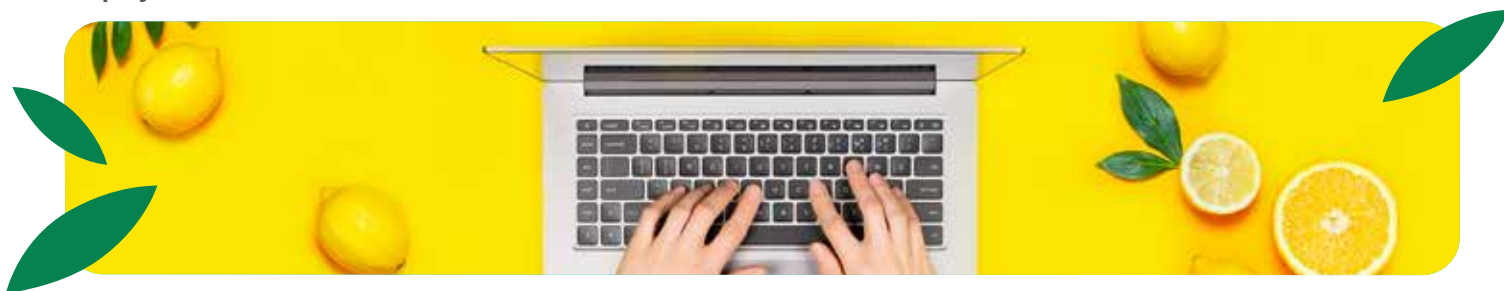
Haifa Group's Code of Conduct

General

The Code of Conduct of the employees of Haifa Group ("The Group" hereunder) is based on Haifa's core values: INNOVATION, IMPACT, COMPASSion, together with the governing laws and regulations of both Israel and the international community. The Group is committed to comply with all laws, beliefs and rules relevant to its activity, to conform to universal moral values and adhere to proper administration principles.

This document is not intended to replace the Group's Code of Ethics or any of the different regulations but to supplement them.

Any references to male employees throughout this document shall be taken to refer, of course, to female employees as well.



Code of Conduct guiding Haifa Group

- ✓ High ethical conduct: integrity, reliability, modesty, honesty, respect for others, proper business conduct and accountability
- ✓ Seeing the Group, its employees, customers, suppliers and business partners, as well as other companies of the international Haifa Group, as full partners in the fulfillment of the goals and obligations of the Group.
- ✓ Honesty in all of the Group's relationships with customers, suppliers, business partners, competitors, government and civil entities, authorities, and its employees.
- ✓ High quality of products and services.
- ✓ Full compliance, at all times and places, with the organizational culture rules that the Group has defined and embraced, and with the requirements of laws and agreements - among others, with regard to reduction of environmental impacts and maintenance of a safe and healthy working environment.
- ✓ Perceiving customers and suppliers as the Group's greatest assets and commitment to maintain their satisfaction.
- ✓ Regarding our employees as the key to the Group's success and committing to their advancement and nurture, and to strengthening their sense of belonging and identification with the Group and its goals, while treating all employees equally, regardless of religion, race, gender, age or opinion.



The Principles Guiding Haifa Group and Employees Conduct

1. Proper Business Conduct

Haifa Group conducts its relationships and businesses with responsibility, integrity, reliability and honesty, while complying with the law and the rules of proper business conduct. This obligation applies to all employees of the Group.

1.1 Integrity

- ✓ Employees shall conduct ethically and honestly while performing their duties.
- ✓ Employees shall comply with all laws and regulations and act with honesty, integrity and loyalty in any activity or communication in which they represent the Group or act on its behalf.
- ✓ The Group encourages its employees to speak out about any problem that may arise and promptly report any possible misconduct or violation of accepted ethical norms and/or laws and regulations.
- ✓ In any case of allegation of misconduct, the VP of Safety, Quality and Security, Global VPHR or the Group's CEO should be notified, and the Group shall carry out an internal or external investigation, as the case may be.

1.2 Benefits (see also "Gifts")

- ✓ benefits from entities directly or indirectly related to the Group (including suppliers, service providers, customers, competitors, etc.) other than the Group itself, whether such benefits are given in return for work, related to the employee's position in the Group, or may have any effect on his performance or the Group itself.



- ✓ Employees who are offered any benefits shall refuse/return it immediately and provide the offering entity with a letter explaining the Group's prohibition. Copies of this letter shall be submitted by the employee to the subsidiary Managing Director and to the Group's Global VPHR.
- ✓ If the aforementioned refusal/ returning of such benefits is likely to adversely affect the Group's business position, the employee should inform the subsidiary Managing Director or the Group's Global VPHR and act according to their instructions.
- ✓ The Group bans managers from accepting benefits from employees who are directly or indirectly subordinated to them.
- ✓ The Group and its employees shall ensure that employees are not involved in any transaction in which they may have any benefits or personal interests, without prior specific authorization in writing from the Group.

1.3 Conflict of interests and other engagements

- Employees shall avoid activities, investments or business engagements of any kind which may put them in a position of conflict with the interests of the Group, without the Group's explicit written consent.
- The Group absolutely prohibits employees from conducting any private business activity with any of the Group's customers, suppliers or competitors, regardless of whether a conflict of interests may arise as a result of this activity. To dispel any doubt, this prohibition shall also apply to any private business interaction, such as purchase of products or provision of services outside work, including ones in market prices, unless prior written authorization is given by the Group's Global VPHR and the employee's direct VP.
- In any case of doubt regarding a possible conflict of interests, employees should refer to the subsidiary Managing Director or the Group's Global VPHR for guidance.

1.4 Gifts

- The Group prohibits employees from accepting any gifts which may seem as an attempt to obtain preferential treatment or to influence any decision.
- The following gifts and presents are allowed and their acceptance by employees shall not be considered misconduct:
 - Advertisement aids of a symbolic value carrying the logos of the giving organization.
 - Gifts of a reasonable value made by guests to an employee's personal or family event, whether such guests are co-workers or involved in business relations with the employee.
 - Public awards to employees, including awards related to their work.



- Gift packages of a reasonable value, provided they are transferred to the subsidiary Managing Director or the Group's Global VPHR, who will allocate them for company events or distribute them to employees.
- The Group recognizes that personal relations may naturally form both among employees and between employees and external bodies with whom they have work relations. Employees shall ensure that such personal relations will not give rise to conflict of interests or offers of benefits of any kind.

1.5 Internal information

- Employees shall not use any information they acquire as a result of their work for personal gain, including information regarding foreign entities.
- The Group prohibits employees from revealing information that has not been made public and which they have acquired as part of their work, except when requested by a competent authority and following the advice of the Group's legal consultants.
- Employees who hold, invest or control stocks of entities related to the Group (competitors, suppliers or customers of the Group) shall inform the Group's Global VPHR. If it is decided that a conflict of interests may arise or that the employee's performance may be adversely affected as a result of any such holdings, the employee shall act to sell or transfer the aforementioned stocks. This shall not apply to immaterial holding of stocks or securities of public companies.

2. Marketing, Sales and Customers

Haifa Group considers its customers to be key assets and makes every effort to ensure their satisfaction by providing them with products and services of high standards of quality, technology and reliability, as well as through uncompromising adherence to the principles of integrity and honesty in its relationships with them.

2.1 Transactions

Haifa Group is involved in the operational activities of its customers. Nevertheless, the Group shall not knowingly take part in any activity that is not in compliance with the governing law at the place and time of such activity.

2.2 Information and advertising publications

Haifa Group provides potential customers with information presenting its fields of activity, the type of services it provides and its various logistic, technological and administrative capabilities. This information is provided in the form of various advertising materials (image brochures, information sheets, presentations and digital media) for use as marketing aids. The information is provided to potential customers subject to the following principles:



- Maintaining accuracy, reliability and honesty in the creating of the materials, pursuant to the Group's policy and with the approval of the Group's CEO.
- The use of the Group's inside information shall be made only if approved for publication.
- The presentation of comparative data relating to competing organizations or service providers shall be made provided that any information relating to competitors is taken from official publications of the competitors such as statements of public companies, publications by the Chamber of Commerce or the Corporations' Organization, studies and surveys done by recognized research institutions, etc.

2.3 Tenders

- Occasional participation in tenders is a part of Haifa Group's efforts to preserve its customers, draw new customers and expand its activity. When participating in tenders, the Group shall adhere to the laws and principles to which it is committed in its activities, in each and every stage, as follows:
- Participation in tenders shall be made in accordance with the governing laws and norms of the country where the tender is issued, as well as with the accepted universal norms concerning the conducting of tenders.

Employees of the Group involved in the conducting of tenders shall be familiar with all the relevant norms and rules: accepted universal rules regarding tenders, the rules and laws of the country where the tender has been issued and any specific rules set forth for the specific tender. The Group shall ensure that employees are informed and possess the required information.
- If any doubt shall arise regarding the conducting of a tender, the issue will be discussed at the appropriate levels of the Group and approved by the Group's CEO.

The Group's expectation to win tenders shall be based solely on its own merits and advantages, and not on any bias or extraneous considerations.



2.4 Quotations

The pricing of Haifa's products and services is based on a desire to maximize sales on one hand and profitability on the other hand.

Quotations and proposals shall be made in accordance with the following principles:

- ✓ The officials in charge of the pricing process and the submission of quotations shall examine the following issues, as early as possible:
 1. The Group's ability to meet all of the requirements of the work: validity, quality and reliability of the product, required certifications and approvals, schedules, supply dates and any other requirement specified by the customer, while complying with the regulatory requirements of the target country.
 2. The compatibility of the transaction with the requirements and procedures of the Group regarding prices and terms of payment.
 3. The measure of collaterals required by the customer.
 4. The existence of any restrictions to entering into contract with the customer, both on behalf of Haifa Group in Israel and abroad, and on behalf of other authorities.
 5. The existence of licenses and permits, held by both the customer and Haifa Group, required for the performance of the transaction and which are under the responsibility of the Group to obtain.

- ✓ Quotations shall be signed by the authorized persons within the Group, depending on the subject and the amounts involved.

2.5 Negotiations

- ✓ Negotiations are a critical stage in the process of completing a transaction, and are intended to achieve the best possible terms for it. Negotiations with customers are the responsibility of the relevant commercial entity, i.e. the subsidiary Managing Director and/or marketing officials who submitted the quotation (hereunder "the Commercial Entity"). Negotiations by the Commercial Entity shall be conducted in accordance with the following principles:
 - ✓ The Commercial Entity shall be instructed to conduct negotiations in accordance with the policies of the Group.
 - ✓ The Commercial Entity shall conduct negotiations within the limitations provided to it, and shall make no promises, whether written or oral, for any additions or improvements that deviate from such limitations.
 - ✓ If a customer requests an addition or improvement that the Commercial Entity is not authorized to approve, the Commercial Entity shall bring the request to its superiors, in accordance with the Group's procedures.

2.6 Preparing and signing the contract

The signing of the contract constitute as the official beginning of a transaction. The preparation and signing of contracts shall be made in accordance with the following principles:

- ✓ Haifa shall word any contract with accuracy and verify its ability to meet all of the contract's terms and conditions.
- ✓ The final version of any contract shall be prepared by the Group's legal consultants, or, in cases where the contract is dictated by the customer, shall be approved by the Group's CEO and legal consultants, ensuring that all technical, financial and legal terms are fully specified.
- ✓ The signing of a contract including all its clauses and provisions shall be made by the Group's authorized signatories only and in accordance with the Group's procedures.
- ✓ Haifa shall ensure that all persons involved in the preparation of contracts are properly trained.



2.7 Customer Service

Haifa Group considers customer service to be part of its obligation towards customers. A reliable and professional customer service contributes to the satisfaction and loyalty of customers, improving and reinforcing the Group's image and reputation. Customer services shall be conducted in accordance with the following principles:

- ✓ Customer services shall be planned in advance and taken into account in the pricing process and the allocation of resources for the performance of the transaction.
- ✓ The relationship between the Group and the customer shall be commercial in nature and pursuant to the terms and conditions of the contract. If a contract does not exist, any such relationship shall be conducted in accordance with the quotation approved by the customer.
- ✓ The customer service shall be entrusted to professional employees, trained and instructed for this purpose by the Group.
- ✓ The Group shall track the satisfaction level of customers by meetings them to receive feedbacks and comments, and through periodic satisfaction surveys.

3. Policy of Contract with Suppliers

As part of its policy of providing uncompromising services, Haifa Group acquires high quality products and services for the purpose of its operation.

Haifa considers its suppliers to be responsible for the promotion of its interests and business success. The selection process for suppliers is therefore based on parameters of quality, safety, cost, reliability and service and in accordance with the procedures of the Group.

- ✓ The process of selecting suppliers shall be conducted in accordance with the relevant procedures of the Group.
- ✓ The selection of suppliers by the Group shall be made with fairness and consideration of the following factors:
 1. The quality and reliability of the work or services provided by the supplier and their compliance with the safety and health rules as specified by the authorities.
 2. The required investment by the Group in order to raise the supplier to the standards expected from it.
 3. The business and financial strength of the supplier and its ability to meet its obligations, including timetables and prices.

4. Relationships with International Customers and Suppliers

Haifa Group adheres to all the terms, laws and regulations of both the international business community and the business community of each particular country in which it operates.

In its international operation the Group shall be guided by the following principles:

- ✓ The Group shall comply with all laws and regulations in the destination country, including all applicable national and international commerce laws.
- ✓ Group employees shall conduct themselves properly on all their business trips, including complete adherence to the governing laws of the country they are visiting and avoidance of any acts or failures that could be considered offensive to local religious or cultural values, as well as to the interests of the State of Israel and/or Haifa Group.

5. Competitors

Haifa Group considers competition to be an integral part of any business activity and as a leverage for the improvement and development of its advantages. Haifa maintains honest and fair relationships with its competitors, believing that focusing on the Group's advantages and developing them rather than defaming competitors is the right way to succeed in business.

- ✓ Employees or representatives of the Group shall make no attempt to illegally obtain any information regarding competitors, including any technical information relating to services, prices, negotiations or any other information that may provide Haifa Group with an unfair business advantage over such competitors.
- ✓ No relationships with competitors which may mislead customers, or relationships which are prohibited by law, are to be established.

- ✓ This issue will be elaborated on the Group's internal enforcement plan.

Haifa encourages cooperation on environmental issues, for the benefit of individuals and the society worldwide. This includes cooperation with competitors, provided that all legal restrictions are obeyed.

6. Assets

The assets of Haifa Group, both material and intellectual, have been accumulated over years, and are the basis of the Group's capital and strength. Haifa's assets are intended for the use of the Group and its employees solely for the purpose of achieving the Group's goals. Any other use, for personal gain or for any other purpose that is not related to work, is harmful to Haifa and strictly prohibited.

6.1 Equipment and permanent property

- ✓ Any item obtained by the Group as a permanent property shall be registered as such in the Group's books, in accordance with the rules of accounting.
- ✓ The Group's employees shall maintain the proper working order of the Group's equipment.
- ✓ Transport of any equipment, property or goods outside the Group's facilities shall be done in accordance with the Group's relevant procedures and with the appropriate authorization.
- ✓ Employees are required to notify their supervisor about any change in the condition of equipment, including location, damages or loss. Such cases shall be handled in accordance with the Group's procedures.

6.2 Computer systems

- ✓ Employees shall use the Group's computer system for the sole purpose of their work. Copying computer files on non-company computers is prohibited.



- ✓ The Group's computer system shall be used properly and professionally in order to avoid any damages to valuable equipment.
- ✓ Purchasing of computer systems, hardware or software shall be made solely by the Group's IT department, in accordance with the procedures and needs of the Group.
- ✓ The use of any software shall be done in accordance with the terms of its purchase or license.
- ✓ The use of unauthorized (by IT department) software is prohibited. Installation of illegal software on the Group's computers is prohibited.
- ✓ The use of any software not lawfully purchased or obtained is prohibited.
- ✓ The internet shall be used judiciously, ensuring the protection of confidential information and preventing any damages to the Group's goodwill, reputation or business relations. The Group shall act to protect information, to preserve its confidentiality and to prevent its loss in several ways:
 1. Classified data shall be protected by employees in accordance with the Group's procedures (see: "Personal Responsibility for Data Security Procedure").
 2. The Group shall implement an appropriate data security system.
 3. The Group shall establish data backup procedures.
 4. Employees shall be trained to be informed and alert regarding computer security and data security.
- ✓ The Group shall allow the use of its information system for the purpose of sending and receiving personal e-mail messages,

provided that such use is reasonable and careful, and does not harm the Group in any way.

- ✓ The Group reserves the right to supervise and control the use of its information systems, and for this purpose and at its sole discretion, to inspect the files and folders on the computers provided to employees by the Group. Any such actions shall be conducted in accordance with the "Data Security & Cyber Policy" and with consideration of the privacy of employees.

6.3 Intellectual property

The Group's intellectual property includes its accumulation of knowledge and information in all the areas of its activity, both professional and administrative, including exclusive developments and unique work methods. In regards to the protection of intellectual property, the Group shall be guided by the following principles:

- ✓ Employees must adequately protect information and avoid revealing information to outside entities without authorization.
- ✓ The provision of any information to outside entities shall be made under the Group's supervision and in accordance with its procedures.
- ✓ The Group operates various means of software and hardware security in order to protect information and prevent information leaks to unauthorized entities.
- ✓ Employees shall act in accordance with the instructions of the Group when using the Group's communication systems, in order to prevent information leaks to unauthorized entities.

6.4 Assets of customers and suppliers

Haifa Group treats the intellectual property of other companies (including business information or any other information) in accordance with the same principles guiding the treatment of its own assets. The Group uses any such assets responsibly, with consideration for the rights of the owners of such assets and in accordance with the terms of use agreed upon. The Group's employees shall not reveal business information of customers to any other customer.

7. Haifa as a workplace

Haifa Group strives to provide its employees with a work environment which is positive, pleasant, and free from harassment, and is based on mutual consideration and accepted etiquette of good manners and personal appearance.

The Haifa work environment shall be based on the following principles:

7.1 Terms of employment

In order to ensure high-quality and high-performing employees, who realize their personal and professional potential at work, the company implements employee employment and development policies according to the following principles:

- ✓ The recruitment of new employees shall be based on the qualifications, experience and suitability for the position in question. The Group shall not discriminate on the basis of gender, religion, race, etc.
- ✓ The company prohibits the hiring of family members, as the employment of relatives constitutes a conflict of interest and may lead to a subordinate relationship or work-related connections between the employee and their family member within the company, thereby impacting various aspects of the employment relationship.
- ✓ The Group shall implement systems intended to protect the rights of employees.
- ✓ Haifa Group shall allow employees to relocate between its different units, in accordance with the needs of the Group and the preference and qualifications of the employee.
- ✓ Promotions of employees shall be determined by their managers in accordance with the policy and needs of the Group.
- ✓ The Group invests in the professional development and promotion of its employees and managers, in all levels, through training and tutoring.

7.2 Commitment and personal reasonability at work

Personal responsibility and presence at work, subject to the Group's procedures as published from time to time, is the basis for any payment of wages to employees and for calculations of labor costs. Proper working hours and adequate working time must be maintained when attending the workplace. It is the responsibility of each employee to report his attendance, with the approval of his superior at the end of each month. Such reports shall be managed using an appropriate computerized system.

Haifa encourages social contacts between employees during work. Social contacts will be respectful and appropriate to all parties, while respecting the public space, and without disturbing work productivity and the workplace.



7.3 Safety at work

Haifa Group is responsible for the health and safety of its employees, and provides them with a safe work environment regulated by a system of health and safety procedures. These procedures shall be based on the following principles:

- ✓ Compliance with regulatory requirements and standards, and adoption of advanced work methods and technological means to ensure the health and safety of employees when performing their jobs.
- ✓ The Group shall ensure that its employees are familiar with the health and safety procedures related to their work through a training system, learning of procedures and instructions, distribution of information and regular control and supervision.
- ✓ Employees shall be required to comply with any binding safety procedures (see: "Haifa's Safety Policy" document).
- ✓ The Group shall encourage its employees to strive for a safe environment, to be alert to issues of safety by identifying potential hazards or failures and reporting them to the appropriate persons.

7.4 Harassment-Free working environment

Haifa Group denounces any harassments of employees in the workplace. The group aims to increase awareness among its employees, and encourages employees, and in particular the superiors, to show sensitivity and awareness in this regard. The group has adopted a procedure on this matter and has appointed Human Resources Managers in Israel and the subsidiaries' Managing Directors to handle sexual harassment complaints (see: "Prevention of Sexual Harassment and Sexual Harassment Policy").

7.5 Respectful Workplace

Mutual respect is a fundamental principle of our organization. Workplace bullying, manifested in harmful, humiliating, or threatening behavior, is unacceptable and prohibited. Every employee is responsible for creating a positive and safe work

environment. Bullying behavior will harm the work atmosphere, performance, and well-being of all employees. In case of any harm, please contact HR immediately for further action.

7.6 Political activity at work

Haifa Group recognized the right of employees to hold their own political opinions. Nevertheless, political activity during work hours in any of the Group's facilities, or the use of any of the Group's tangible or intangible assets for the promotion of political goals or views, are prohibited.

7.7 Commitment to the environment and to the community

Being a progressive Group that embraces the values of the business community and accepts responsibility for the protection of the environment and the preservation of its resources, Haifa Group maintains a policy of protecting the environment and the well-being of the community.

The Group expects its employees to show awareness to environmental and social issues and to do whatever they can to protect the environment by preventing hazards, identifying any potential environmental risks and actively seeking to promote the protection of the environment.



8. Implementation and Control of the Code of Conduct

This Code of Conduct document contains the beliefs and worldview of the Group, together with directions of conduct that reflect this worldview in the actual operation of the Group. This document constitutes a list of “do’s and don’ts” for the employees of Haifa Group and it does not detract from any specific procedure, instruction or program for the various subjects.

8.1 Management and control

The implementation of the Code of Conduct is the responsibility of the Group's Global VPHR. As part of this responsibility, the Global VPHR shall ensure the following:

- ✓ An organized training program shall be established to incorporate the principles and to regularly maintain knowledge of its provisions. The principles shall be kept up-to-date and recommendations regarding any necessary updates shall be considered.
- ✓ Employees shall be counseled regarding business conduct or any specific instruction contained in the Code of Conduct principles.
- ✓ Violation of the principles shall be handled, including in the following ways:
 1. Encouraging employees to report violations of the principles.
 2. Establishing an accessible and confidential complaint procedure.

3. Protecting employees who report violations from actual or potential retaliation.
4. Tracking and monitoring the handling of complaints.
5. Updating the reporting employee regarding the handling and results of the complaint.

8.2 Global implementation plan

The company's management will transfer the etiquette to all employees, including any new employees, as part of a global implementation plan. The Code of Conduct document shall be distributed to all employees and shall be published on the Group's website, in both Hebrew and English.

8.3 Implementation duty

The duty to implement the Code of Conduct, to adhere to its rules and to maintain a proper business conduct is borne by all employees of Haifa Group, at all levels and in all areas of responsibility. As part of this duty, employees shall act in accordance with the following principles:

- ✓ Employees shall learn and know the Code of Conduct document and sign it. The signed document shall be kept in each employee's file.
- ✓ Employees shall embrace the provisions of the document and act according to it.
- ✓ Employees shall be alert for any violation of the principles.
- ✓ Employees shall make any effort to avoid situations that may lead to illegal or immoral activity, and shall not tolerate any such activity by others.
- ✓ Employees shall consult the person responsible for the Code of Conduct principles in any case of doubt or with any question.



Motti Levin, CEO

Employee's signature



Committed to Sustainable Development

Haifa Group formally joined the Global Compact and adopts the Sustainable Development Goals (SDG) principals. Upon accession the SDG, Haifa Group commits itself to follow seventeen guidelines on human rights, labor standards, and the environment protection.

www.haifa-group.com

