

Sunday, 02 December 2018

Assurance Statement – ICL Sustainability Report 2017

Introduction

The Corporate Responsibility Institute (CSRI) is an independent public entity dedicated to the promotion of the corporate social responsibility and sustainability approach in Israel and beyond. The institute operates within the College of Law and Business, an academic college for law, accounting, and business studies. The institute's activities include organizing professional meetings; writing reports, studies, and market surveys; adapting global applied methodologies for use in Israel; and more. Transparency and the accountability of corporations for their social and environmental impacts, constitute one of the institute's core issues.

In June 2018, ICL asked the institute to perform a quality assurance process for its 2017 CSR report. The quality assurance process was performed by Mr. Liad Ortar, head of the institute. It is hereby declared that the institute receives payment to cover the time invested in this process. Beyond that, neither the institute nor Mr. Liad Ortar (who performed the assurance) have business consulting relationships with ICL, and the quality assurance process was independent. During the course of the quality assurance process, a draft of the report was examined, and several work sessions were held to clarify various issues. Some of these issues have already been addressed in the current report; others may be included in future editions.

Work Method



Quality assurance for CSR reports is a process aimed primarily at improving the quality of the output through professional feedback. For the

avoidance of doubt, quality assurance constitutes an integral part of the reporting process. The objective is for any professional comments that arise during the work process to be absorbed as quickly and as correctly as possible. The process for this report was performed in accordance with the principles of the AA1000 Assurance Standard of the AccountAbility organization. Liad Ortar is a licensed examiner for AccountAbility.

In accordance with this standard, the report was examined for its fulfilment of three key principles:

1. **Inclusiveness** – Fully addresses the topics from the reporting process and encompasses a wide range of stakeholders.
2. **Materiality** – Addresses the material subjects in the activity of the company.
3. **Responsiveness** – Reports on subjects raised by stakeholders.

This report was found to fulfil these principles and the GRI guidelines satisfactorily.

This internet-presented report marks a major upgrade from previous regular PDF reports. It is not just turning a PDF report to an online version of it, but creating a brand new internet site, dedicated completely to ICL's ESG commitments, disclosures and performances. The transition to a web-report has significant advantages, such as increased transparency and accessibility. Below are some of the improvement issues that I found during the auditing process (additional ones were discussed directly with the company):

Key Remarks

- **Date of publication** – The 2017 CSR report is seeing lights almost toward the end of 2018, due to the work-intensive transition to the new web report. Publishing a CSR report almost a year after the end of the reporting year, misses the goal of presenting relevant and up-to-date information. It is expected and recommended that the report will see light in close proximity to the publication of the financial reports e.g. toward the end of the first quarter of the following year.
- **Materiality** – It is an important progress to conduct a materiality analysis in a quantitative manner, basing the matrix on answers received from a questionnaire. By using this kind of research method, it will be applicable to reuse it in future reports and thus have a methodological base to conduct comparisons. This upgrade from previous reports should be better explained, not only concerning the changing of the data collection methods, but also concerning the outcomes as they appear in the

consequence matrixes. In addition, the matrix itself is not self-explanatory enough as to what are the ESG material issues for ICL.

- **Planetary (Global) Boundaries** – The verifier considers that the mentioning of this methodology is redundant. The global boundaries report was published almost ten years ago. During this decade many things have changes and environmental priorities also shifted. At the report has successfully incorporated the UN SDG's, it is sufficient to leave it as the major global methodology referenced in the report.
- **Goals** – It is expected by the stakeholders that clear goals are declared all through the report (some issue do have clear goal, but other do not). In addition, the adherence to the SDGs is not only a short term commitment but also a long term one which relates directly to the targets specified in each and every goal. I found that this perspective can contribute to the overall commitment presented in the report.

Liad Ortar

Head, CSRI

College of Law and Business

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