



ASHDOD PORT
THE PORT OF ISRAEL

Corporate Responsibility (Sustainable Development)

2020 Update



ASHDOD PORT - THE PORT OF ISRAEL

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A Message from our Management

We are pleased to present you with an update of Ashdod Port Company's Corporate Responsibility Report for the year 2020.

The past year was marked by global and local turmoil. The COVID-19 pandemic and its significant impact on social and economic development presented us with unprecedented challenges: both as a result of an increase in workload due to restrictions on air transport, and as a result of the measures we have undertaken in order to maintain the operational continuity required from the Port of Ashdod as the gateway to Israel - including seamless adjustments to our operation and administration processes, dynamic changes to our workforce, etc.

We are proud to report that we have successfully met these challenges. The resourcefulness, flexibility, creativity and determination of the Company's employees and management, allowed us to not only to maintain the Port's regular operations as an essential national service provider while ensuring the health of our workers - but to continue to promote aspects of sustainability and innovation that have been identified as material drivers to the Port's ongoing success.

In the past year, Ashdod Port Company has announced the ambitious goal of transforming the Port into a 'green port' by eliminating its greenhouse gas emissions by the year 2030. As a means to achieving this goal, we have issued a tender for the construction of an in-house power plant to produce electricity using natural gas, conducted a feasibility study for the installation of solar panels on port structures and began a transition to smart and energy-efficient lighting solutions in existing facilities.

In addition, we continued the conversion of Dock 21, which will handle large-sized container ships, unlike ones that call on the Port today, through the use of modern and efficient unloading equipment. We continued our plan to procure eco-friendly equipment for unloading grains and other bulk cargo, and performed additional improvements.

At the forefront of innovation, the Port has taken significant steps to realize its vision of becoming a startup incubator for maritime technology. Over thirty startup companies with great potential in this field are currently at various stages of collaboration with the Port, finding support and a real testing site for their projects.

This is the first time we have issued an abbreviated annual report reviewing a single year of operations. Its purpose is to promote transparency and present information determined as significant to us and to you as our stakeholders, while we continue to publish a comprehensive report every two years.

We would like to thank all those involved in preparing this report, and extend our gratitude to each and every one of the Port Company employees for their hard work, dedication, willingness and involvement in securing the Port's future as the leading, most advanced port in the Mediterranean Basin.

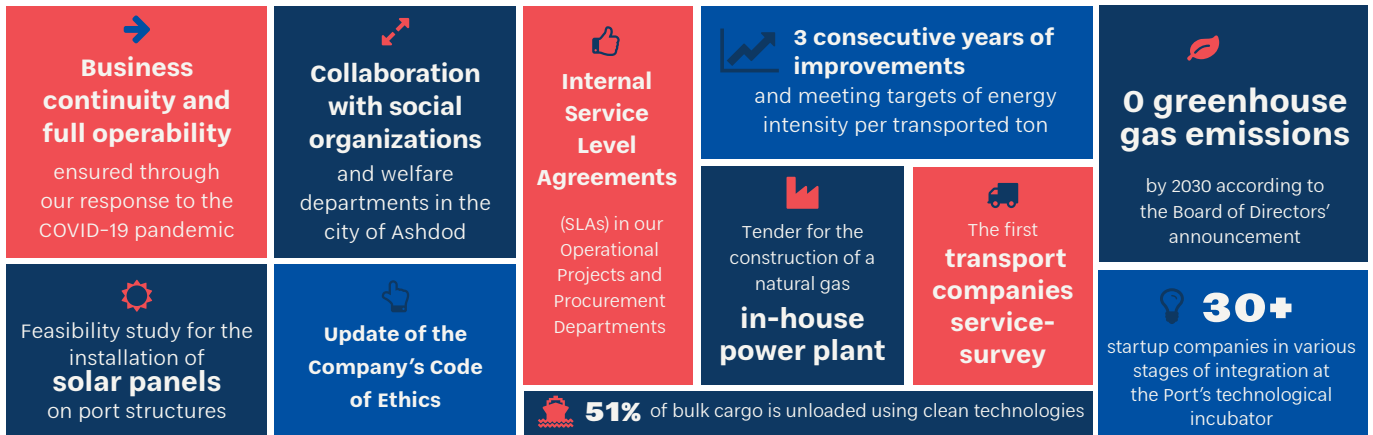
We invite our stakeholders to review this report and the issues addressed herein. We welcome your feedback and urge you to continue to challenge and inspire us.

Orna Hozman-Bechor
Chairman of the Board of Directors

Moshe (Shiko) Zana
CEO

ACHIEVEMENTS DURING THE REPORTED PERIOD

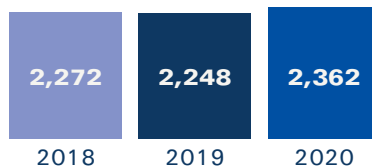
SUSTAINABILITY AND CORPORATE RESPONSIBILITY ACHIEVEMENTS:



BUSINESS ACHIEVEMENTS:

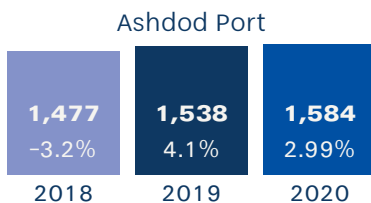
As mentioned above, the year 2020 was characterized by unprecedented cargo volumes entering Israeli ports in general and the Ashdod Port in particular – both in the overall scope of cargo unloaded and the subsequent financial results:

Ship Count



Containers (k TEU)

Compared to the previous year

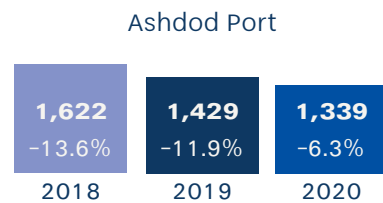


Total Israeli Ports

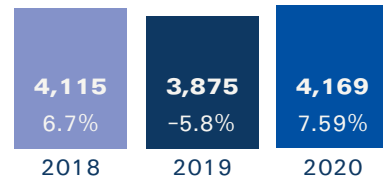


General Cargo (k tons)

Compared to the previous year



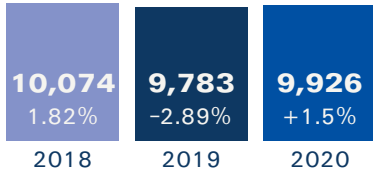
Total Israeli Ports



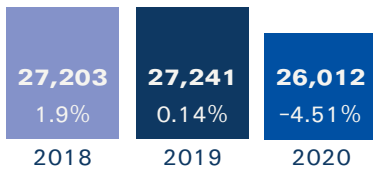


Bulk Cargo (k tons)
Compared to the previous year

Ashdod Port

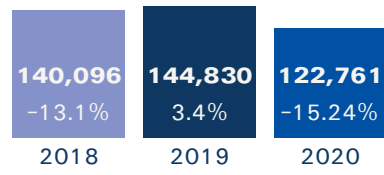


Total Israeli Ports

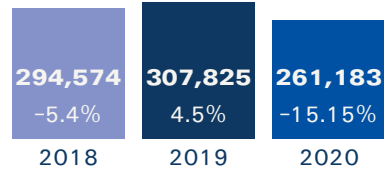


Vehicles (units)
Compared to the previous year

Ashdod Port



Total Israeli Ports



OUR RESPONSE TO THE COVID-19 PANDEMIC

The Ashdod Port is a strategic national enterprise and as such any change in its level of operational readiness may present far reaching implications to our stakeholders, as well as to the market's ability to successfully contend with current challenges.

Therefore, and in light of past epidemic outbreaks of similar nature, the Port's Disaster Recovery Plan already includes procedures for a response to a global pandemic.

As first reports of an outbreak began to surface in late February 2020, the Port Company was set to initiate its emergency procedures: The Board of Directors shifted to digital communications, convened its meetings in accordance with global developments and regularly monitored the Company's status and performance.

The Port's response strategy focused on three aspects:

- (1) Maintaining the health and wellbeing of its employees
- (2) Seizing the opportunity to perform maintenance and construction projects
- (3) Availing business opportunities brought on by the global events, such as an increase in maritime trade due to restricted aviation in many countries around the world

A crisis management team appointed and headed by the Company's CEO, included six vice presidents, the Port Company's CRO and its Head of Security and Cyber. The team supervised the formulation and implementation of detailed procedures for the continuation of the Port's operations in accordance with the Ministry of Health guidelines including new procedures for docking ships from at-risk countries and for limiting interaction with ship crew members.

The Company procured protective and disinfecting products for the use of its employees and issued detailed instructions for maintaining enhanced hygiene practices in accordance with the Ministry of Health guidelines. In addition, all public gathering spaces within the port, including dining halls, gym and synagogues, have been shut down.

The Port Company's employees were assessed according to the essential requirement for their physical presence in the Company's facilities, and many of the administration employees were granted the option of working from home or remotely from a separate location at the port area. These measures required significant adjustments to the Port's information security and digital infrastructure.

Those employees who continued to work onsite were organized in "capsules" in order to limit exposure and reduce the risk of a complete shutdown in case of infection, all according to the Ministry of Health "purple badge" standard for businesses.

Employees who were exposed underwent an independent epidemiological investigation in collaboration with the Ministry of Health.

Due to frequent changes in federal directives and national assessments, the Port was faced with the challenge of communicating the operative implications of these directives to its customers in real time. For this purpose, the Port made use of digital platforms - the Company's website, e-mails and text messages. Further adjustments were made in the entry process of ground carriers to the Port in an effort to minimize the time required for temperature checks and the obligatory inspection by Port's security.

Cyber and digital infrastructure were given high organizational priority in order to safeguard the Company's assets, identifying and preventing any threats to the organization's infrastructures during the state of emergency.



MANAGING CORPORATE RESPONSIBILITY

No changes were made to the Port's structure of corporate responsibility during the reported period. Our main stakeholders and the material aspects identified for reporting remain unchanged, with the issues at the focus of this report being the ones identified in previous reports, in alphabetical order:

- Community involvement and commitment
- Customer service and satisfaction
- Economic resilience and business continuity
- Employee diversity and equal opportunity
- Employee training, development and empowerment
- Energy consumption and efficiency
- Ethics, corporate governance and good governance
- Gender equality
- Health and safety in the workplace
- Innovation
- Port security
- Reduction of air and sea pollution
- Responsible supply chain
- Water and wastewater
- Waste disposal
- Workplace environment, commitment to employees rights and welfare

The Company's corporate responsibility steering committee, as detailed in the previous report, continued to convene in accordance to the restrictions on public gatherings, and through digital means, to discuss the issues with which it is entrusted. In addition, and under said restrictions, the Company continued to conduct an ongoing dialogue with its stakeholders as identified in previous reports:

1. Community, social and environmental organizations
2. Customers
3. Suppliers
4. Employees
5. Maritime trade community
6. Regulators and governmental bodies

PROMOTING THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Port Company reviews and reports the sustainability and corporate responsibly initiatives it has taken to align with the United Nations Sustainable Development Goals (SDGs).

In the following report the Company details its activities as they relate to the following defined goals:



CREATING SHARED VALUE: JOINT COMMUNITY AND SOCIAL VENTURES



SDGs - Goal No. 11

Make cities and human settlements inclusive, safe, resilient and sustainable – The Port Company promotes social and environmental initiatives with the city of Ashdod and its surroundings, through the recognition of the Port's potential impact on the resilience of its community.

The Port Company impacts everyday life in Ashdod and its surrounding areas. Since its establishment, the Port has served as an economic, social and occupational anchor for the city and remains among its most prominent symbols. Thus, the Port Company plays a role in Ashdod's community resilience.

We place a great emphasis on the strong relationship created between the Port Company and the city and community in which we operate. Community relations, and public communication regarding environmental protection in particular, are important factors in the realization and implementation of the Port Company's social and corporate responsibility, directly derived from the Company's code of ethics and from its values and vision.

We maintain strong ties with city's leadership and its residents, enhancing community relations through joint activities and community involvement.

Through the course of 2020 we upheld our collaborations with various NPOs and corporations: The Municipal Company for Culture & Leisure in Ashdod, Road Leaders, Enosh – The Israeli Mental Health Association, The Israeli Marine Mammal Research and Assistance Center, The Municipal Authority for Combatting Addiction, Pitchon Lev Humanitarian Organization, and the Ziv Neurim Youth Foundation.

As in previous years, we continued to promote initiatives related to the Port's operations and activities related to environmental and marine conservation.

Visitors Center

Our visitors center, which regularly hosts tens of thousands of visitors a year, has also been affected by social distancing guidelines and the near-total shutdown of the tourism industry. Nevertheless, within a short time we began offering virtual tours free of charge to the public during periods of quarantine and gathering restrictions.

CUSTOMERS AND SERVICE INDICATORS

As we navigated the challenges of the COVID-19 pandemic, our Customer Service Division had taken on the role of communicating the changes brought on by intermittent regulations. The Division maintained ongoing communication with our customers and provided necessary updates to each sector – ships crews, shipping companies, and transport companies.

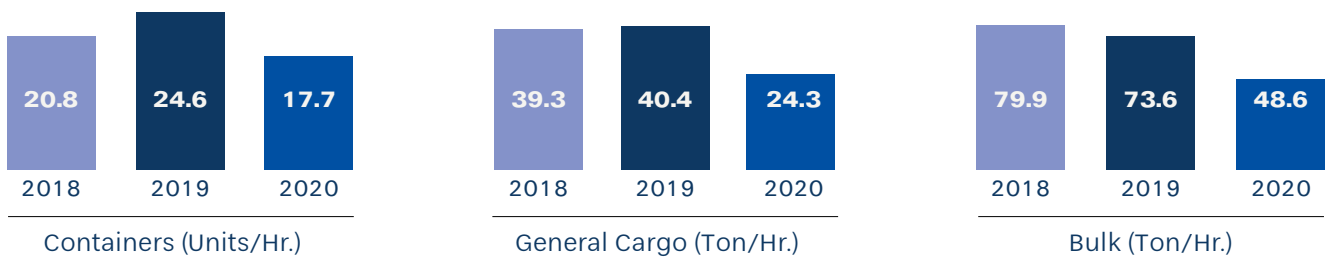
Despite the various challenges presented this year, the Port Company continued its efforts to improve the level of service provided to its customers. Our Customer Service Department promoted the formulation of several Service Level Agreements for internal units and continued to conduct customer surveys for customer sectors such as transport companies, grain and metals importers. These surveys received high response rates, which we attribute to improvements in a variety of service aspects and to our customers' understanding that the Port's management sees customer surveys as an important tool for evaluating and improving our service.

This year, we conducted our first ever transport companies survey among hundreds of truck drivers who frequent the Port. The survey results confirmed a number of existing insights and encouraged us to continue to improve our work and communication processes with the carriers.

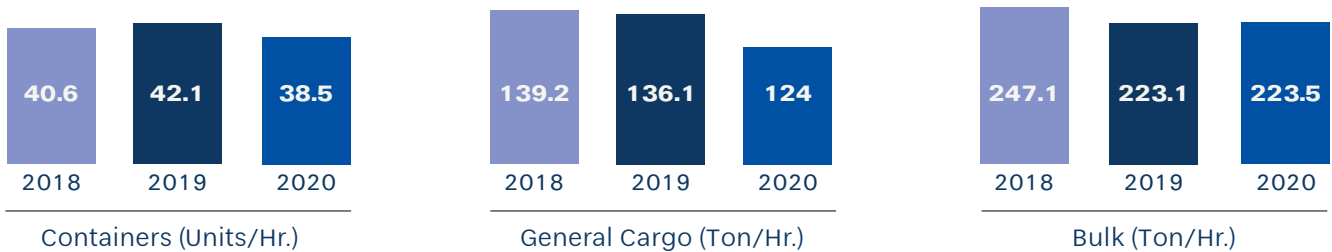
As in other Israeli ports, Ashdod Port Company evaluates its activity according to service indicators of outputs and times. In this regard, it should be noted that notwithstanding the Port Company's success in maintaining business and operational continuity, the sharp decline in the scope of air transport and the surge in local private consumption have led to severe congestion in all Israeli ports, the Ashdod Port among them, and as such to growing delays in port entry and unloading times.

1. Outputs

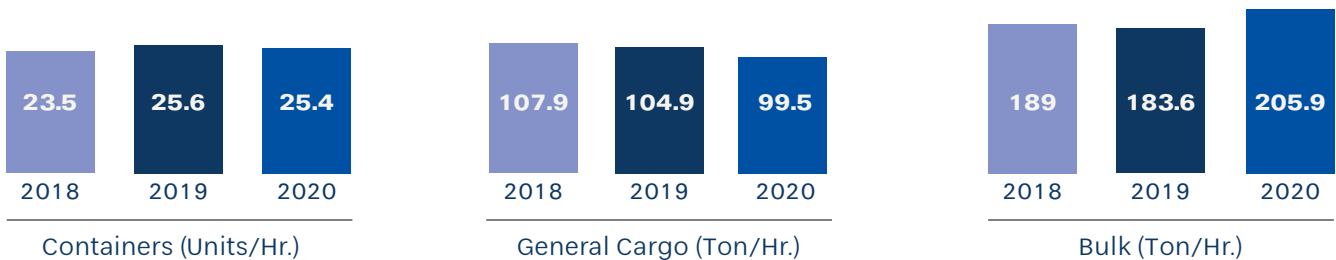
1.1 Output per ship laytime hour:



1.2 Output per work hour:



1.3 Output per crew/crane hour



2. Times

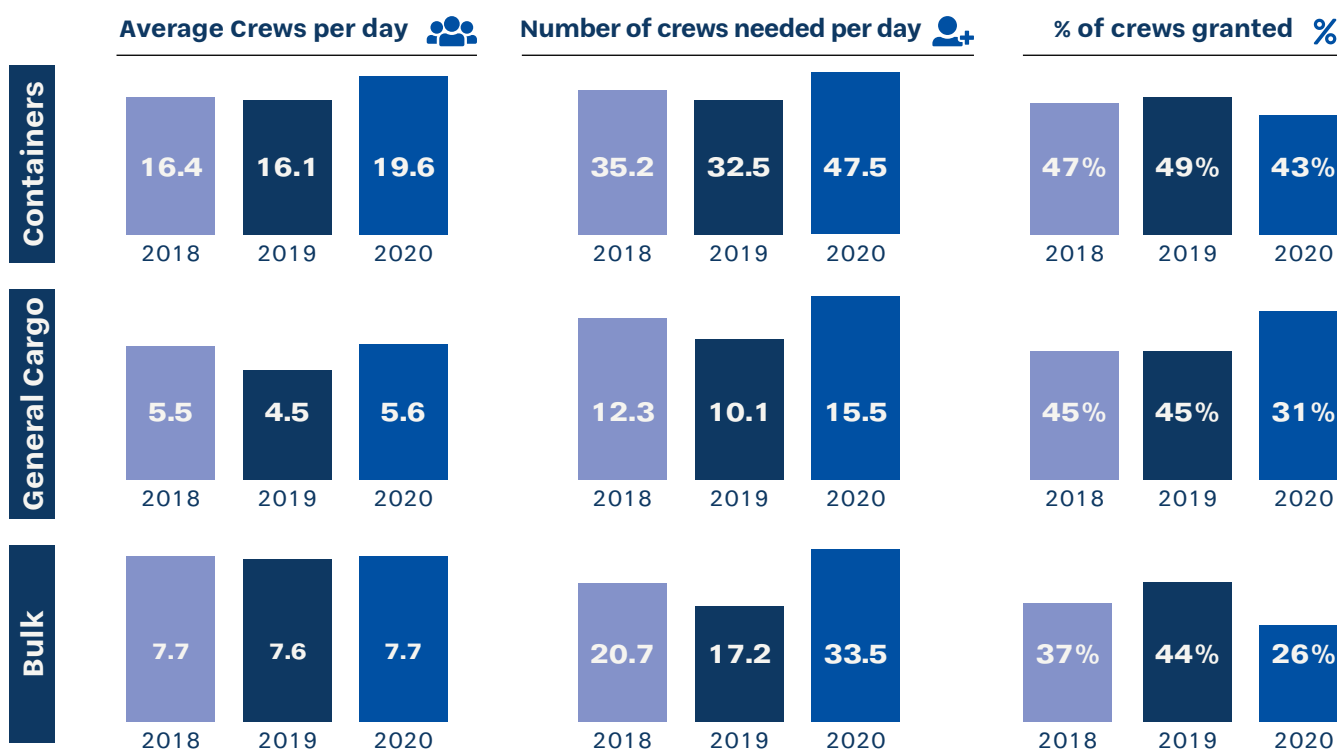
2.1 Average Ship Laytime Time (Hr.)

Type of Ship	2018		2019		2020	
	Average Laytime	Number of Calls	Average Laytime	Number of Calls	Average Laytime	Number of Calls
Containers	44.8	1,021	40.5	1,007	47.4	1,180
General Cargo	109.2	386	107.4	334	194.6	262
Bulk	210.8	264	219.3	256	320.6	279
Automatic conveyance equipment	153.1	374	168.4	429	158.2	529

2.2 Average Ship Wait Time (Hr.)

Type of Ship	2018		2019		2020	
	Average Wait Time	Number of Calls	Average Wait Time	Number of Calls	Average Wait Time	Number of Calls
Containers	14.9	1,021	10.5	1,006	17.1	1,180
General Cargo	44.9	386	44.1	358	106.1	262
Bulk	88.5	264	88.3	255	182.6	279
Automatic conveyance equipment	48.1	374	50.8	436	52.8	529

2.3 Average Crew Allocation (% response rate – crew ordered/crew allocated)



SUPPLIERS AND OTHER SERVICE PROVIDERS: SEE THE RESPONSIBLE PROCUREMENT SECTION

INNOVATION AT THE ASHDOD PORT



The Port Company's activities promote the UN's Sustainable Development Goal number 9 (targets number 9.4 and 9.5):

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, and by 2030, encouraging innovation and increasing the number of research and development workers per 1 million people and public and private research and development spending.

The Port management has identified technological innovation as a strategic objective towards maintaining the Port's leading position in face of future challenges.

The Port's innovation program is reliant on the professional knowledge and experienced human capital available to it, with the intent to turn the Port into a startup incubator for technology startups developing solutions to streamline and improve Port operations through a model known as Corporate Venture Capital (CVC). This model allows the Port Company to make a direct investment in the startups, creating a mutually beneficial partnership, whereas the startup company receives the Port's extensive, unique and professional knowledge for the development and testing of its product, and direct and unmediated contact with its facilities and knowhow.

The collaboration agreements and the various stages of their implementation are overseen by a dedicated team of Port executives, while a monthly progress report is assessed by the Port's Board of Directors. In an effort to maximize the potential for integration success, each test project (pilot) is supervised by a dedicated innovation agent from among the Port's field managers whose expertise is related to the technological solution being developed.

As of year-end 2020, over 30 startups were selected to develop projects in various segments of operation, shipping and transportation, environment and security.

Cyber security companies account for a significant share of the Port's strategic partnership portfolio. The developed technologies are designed to create protective solutions for the Port's various online activities, ranging from intra-organizational communication to digitized equipment that requires online access for its routine operations. These collaborations are supported by the Administration for the Development of Weapons and Technological Infrastructure and by the Israel National Cyber Directorate – as the Port is among the country's critical national infrastructures.

Pilot Initiation Stages

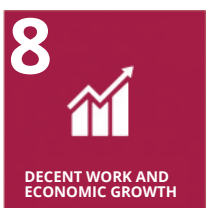


OUR PEOPLE

Ashdod Port Company works with its employees to promote gender equality and sustainable economic growth according to the UN's Sustainable Development Goals number 5 and 8:



Goal No. 5 - Achieving gender equality - The Port Company works diligently to promote the advancement of women in line with our goal to employ more women in the Company. The Company employs a dedicated supervisor focused on advancing women and ensuring gender equality.



Goal No. 8 - Promoting inclusive and sustainable economic growth, full and productive employment and decent work for all – one of the Port Company's cornerstones is creating a safe, pleasant and respectful workplace. The Company ensures the rights of its employees and their fair employment terms.

Since its inception, Ashdod Port Company has championed the creation of a safe, pleasant and respectful work environment. The pandemic crisis of the past year has tested and proven the resolve and dedication of the Port's employees to provide service to thousands of ships and other various Port stakeholders even in times of emergency and uncertainty.

Even through the course of this challenging year, we continued to invest in human resource development, empowering employees, encouraging professionalism and excellence, enhancing the sense of commitment and belonging, and increasing employee engagement in Port activities. Concurrently, we continued our efforts to employ a diverse workforce and **ensure a diverse and inclusive work environment with an adequate representation for different populations and sectors within Israeli society.**

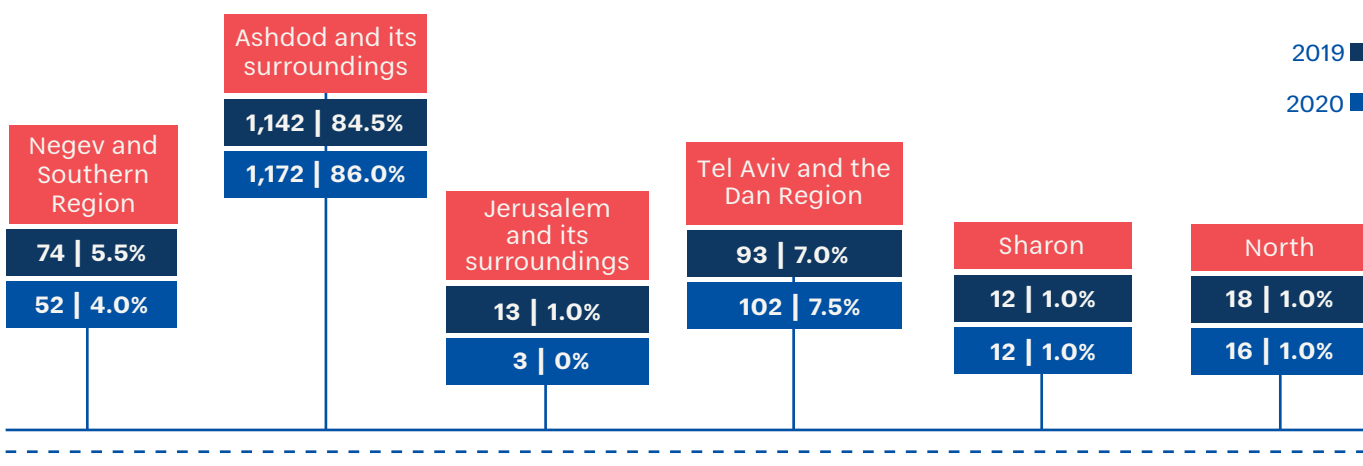
In 2020, no significant changes had occurred in the scope of employment within the Port Company as compared to the previous year:

Employment Terms	2020		
	Men	Women	Total
Employees	1,173	184	1,357
Contract employees recruited as Company employees	1	3	4
Employees under a collective agreement	1,131	163	1,294
Total	96.4%	88.6%	95.3%

EMPLOYEE AGE:

Employee and Management Age	2019		2020	
	Men	Women	Men	Women
30 and younger	20	10	19	8
30-50	852	141	806	140
50 and over	299	34	348	36
Total	1171	185	1173	184

GEOGRAPHIC DISTRIBUTION:



PARENTAL LEAVE:

41% of parental-leave benefit recipients in 2020 were men!

22 employees (9 men and 13 women) applied for parental leave in 2020, with 100% returning to work following their leave, of them 1 worker (as of the date of this report) concluded her employment with the Company less than 12 months after her return.

EMPLOYEE TRAINING AND DEVELOPMENT:

Cumulatively and on average, employees received less training hours in 2020 compared to the previous year with a total of 22,317 training hours offered to all employees and management and an average of 16.45 hours per employee.

Due to COVID-19 restrictions and the frequent changes in work routines, the planned training programs were modified, however, only a limited few were cancelled. Essential training was delivered over an innovative digital platform allowing for a more effective and focused learning experience - hence the decrease in the average number of hours needed to complete the training requirements.



DIVERSITY AND INCLUSION:

In 2020 the Port Company continued to actively engage in employing and retaining a diverse workforce. World Day for Cultural Diversity, held on May 21st, was celebrated at the Port and on its social media, and the Port's first female dockworker shared her story on national television.

In addition, an organizational environment survey was distributed to all employees hired since 2017. The survey questionnaire is designed to determine how they perceive the extent of their integration within the organization. The survey's findings and conclusions will be presented to the Port's management through the course of 2021.

As part of their orientation, new employees participated in a discussion on occupational diversity in general and the employment of people with disabilities in particular. Employees also engaged in an online tutorial on the subject of accessibility and employment of people with disabilities.

The COVID-19 crisis taught us that employees with significant disabilities require a unique response as they faced the general uncertainty with greater difficulty. Subsequently, for the periods when these employees were on furlough, along with other Port employees, we continued to provide them with rehabilitative support through weekly phone calls from their rehabilitative mentor and the Port Supervisor for the Employment of Persons with Disabilities.

In 2020 the Port Company accepted a student intern with a significant disability for a technical internship as part of a project sponsored by the Ministry of Education in order to enable him to gain practical experience in the field of his studies.

Port employees from diverse population groups as of year-end 2020:



ENVIRONMENTAL STRATEGY, MANAGEMENT AND PERFORMANCE

Ashdod Port Company assesses its environmental impact in light of the UN's Sustainable Development Goals number 7, 9, 11 and 14:



7.2 - Substantially increase the share of renewable energy in the global energy mix by 2030.

7.2.1 - Renewable energy share in the total final energy consumption.



9.4.1 - Carbon intensity: measured as national carbon dioxide emissions per unit of gross domestic product (GDP).

13.1 - Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

13.2 - Integrate climate change measures into national policies, strategies and planning.

14.1 - Prevent and significantly reduce marine pollution of all kinds, particularly from land-based activities, including marine debris and nutrient pollution by 2025.

TOWARDS A "GREEN PORT" IN 2030

Recognizing our environmental responsibility and our role as a leader in marine and beach protection and conservation, Ashdod Port Company conducted extensive planning during 2020 towards the implementation of a comprehensive environmental strategy with clear and quantifiable goals for the year 2030.

Based on existing projects in the world's most advanced ports and environmental initiatives of the global port sector (such as the EcoPorts initiative of the European Sea Ports Organization – ESPO) and in accordance with the Port Company's capabilities and needs, the Company's management examined various alternatives for action plans to mitigate the Port's overall environmental impact.

The main issues addressed by these plans include promoting environmental innovation, proactively reducing air pollution from ships and ground transportation, reducing greenhouse gas emissions, improving energy efficiency and shifting to the consumption and production of clean energy, and enhancing the Port's readiness and capacity to address the challenges of extreme weather and climate change.

The Port's management decisions will be made within the course of 2021 and we look forward to providing updates on our resolutions and progress in future Sustainability Reports.

ENVIRONMENTAL POLICY

Ashdod Port Company is committed to strict environmental policies, compliance with all environmental regulations and provisions, as well as to the conservation of the environment as a whole and the marine and coastal environment in particular, and is dedicated to the management of its marine and coastal resources for the wellbeing and benefit of all its stakeholders.

Operating at sea and on land, the Port's environmental impact is mainly the result of emissions generated by the ships and trucks calling at the Port for the transportation of cargo, and the potential environmental damage that can result from the nature of the cargoes – specifically bulk cargo, liquids and hazardous materials.

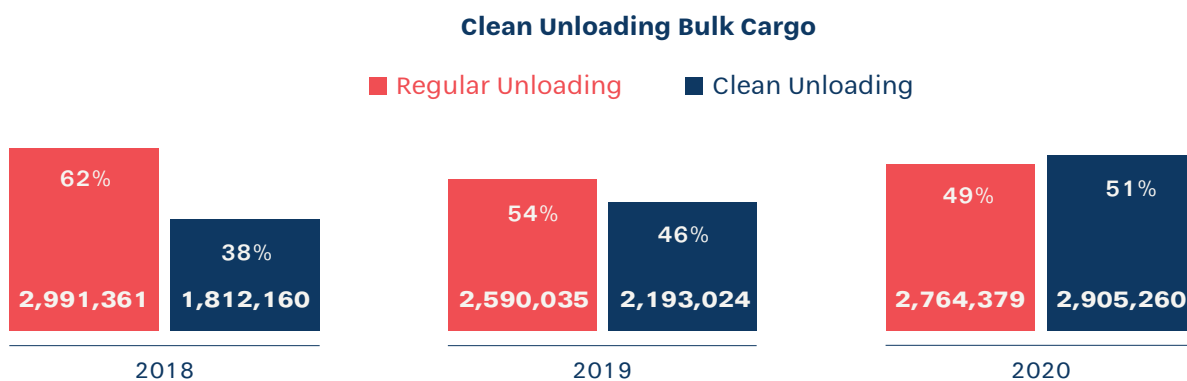
Furthermore, the operational aspects of the Port including services such as loading and unloading cargo, storage and ship services (such as refueling, waste and bilge water removal) require use of environmental resources, such as soil, energy and water, and as such may impact the environment, seawater and air quality.

In 2020, the Port's environmental policy continued to focus on preventing various hazards, implementing the full operational capacity of the EcoHoppers purchased in 2019, and integrating the portable sulfur unloader into the port facilities.

In addition, Ashdod Port Company issued a public tender for the design, construction, operation and maintenance of a 5 mega-watt in-house power plant within the Port's operational area. The scope of the tender includes the construction of the power plant and the supply of natural gas for its operation for two periods of 15 years. Prior to issuing the tender, the Port Company contracted the "Southern Natural Gas" Company to connect Ashdod Port to the national transmission network in the year 2021.

ENVIRONMENTAL PERFORMANCE:

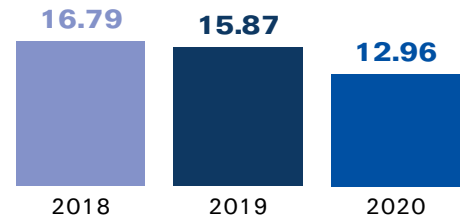
Throughout 2020, the Port Company continued to improve the ratio of bulk cargo unloaded through an environmentally-responsible process out of total bulk cargo unloaded at the port. During the reporting period 51% of bulk cargo was unloaded by 'green' equipment compared with 46% in 2019. This ratio meets the targets set by the Port Company in its 2019 Sustainability Development Report (see appendix for details).



ENERGY EFFICIENCY:

Ashdod Port Company marked energy efficiency improvements and a decrease in energy consumption per ton of cargo (loaded and unloaded at the port) for the third consecutive year. This ratio meets the targets set by the Port Company in its 2019 Sustainability Development Report (see appendix for details).

Energy Intensity (Gj/transported Ton)

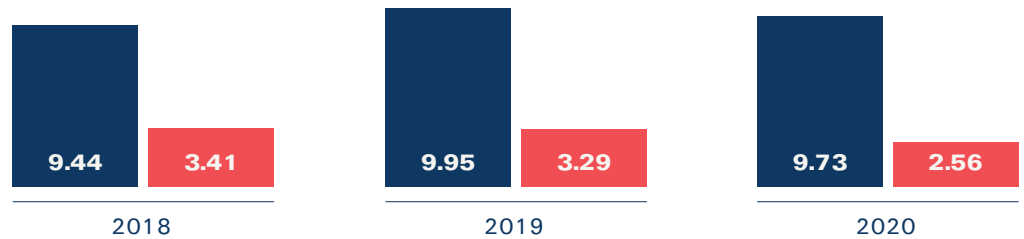


WATER AND WASTEWATER:

In 2020, the Port Company successfully decreased water consumption per transported ton compared to the previous year. The amount of wastewater directed to the municipal drainage system was reduced as well.

Water consumption and wastewater generation (m3/transported ton)

■ Water
■ Wastewater



REGULATION COMPLIANCE AND ENVIRONMENTAL INCIDENTS:

No significant environmental harm incidents and/or non-compliance with environmental regulations were reported during 2020.



RESPONSIBLE MANAGEMENT



Ashdod Port Company promotes the UN's Sustainable Development Goal number 8: Protect labor rights and promote safe and secure working environments for all workers, in particular those in precarious employment, and maintain constant efforts to minimize fatal and non-fatal occupational injuries.

HEALTH AND SAFETY:

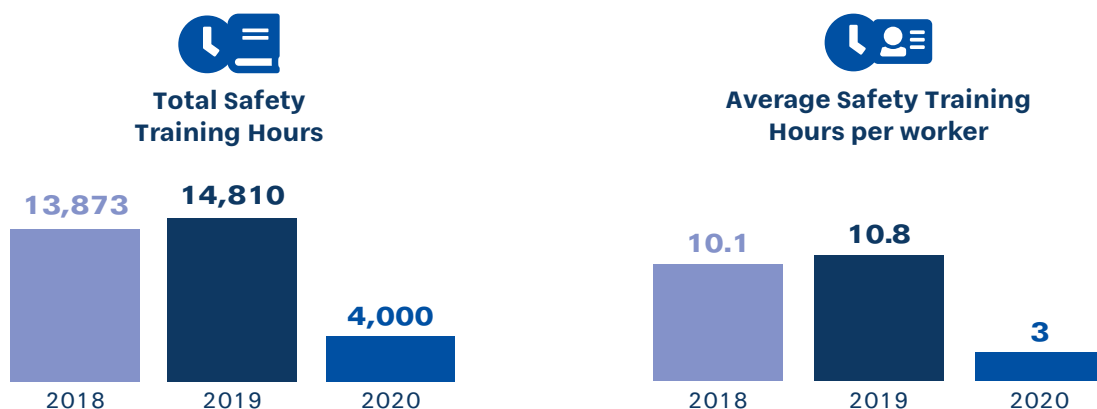
Health and safety are among the Port's highest priorities and the Company considers these matters of material importance. The Port Company strives to maintain the safety of its employees, customers, visitors and contractors through all available means.

SAFETY TRAINING:

We continued to promote safety awareness among our employees and port visitors during the year 2020 in accordance with the changing guidelines and procedures brought on by the COVID-19 pandemic. Safety training was conducted online for the first time this year, and included interactive presentations and quizzes to enhance the learning experience. Training was performed through a digital learning platform implemented in the Port earlier in the year.

Due to the transition to a digital and personal format, less training hours were needed to complete the training requirements.

Tal Harash, Head of Training: "The COVID-19 pandemic has impacted almost every aspect of our lives. Before the outbreak, annual safety training was conducted in-person for all Port employees. However, due to current social distancing protocols, the Training Division along with the IT Department developed a digital learning platform offering online safety tutorials. Within just a short time and an impressive boost of cooperation, hundreds of workers completed their training."



SAFETY INCIDENTS:

Unfortunately, two fatal work-related accidents occurred in the Port's facilities during 2020:

In February, David Tetrashvili, may his memory be a blessing, was killed during the unloading of a ship.

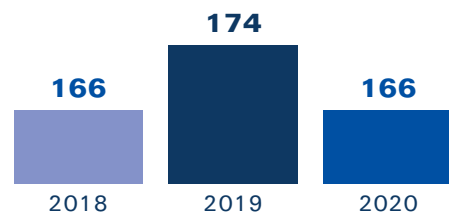
In September, Nati Choli, may his memory be a blessing, employed by an external contractor working within the Port, was killed while dismantling an out-of-use crane in an area separated and overseen by the contractor and a private safety inspector on his behalf.

Ashdod Port Company extends its deepest sympathies to the families, assisting them as much possible and fully cooperating with the authorities investigating these incidents.

In 2020, the number of non-fatal safety incidents was lower than in previous years and we take great efforts to ensure this number continues to decrease.

In early 2021, the Port Company selected and appointed a new safety engineer.

Non-fatal safety incidents at the Ashdod Port



(For further details see Table 3 at the end of this report)

RESPONSIBLE PROCUREMENT

Excellence during Crisis

Our Procurement Department worked to ensure operational continuity during the COVID crisis by providing an ongoing supply of protective gear and services to prevent the spread of infection while also ensuring regular supply of spare parts for cranes, equipment and tools. The crisis was managed under considerable market uncertainty, among them a shortage of such equipment along with general uncertainty regarding the suspension of flights and ship services and finding suitable shipping channels.

Concurrently, the Procurement Department worked hand-in-hand with all internal divisions in implementing the Port Company's strategic plan, fortifying the Port in anticipation of upcoming competition through work policies and technological solutions for workflow management.

אמנת שירות פנימי מחלקת הרכש

מחלקת הרכש מוזהרת ויחידת לבה אסטרטגית לפעילות הברכה, ומפעלת לניהול אפקטיבי ויחידת ערך מוסף החיני להגשמת חזון החברה ויעודה. אנו מתחייבים ללגלל אייה ארגונית וערכית ולפעול במקצועיות, יעילות, שקיפות ושיתוף פעולה אל מול כלל הגופים בחברה תוך עמידה במודד זמן, איכות ומחיר.

מחלקת הרכש מתחייבת לטפל בכפיות תוך זמן מוגדר

- הצעת מחיר המנוהלת ע"י מדור מרכזים והתקשורת, תיחורים מהכפוי מוגדר ומיושני אופציות לאספקת שירותים** - עד 4 חודשים
- מרכזים והליכי תיחור להתקשורת המנוהלים ע"י ועדת מרכזים:**
 - מרכזי חו"ל, התקשורת עם ספק יחיד, הליכי תיחור המנוהלים ע"י ועדת מרכזים וכוללים שלב איכות (כלים יועצים, מימים משותפים וכו')
 - מרכזים חו"ל שונים סטנדרטים, מרכזי מסגרת שלבים הכוללים תמסר כספיים מנדטוריים ו/או פרמטרים איתניים
 - מרכזים בינלאומיים ומרכזים מקומיים מורכבים
 - מרכזים בינלאומיים אסטרטגיים כגון עסקים חדשים אחר
- קטלוג וערכון מק"ט** - עד שבוע
- קטלוג הסכם חדש** - עד שבועיים
- הזמנת סובין משלך דרשה מאשרת עד להגברת הזמנה לספק**
 - הסכם מסגרת
 - ספק יחיד מאשר / בלי
 - ספק יחיד חדש
 - אספקת סובין (ממלא הספק)
 - בארי
 - בחול
- הזמנת סובין משלך דרשה מאשרת עד להגברת הזמנה לספק** - עד שבועיים
- ספק יחיד מאשר / בלי** - עד 3 שבועות
- ספק יחיד חדש** - עד 3 חודשים
- אספקת סובין (ממלא הספק)** - עד שבועיים
- בארי** - עד 3 חודשים
- בחול** - עד 3 חודשים

דרכי פנייה למחלקה
לשאלה הרכש חבוצע פינטות לנהלי ההתקשורת ונקיטתם בתאם הלוח מדי ההתקשורת ומעוררת הרכש: 08-6517520, pd@ashdodport.co.il

נמל אשדוד - הנמל של ישראל

SUPPLY CHAIN MANAGEMENT

Recognizing the impact of the COVID crisis on our suppliers, the Port Company worked to provide early payments to suppliers, and focused on the digitization and automation of the procurement process. The Company currently operates a computerized tender management system and all purchase and payment orders are digitized.

In 2020, the Procurement Department drafted a Service Level Agreement for its internal customers. The SLA defines key services and processes performed by the department with the various units in the organization. Timetables and controls were defined for each joint function. The internal SLA was published in 2021.

Towards the end of 2020, the Port Company issued a letter to all the Company's suppliers thanking them for their part in maintaining the Port's operational and business continuity and as such that of the Israeli economy. The letter introduced suppliers to the Port's Code of Ethics and the responsibility it carries forward onto them. Furthermore, details were provided regarding key courses of action planned for 2021. For example, conducting a suppliers' survey on the Company's procurement processes and implementing a computerized model for evaluating suppliers in order to review and measure their performance against the set standards and provide feedback regarding the products and services received from them.



REVIEWING AND UPDATING THE CODE OF ETHICS

The Port Company's Code of Ethics was updated and validated over the course of the reported period. The process was conducted by the Port's Ethics Committee, which convened throughout the year to determine the content and process of the necessary updates.

The updated Code places an emphasis on our employees' obligation to protect company and customer assets, and on the Company's commitment to transparency towards its customers by readily providing more information. In the spirit of the changes being undertaken at the Port - as detailed in this report - the Code now includes a section dedicated to the subject of innovation and the ethical implications of the Port's entry into this field of activity.

The Code was communicated to the Port's employees through a series of videos circulated through the organizational network on several platforms, reaching, for the first time, 100% of company employees.

LEGAL PROCEEDINGS AND CLAIMS

In June 2020, the Competition Tribunal submitted its ruling on an appeal filed by Ashdod Port Company against the Competition Commissioner's decision from 2015 that declared the Port as a monopoly in the discharge of vehicles that were delivered by shipping carriers from the United States and the European Union, including a decision that the Port had abused its dominant position and the subsequent financial penalties imposed on the Port and two of its corporate officers.

The Tribunal accepted a considerable portion of the Company's appeal, determining the Port's actions posed a low potential harm to competition rather than a high potential as ruled by the Commissioner.

The Competition Tribunal reduced the financial sanction imposed by the Competition Commissioner from a total of NIS 9 million to NIS 3,460,000 - an unprecedented ruling by the Competition Tribunal of over 60% from the original sanction amount, mainly since the Tribunal determined that the Competition Commissioner's estimation of the potential harm was exaggerated.

Nevertheless, the Port Company has filed an appeal to the Supreme Court claiming there were flaws in the original ruling.

CORPORATE GOVERNANCE

2020 Board of Directors:

- Orna Hozman-Bechor – Chairperson
- Yaakov Blitstein
(concluded his term on March 18, 2020)
- Malek Amror
(concluded his term on August 31, 2020)
- Yulia Reish-Goldstein
- Nava Zaken
- Joseph Elbaz
(concluded his term on December 30, 2020)
- Shalom Elmakies
(concluded his term on February 12, 2020)
- Ron Iluz (concluded his term on March 21, 2020)
- Matan Yegel
- Shabtai Tzur (appointed on December 10, 2020)

Board Composition	FYE2018	FYE2019	2020
Men	5	6	2
Women	5	3	3
Under 30	0	0	0
30-50	4	4	2
Over 50	6	5	3
Arab	1	1	0
Accounting and Financial Expertise	2	2	1
Risk Management Expertise	1	1	1

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Through the course of 2020, the Company's Board of Directors fulfilled its role in executing its duties and achieving its targets, giving a significant emphasis to managing the Port's response to the challenges imposed by the COVID outbreak, as well as promoting the strategic plan for becoming the country's first "green port".

The Board's commitment is reflected in the number of meetings held during 2020, significantly higher than in previous years. The Board met 48 times, one meeting with an attendance rate of 100%, 23 meetings with an average attendance rate of 91% and 25 meetings with an average attendance rate of 83%.

Board Committees and Attendance Rate

Board Committees	Number of meetings 2018	Average Attendance Rate	Number of meetings 2019	Average Attendance Rate	Number of meetings 2020	Average Attendance Rate
General Meetings			23			
Audit Committee	7	94%	7	82%	9	84%
Finance and Investment Committee	13	96%	7	80%	9	84%
HR and Administrative Committee	8	92%	8	80%	5	83%
Strategy Committee	2	100%	2	92%	2	73%

SUSTAINABLE DEVELOPMENT GOALS

This report complies with the Government Companies Authority’s requirement that an annual report on environmental risks be reviewed by a company’s management committee and that a periodic report on sustainability development be prepared by all Government Companies. The following is a table of sustainable development goals for the year 2020 as defined in our previous report compared to the Port Company’s actual performance during the reported year:

Board Committees and Attendance Rate

Num	Sustainability Topic	Responsible Entity	Goal defined for 2020	2020 Performance
1	Social and Community Relations: Promote social and community involvement	VP Corporate Communications	5 joint social ventures - related to the Company’s business activities and activities related to environmental sustainability	Over 5 initiatives
2	Environmental Sustainability: Prevent and reduce air and marine pollution from land-based activities	Head of Business Development and Environmental Compliance	Improve ratio of bulk cargo unloaded by ‘green’ equipment (EcoHoppers or other technologies) out of total bulk cargo unloaded at the Port. Target – 35%	51% of bulk cargo was unloaded by clean technologies
3	Environmental Sustainability: reducing the Port’s carbon footprint	Head of Business Development and Environmental Compliance	Decreasing the ratio between the weight (Kg) of greenhouse gas emissions resulting from the Company’s operations and the total cargo transported to and from the Port (tons). Target – 1.4kg	1.19kg CO2 /Transported Ton
4	Human resource development: Professional training and instruction hours	VP Resources, Head of Resource Planning and Control, Head of Training	Maintaining the average training hours per employee. Target – 35	16.45 hours per employee Due to the COVID crisis and the transition to a digital and personal format, less training hours were needed to complete the training requirements. See details on page 21



APPENDIX

1. Clean Unloading

	2018	2019	2020
Total Bulk Cargo	4,803,521	4,783,059	5,669,639
Total unloaded (grain)	654,122	520,453	212,851
Total unloaded by ecological systems (cement)	1,020,747	1,168,751	1,818,897
Total unloaded by EcoHoppers (clinker)	137,291	503,820	873,512
Total unloaded by ecological means and EcoHoppers	1,812,160	2,193,024	2,905,260
% of Clean Unloading out of total bulk unloading	37.7%	45.8%	51%

2. Energy Intensity, Fuel and Energy Consumption

Type	Measurement Unit	2018	2019	2020	CO2e Ton
Gasoline (leased vehicles)	Liters	292,991	288,642	290,000	661
Gasoline (Energy)	GJ	9,839	9,672	9,722	
Diesel (vehicles, operational and leasing, tug and pilot boats)	Liters	5,176,756	4,886,489	20,000 in leased vehicles	24
				3,689,089 operational vehicles	8400
				24,363 marine division	66
Total Diesel consumption	Liters	190,750	4,886,489	3,731,452	
Diesel Energy	Gj	190,750	180,032	142,879	
Electricity (private production)	KWh	45,618,440	45,853,416	43,939,560	19,448
Electric Energy	Gj	164,222	165,068	158,178	
Total Energy	Gj	364,811	354,772	310,779	
Total transported cargo	Ton	23,475	23,590	23,974	28,599
Energy Intensity	Kj/transported ton	16.79	15.87	12.96	

3. Safety Incidents

Department/Year	2018	2019	2020
Operations	112	121	115
Administration and HR	9	19	12
Logistics and Engineering	31	26	30
Marine	11	7	6
Bulk	3	1	3
Total	166	174	166

ABOUT THIS REPORT

This is the Port Company's first Annual Sustainability Development Report / Update to the Corporate Responsibility Report, and the fourth in total since it began reporting publicly on issues related to corporate responsibility.

The report reflects our management's focus on advancing issues of social and environmental responsibility and its commitment to transparency and an ongoing dialogue with its stakeholders, specifically its employees, customers, local community, neighboring municipalities, etc.

This report was prepared in accordance with the Government Companies Authority's requirement for a periodic Sustainability Development Report and in line with the Global Reporting Initiative (GRI).

The information presented in this report was compiled through interviews with Company employees and management and through an analysis of other Company reports and documents. Pursuant to GRI standards, material aspects were defined through consultations with our stakeholders.

The report was written with the assistance of Good Vision – a Corporate Responsibility Consulting Firm, a member of the Fahn Kanne & Co. Grant Thornton Group, and a GRI Organizational Stakeholder.

We wish to thank all the position holders who contributed to the completion of this report.

For questions or comments concerning this report and its contents, please contact:

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ASHDOD PORT
THE PORT OF ISRAEL