

Module: Introduction

Page: Introduction

0.1

Introduction

Please give a general description and introduction to your organization

ICL (Israel Chemicals Ltd) Group is one of the world's leading fertilizer and specialty chemicals companies. For a world challenged by population growth and scarce resources, ICL makes products that increase global food and water supplies and improve industrial materials and processes. The company benefits from direct access to low-cost, highly concentrated sources of minerals – especially potash and bromine. Leveraging this strong basis, we have built leadership positions in the areas of fertilizers and specialty fertilizers, flame retardants, water treatment solutions, specialty phosphates for the food, hygiene and safety industries, and a growing range of sustainability segments.

In 2012, ICL spent an amount of approximately \$137 million on issues related to the environment and environmental conservation. In 2013, ICL is expected to spend a sum of approximately \$155 million in this area, promising the long-term competitive advantages of our company.

ICL produces approximately a third of the world's bromine and is the 6th largest potash producer in the world. ICL is a leading supplier of fertilizers in Europe and a major player in specialty fertilizer market segments. One of the world's most integrated manufacturers and suppliers of phosphate products, ICL has become the world's leading provider of pure phosphoric acid and a major specialty phosphate player.

ICL is comprised of three core segments: ICL Fertilizers, ICL Industrial Products and ICL Performance Products. Its major production activities are located in Israel, Europe, the US, South America and China, and are supported by major global marketing and logistics networks. ICL employs approximately 12,000 employees worldwide.

0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed
Sun 01 Jan 2012 - Mon 31 Dec 2012

0.3

Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country
Israel
Germany
United States of America
China
Spain
Netherlands
United Kingdom
Turkey
Ireland
Czech Republic
Austria
Canada
Brazil
France
Mexico

Select country
Hungary
Australia

0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD(\$)

0.6

Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email respond@cdproject.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

Further Information

Important Legal Notes: The information delivered or to be delivered does not constitute an offer or a recommendation to do any transaction in Israel Chemicals Ltd. (ICL) securities. Although our shares may be bought and sold on the Tel Aviv Stock Exchange (TASE) at any time, they do not constitute trade out of Israel - neither in the United States nor elsewhere and this report does not constitute an offer or investment advice to any US or other public at this time. If we ever do so, our offer will only be made by a prospectus or a registration statement conforming with the requirements of US or any other applicable law.

Certain statements in this report and other oral and written statements made by ICL from time to time, are forward-looking statements, including, but not limited to, those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including, among others, the following: (a) the changes in worldwide economic and political conditions that impact interest and foreign exchange rates, (b) the extent to which ICL is able to successfully integrate acquisitions, (c) the extent to which ICL is able to achieve savings from its various plans, (d) government funding and program approvals affecting products being developed or sold under government programs, and (e) cost and delivery performance under various program and development contracts.

We caution you that the above list of important factors is not comprehensive. We refer you to filing that we have made with the TASE. They may discuss new or different factors that may cause actual results to differ materially from this information.

All information included in this document speaks only as of the date on which they are made, and we do not undertake any obligation to update such information afterwards.

Some of the market and industry information are based on independent industry publications or other publicly available information, while other information is based on internal studies. Although we believe that these independent sources and our internal data are reliable as of their respective dates, the information contained in them has not been independently verified, we cannot assure you as to the accuracy or completeness of this information.

Readers and viewers are cautioned to consider these risks and uncertainties and to not place undue reliance on such information.

Module: Management [Investor]

Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Senior Manager/Officer

1.1a

Please identify the position of the individual or name of the committee with this responsibility

Asher Grinbaum, Executive Vice President and Chief Operating Officer of ICL, also serves as commissioner for environment, safety, industrial health and security for the entire ICL Group. In this capacity, his responsibilities include supervision of the full range of the Group's climate change-related activities in coordination with the Company's corporate-level Centre of Excellence for Greenhouse Gases (GHG COE). The GHG COE, under the management of the VP/Business Development of ICL Fertilizers, leads corporate-wide initiatives for implementing a company-wide climate-change strategy. As part of this mandate, the COE promotes carbon reporting and reduction initiatives on both product and facility levels, with activities addressing all Company activities from R&D to procurement to M&A policies. As part of its responsibilities, the COE is charged with gathering, processing and consolidating climate change-related data from all ICL companies, analyzing it on behalf of the CDP and other bodies, and issuing an annual report quantifying the GHG emissions (Corporate Carbon Footprint) of all ICL companies for the use of internal management. The COE also produces periodic reports regarding climate change and carbon footprint issues for senior management members, who in turn generate reports quarterly and annually for the Board of Directors.

1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a

Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator
All employees	Recognition (non-monetary)	1) Climate-change leaders throughout ICL receive management recognition for the on-time supply of data for CFP calculations. 2) Companies that succeed in reducing their CFP from previous years (whether in terms of absolute quantities or as a percentage of production) are recognized in the Company's annual report and at Company conferences.
Facility managers	Recognition (non-monetary)	1) Climate-change leaders throughout ICL receive management recognition for the on-time supply of data for CFP calculations. 2) Companies that succeed in reducing their CFP from previous years (whether in terms of absolute quantities or as a percentage of production) are recognized in the Company's annual report and at Company conferences.
Business unit managers	Recognition (non-monetary)	1) Climate-change leaders throughout ICL receive management recognition for the on-time supply of data for CFP calculations. 2) Companies that succeed in reducing their CFP from previous years (whether in terms of absolute quantities or as a percentage of production) are recognized in the Company's annual report and at Company conferences.
All employees	Monetary reward	ICL has instituted the following initiatives to incentivize the reduction of GHG emissions: 1) As a general rule, ICL encourages suggestions from employees regarding carbon management and other environmental issues, and offers material rewards (including monetary rewards) for suggestions that are adopted. 2) ICL initiates competitions between facilities and subsidiaries to help the Company achieve its sustainability targets, including GHG reductions. The employees of the winning facilities receive material rewards (including monetary rewards) 3) ICL's primary stockholder, Israel Corp., holds an annual competition for environment-related improvements (including GHG reductions) which offers financial rewards.

Page: 2. Strategy

2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

2.1a

Please provide further details

ICL has established an Enterprise Risk Management (ERM) cycled program which aims at reducing the exposure of existing risks and identification of new risks, including climate related regulatory and physical risks and others. The ICL ERM policy is to form a corporate framework for identification, measurement, management and reduction of risks including implementation of procedures and corporate control mechanism to guarantee adequate implementation of policy, which is continually embedded into the organizational culture. The ERM program is under the responsibility and supervision of the deputy CEO and COO who is also the corporate CRO and the commissioner for environment, safety, industrial health security. **The scope of the program includes all of ICL's global operations.** ICL's Chief Risk Officer (CRO) is accountable for implementing the overall Risk Management policy in the group, on behalf of ICL's CEO and **reports to the Board of Directors** on a periodical basis.

Main ERM Elements

The main elements of this program include:

- ▶ Establishment of ERM framework and reporting procedures regarding the risk management activities
- ▶ Formation of a supportive organizational structure (segment and group level) and coordination between the parties involved in risk management activities within the group.
- ▶ Monitor the group's continuous activities, in the purpose of continuous reduction of the risks involved in those activities.
- ▶ Monitor the organization wide implementation process, in the purpose of improving the awareness for the risks as part of the group's business proceeding.

The ERM program has been implemented starting from 2009 across all group's segments, and in most companies within each segment. Each segment has implemented the ICL risk management framework which is based on dynamic and repeatable, cycle-wise, system for reduction of risks. Risks reduction is accomplished through an organized periodical cyclic process which includes several phases that take place as part of the routine business.

- ▶ Identification of the risks – A structured process by which each company's top management, within each segment, identify the organizational key risks.
- ▶ Mapping and measurement of the risks – A process designed to rank and evaluate the organizational risks that were identified.
- ▶ Management of the risk – Nomination of risk owners and supporting management team dedicated to analyze the key organizational risks and develop and improvement plan to mitigate the risk and minimize the risk exposure.
- ▶ Monitoring the execution of actions for reducing the risk
- ▶ Developing a control and monitoring mechanism within the group at the different levels (segments, companies etc).

The ERM approach considers the four organizational risk aspects: Strategic risks, Operational risks, Compliance risks and financial risks.

Each segment has identified several climate related risks within these categories and established a working team, managed by a senior manager from the company to analyze the risk exposure and develop a mitigation plan. **The working teams update this analysis on a quarterly basis, and the progression of mitigation programs is constantly monitored, reported to ICL's management on a semi-annual basis and to the board of directors on an annual basis.** Each risk was nominated with a diverse working team including mid-level management and operational personnel.

- ▶ Risk management culture – implementation of Risk management culture and common language, using guidance, implementation of methodologies and providing tools for long lasting and continuous risks reduction.

Risk Organizational Structure

Each segment had nominated several managerial functions as the segment's risk management functionaries and defined his scope of responsibility:

- ▶ CRO – Chief Risk Officer: Is responsible for the ongoing process of risk identification and management, including implementation of the risk culture.
- ▶ ERM Steering Committee: Consisted of the each segment/ company's top management. The steering committee and its chairpersons bear comprehensive responsibility for compliance with risk management processes and procedures in the segment, including responsibility for identification, evaluation, risk monitoring and controls in respect of minimizing the segment's exposure to the risk identified.
- ▶ Risk Owners: reducing each risk exposure, develop and execute an improvement plan and report on a quarterly basis to the working team.

Note: Ernst & Young has been facilitating the ERM program in ICL and supported us with methodology of identification of risks.

2.2

Is climate change integrated into your business strategy?

Yes

2.2a

Please describe the process and outcomes

How the business strategy has been influenced: ICL's commitment to sustainability, and to mitigating climate change in particular, have become cornerstones of the company's strategy. This decision was brought forward due both to the nature of the company's business and its underlying desire to create a better world through the use of its products and services. ICL's Centre of Excellence for Greenhouse Gases (GHG COE), which we established in 2008, promotes corporate-wide initiatives for implementing ICL's overall climate-change strategy. The GHG COE promotes carbon reporting and reduction initiatives on both product and facility levels, from R&D to procurement to M&A policies. The GHG COE is also responsible for gathering, processing and consolidating needed climate change-related data from all ICL companies, reporting it to the CDP and other bodies, and issuing an annual report quantifying Company-wide GHG emissions (Corporate Carbon Footprint) for internal management purposes. The COE also reports on climate change and carbon footprint issues to senior management on a periodic basis, who in turn report regularly (quarterly/annual) to the Board of Directors.

With the goal of becoming a leading player in the chemical industry's efforts to mitigate climate change, we began 'Carbon Footprinting' our products in 2008, beginning with a pilot project for five 'core' products: potash, bromine, green and white phosphoric acids and the specialty fertilizer MKP. Our methodology was the use of LCA analyses based on the rigorous UK standard PAS 2050. After having attained the Carbon Trust's certification for these products, we moved deeper into our product portfolio, calculating the Carbon Footprint of more than 50 additional products worldwide, and plan to expand this calculation for more products on a

continues, long-term process. At the same time, ICL's team calculates and reports the carbon footprint of over 55 production sites worldwide, issuing regular reports to the senior management.

What aspects of climate change have influenced the strategy: Our strategy is based on the premise that climate change is becoming an increasingly significant issue for consumers, governments and companies worldwide (**as detailed in R1, R8, O1 and O4 in Risks & Opportunities below**). For ICL, climate change can impact both the demand to our products and services, as well as our ability to supply them. The aspects of climate change that have especially influenced our strategy are therefore: volatility in precipitation across different geographies, floods and wildfires, sudden rise or decline sea water levels, and desertification of previously fertile lands in various parts of the world. In addition, the demand for sustainable products, most notably in developed markets, has yielded several requests to document our products' CFP, showing growing consumer awareness for climate change issues. These requests, usually received by the different marketing divisions, were reported to ICL's management and have accelerated ICL's strategic adaptation to climate change. Furthermore, we are aware of intensifying global legislation and regulation of all issues relating to climate change. These phenomena, and the need to ensure the long-term sustainability of our business, have encouraged ICL to pursue industry leadership in both product and corporate Carbon Footprinting.

Long term strategy: From a strategic perspective, in recent years we have been charting a work plan aimed at accelerating our long-term growth in a dynamically changing marketplace. Our approach is to build on the business platform we have created over the years, including our access to concentrated sources of minerals, our market reach and understanding, our technological knowhow and our diversified product base. With a diversified product portfolio and a strong reputation in the areas of fertilizers, water treatment, food additives, hygiene and safety, we are well positioned to offer solutions that promote the wellbeing of the global population facing the challenges of global warming, population growth and intensified urbanization – challenges that give rise, amongst other things, to shortages of food and usable water. To help address these problems, we plan to increase our portfolio of environmentally-friendly products significantly **in the coming decades (over 10 years)**, both through increased R&D investment and through acquisitions. By capitalizing on our products and know-how in these areas, our goal is to set in motion a “virtuous circle” of sustainability that simultaneously increases our sales and profits.

Short term strategy: We already consider climate change issues carefully as a key factor when making investment decisions regarding new products, mergers and acquisitions, a process that has led us so far to invest in ‘smart’ fertilizers and renewable energy initiatives. In the short term, the need for reliable, company-wide CFP calculations has led us to implement improved measurements of the full range of our carbon-related activities. It has also led to process changes – for example, we have implemented projects accredited as part of the UN Clean Development Mechanism to reduce our SF6 and N2O emissions, and thereby generated over \$13 million in revenues related to Carbon Credit (**current projects**). These CDM projects (and the transition to natural gas, described below) were also initiated to help ICL reach its current reduction target (**30% by 2017, see below**).

One of the most significant **short-term** climate-change related business decisions that we have made is to shift our operations to use natural gas rather than fuel oil or diesel to power our operations (on a continues, long term basis). This decision, whose implementation **began in 2010**, was sparked, amongst other factors, by the need to use less carbon-intensive fuels. Our efforts in this direction have already greatly reduced our Scope 1 onsite-energy emissions,. However, this transition has suffered a significant set-back at 2012 due to major inconsistencies in natural gas supply from Egypt to Israel and the rapid depletion of Yam Tetis field. Natural gas supply was fully renewed at April 2013 with the operation of the Tamar gas field off the shores of Israel. This development allows the ICL facilities in Israel to again take advantage of their already taken transition process, and achieve a reduced carbon intensity of operations (amongst other significant benefits). **The transition is due to be fully completed by the end of 2013.**

Strategic advantage: We believe we have become one of the leading companies in the GHG field, not only in Israel, but also on a global industry basis. We believe our efforts in this field position us favourably to withstand growing consumer scrutiny and the public's preference for low-carbon economies. ICL continues the reporting of the Company's overall GHG emissions to both the CDP and to the voluntary reporting mechanism in Israel. In this way, we are demonstrating our commitment to the mitigation of climate change and our aim to assume leadership in climate change mitigation activities.

Substantial business decision within the reporting period: During 2012, we have decided on initiating a search for an IT reporting and management system for all our sustainability data, including the reporting and calculation of GHG emissions from each of our global facilities. We plan to gradually implement this system within the coming years, and consider this implementation as a substantial business decision. The growing number of regulatory and non-regulatory GHG-related reports which our organization and facilities are requested to address – caused by the growing public awareness of climate change throughout the world- and our purpose of enhancing our management abilities of GHG emissions, were amongst the key reasons for the implementation of this system.

2.2b

Please explain why not

2.3

Do you engage in activities that could either directly or indirectly influence policy on climate change through any of the following? (tick all that apply)

Direct engagement
Trade associations

2.3a

On what issues have you been engaging directly?

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
Other: Voluntary and Mandatory Carbon reporting	Support	Voluntary and Mandatory Carbon reporting - In the last 3 years, ICL has become one of the first companies to issue a GHG emission report to the voluntary GHG reporting mechanism established by the Israeli Ministry for the Protection of the Environment. Moreover, in light of ICL's global leadership in the field of carbon footprinting and reporting, it has been asked, alongside other member companies, to help shape the evolving mechanism: for example, ICL has suggested the inclusion of a number of factors relevant to chemical companies. ICL believes that its active participation in shaping Israel's carbon reporting scheme will be a positive catalyst for the participation of other Israeli companies, thus helping Israel to achieve its nationwide climate change mitigation targets. The voluntary mechanism is considered by many as the basis for a future mandatory reporting scheme in Israel. Meanwhile, a new PRTR reporting mechanism has been introduced in Israel. This mechanism includes a different, partial mandatory reporting of GHG emissions of the different ICL facilities within Israel (first report due at late June 2013). ICL representatives are playing a key role in round table forums regarding the PRTR law. We advocate for mandatory GHG reporting and offer our experience-based advice on the best way of implementing this type of reporting.	
Cap and trade	Support	ICL representatives have taken an active role in several discussions in recent years with government	

Focus of legislation	Corporate Position	Details of engagement	Proposed solution
		representatives in Israel regarding the possibility of the country joining the EU-ETS, expressing their support in such a development. As a local leader in GHG accounting and reduction, ICL is well prepared to participate in any future emission trading scheme and would profit from Israel's joining of an international emission trading program.	
Energy efficiency	Support	ICL has implemented several energy efficiency programs in its global facilities, and supports energy efficiency schemes proposed by governments in territories where the company operates.	
Other: General support of climate change management	Support	As one of the leading climate change activist companies in Israel, a country which is moving ever closer towards the legislation of carbon-limiting initiatives, ICL is regularly asked to state its opinion regarding proposed carbon initiatives, drafts of new Carbon Footprint (CFP) standards, etc. For example, ICL's representatives took an active part in a national GHG mitigation committee (Israel's GHG Reduction curve), and often voice ICL's support of stricter climate change policies and potential emission-trading schemes. ICL's GHG COE representatives are frequently asked to lecture on ICL's CFP work, with an emphasis on the marketing and material advantages that the program has generated so far. This is another sign that ICL is viewed as a leader for climate change-related activities within Israel. ICL frequently asks its suppliers to provide CFP accounting for their products as an input for ICL's product CFP calculations. This is one of the ways in which ICL is encouraging other companies to conduct product CFPs.	

2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to influence the position?
Israel's Manufacturers Association	Consistent	Supporting Climate Change legislation and mitigation policies	ICL is an active member of Climate Change committees as part of Israel's Manufacturers Association. As one of the leading climate change activist companies in Israel, we encourage other manufacturing companies to report and manage their GHG emissions, and for the

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to influence the position?
			manufacturers association to take a positive active role in shaping GHG legislation in Israel in a matter that would be beneficial for both the industry and the efforts to mitigate climate change.

2.3d

Do you publically disclose a list of all the research organizations that you fund?

2.3e

Do you fund any research organizations to produce public work on climate change?

2.3f

Please describe the work and how it aligns with your own strategy on climate change

2.3g

Please provide details of the other engagement activities that you undertake

2.3h

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

All our activities regarding influence on climate change policies are coordinated by and reported to the GHG Centre of excellence (COE). The GHG COE members discuss these issues fluently, and common decisions are made and communicated internally on the corporation's position on different policy issues.

2.3i

Please explain why you do not engage with policy makers

Page: 3. Targets and Initiatives

3.1

Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Absolute target

3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
T1	Scope 1+2+3	100%	30%	2008	4220145	2017	After achieving our previous goal (reducing 20% of emissions in Israel from 2008 and 2012), we have determined a new, more ambitious goal for the coming years. Notes: 1) At the time of completion of this report, the ICL global emissions have been calculated for 2010-12 (including over 50 global facilities). The 2008-9 emissions have up until today only been calculated for our facilities within Israel (which constitute 85-95% of global emissions at each year). Therefore, the 2008 baseline

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO2e)	Target year	Comment
							global emissions were calculated using the sum of the actual 2008 Israeli emissions, and an estimation of the 2008 emissions of our facilities outside of Israel. We intend to retroactively complete the calculation of the 2008-9 emissions outside Israel (5-15% of our total emissions for those years) in the near future. 2) Some emission figures appearing in this report for previous years differ slightly from past publications of the same figures in CDP and other reports. As part of our constant efforts to improve the accuracy and fullness of our vast and complex GHG inventory, we correct and/or re-baseline our emissions in some necessary cases (examples- inclusion of previously missing ICL facilities within the GHG inventory, retro-active addition of GHG-generating activities which were previously missing). All such differences are well within the uncertainty range declared in this year's report and the previous ones.

3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
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3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
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3.1d

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
T1	44%	77%	By the end of 2012, we have achieved a 23% reduction compared with baseline emissions- which is 77% of our 2017 target.

3.1e

Please explain (i) why not; and (ii) forecast how your emissions will change over the next five years

3.2

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No

3.2a

Please provide details (see guidance)

3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and implementation phases)

Yes

3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	0	0
Implementation commenced*	4	1930000
Implemented*	0	0
Not to be implemented	0	

3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Other	<p>Transition to natural gas: Since 2010, ICL's CHP plant in the Sdom region of Israel and its nearby production facilities (DSW, DSM, etc.) have been transitioning from using fuel oil and diesel to the use of natural gas, resulting in a dramatic reduction in the Company's use of fuel oil and diesel. The transition is now near completion, with some facilities at our DSW, BCL and Periclas companies still currently in the process (of transition). These measures are reducing our Scope 1 emissions directly by decreasing emissions from onsite energy combustion. In addition, they may reduce our Scope 2 emissions, as the employment of new, more efficient CHP plants effectively reduces ICL's dependency on the purchase of electricity from the national grid. This initiative is expected to operate on a permanent basis, without a limited lifespan. However, this transition has suffered a significant set-back at 2012 due to major inconsistencies in natural gas supply from Egypt to Israel and the rapid depletion of Yam Tetis field. Natural gas supply was fully renewed at April 2013 with the operation of the Tamar gas field off the shores of Israel. This development allows the ICL facilities in Israel to again take advantage of their already taken transition process, and achieve a reduced carbon intensity of operations (amongst other significant benefits). ICL has undertaken this transition to natural gas on a voluntary basis in line with Israel's national energy strategy. The transition will significantly improve the ICL group energy efficiency, and is expected to reduce energy, maintenance and other costs, thereby saving ICL over 100 million USD(\$) annually . This estimated yearly saving is expected after the completion of the conversion of all ICL facilities to Natural Gas usage, was determined according to currently known fuel prices, is relevant to the time of completion of this report, and might be revised due to future events such as fluctuations in fuel prices, the availability of Natural Gas etc.</p>	450000	100000000	100000000	1-3 years
Process emissions reductions	<p>Changes in the manufacturing process of metal magnesium: Despite the fact that magnesium is a commodity and that its markets are highly competitive, ICL's magnesium production process conforms to extremely high quality standards and incorporate an ongoing effort to reduce associated carbon emissions. Magnesium, when melted, ignites if it comes into contact with oxygen in the air, an occurrence which impairs the quality of the product. For this reason, it is common industry practice to "protect" the magnesium by using gases that prevent its exposure to oxygen. Some of the gases commonly used in this process have been linked with negative health and environmental effects, including SF6. As awareness of the need for environmental protection grows, the industry has</p>	1000000	0	900000	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
	<p>become more aware that SF6 is a greenhouse gas with significant greenhouse potential (23,900 CO2e). As such, ICL's Dead Sea Magnesium (DSM) has replaced this gas with a combination of HFC134a, a gas with a lower environmental impact and Novec 612, a substitute protection compound with a very low GWP. Currently, SF6 is no longer used at DSM. For this reduction initiative, ICL's DSM has chosen to employ the UN's Clean Development Mechanism (CDM) for the trading of approvals for the reduction of greenhouse gases (Carbon Credits). The company initiated this project in 2009, and is annually validating the achieved reductions. The project has resulted in a significant reduction in DSM's CFP and in ICL's overall CFP. DSM has reduced its Scope 1 process GHG emissions by over 90%. The change was voluntary, and the company has received CDM credit for it, generating over \$12 million overall in income from carbon credits. This initiative is expected to operate on a permanent basis, without a limited lifespan (in terms of not using SF6. Income levels may vary according to fluctuations in the Carbon Market).</p>				
Process emissions reductions	<p>Reduction of process emissions from nitric acid production: ICL Fertilizers and its chemical subsidiaries located in Haifa, Israel operate a nitric acid facility which emits a small quantity of nitrous oxide (N2O). Although nitrous oxide is not considered a health contaminant, it is considered a greenhouse gas. Since the end of November 2007, ICL has been deploying an innovative system aimed at reducing its nitrous oxide emissions (per nitric acid production) by about 80%. At this stage, the actual reduction achieved has reached 70%, and the Company is continuing its efforts to improve the performance of the system through support of Johnson Matthey, the firm that developed the technology. The project was approved by the Clean Development Mechanism Executive Board of the United Nations Framework Convention on Climate Change (CDMEB - UNFCCC) and backed by Israel's National Committee for Clean Development. This process enables the Company to use the Clean Development Mechanism (CDM), making it possible to trade Carbon Credits. The reduction is in Scope 1 process emissions. The change was voluntary, and ICL has received CDM credit for it. The project is still underway, and is scheduled to reach its 80% goal no later than 2014. This initiative is expected to operate on a permanent basis, without a limited lifespan. The eventual annual CO2e reduction is difficult to estimate in absolute terms- as the production level of nitric acid at this facility can vary significantly according to market needs. Average production of 2008-12 was used to estimate the expected savings in absolute terms.</p>	80000	0	400000	

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Annual monetary savings (unit currency - as specified in Q0.4)	Investment required (unit currency - as specified in Q0.4)	Payback period
Energy efficiency: Processes	<p>Energy savings: For several years, ICL has been employing a comprehensive energy savings program. As a large chemical producer, ICL has identified many areas in which it can potentially reduce significant amounts of wasted energy and carbon emissions. In 2012, its energy savings program included the following activities, among others: • Reduction of unproductive machinery usage • Improvement of the operating efficiency of machinery • Increased efficiency of heat and steam consumption • Diversion of electricity usage to low-tide hours where possible • Reduction of energy wasted on unnecessary lighting and air conditioning • Usage of waste-heat and other activities. This program is meant to reduce both Scope 1 and Scope 2 emissions (by conducting savings in both fuel and external electricity uses). The program is partially-voluntary and partially-mandatory (as energy efficiency requirements according to the relevant EU's BREF are currently being inserted as a condition to business licenses for manufacturing facilities in Israel, but this does not cover all aspects and facilities covered in our program). The program is an on-going process which will continue in future years. In addition, the behavioural changes effected are intended to be maintained and to be enhanced in the future. Therefore, this initiative is expected to operate on a permanent basis, without a limited lifespan. At early 2013, ICL has initiated a new energy savings plan. Currently, the different ICL global companies are asked to supply comprehensive information regarding their planned energy savings projects, and to meet a savings threshold determined by the organization's management. This new plan is supported by leading consultants in the energy and industry field. The plan is expected to be one of the key efficiency engines of the ICL Corporation for the coming years, and yield significant monetary, energy and carbon savings. The expected annual GHG reduction has been adjusted according to this program, but may still vary as new savings projects are planned and initiated.</p>	400000	13000000	2000000	<1 year

3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	
Dedicated budget for energy efficiency	
Employee engagement	
Other	The financial potential of the CDM mechanism.

3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Some of ICL's products can be used by customers to prevent the generation GHG emissions, although we did not include this in section 3.2 due to our limited access to specific estimations. Examples of these products include:

- Potash, a common fertilizer (one of ICL Fertilizers' main products): the use of potash makes the use of land by farmers more efficient, thereby preventing the need to convert additional forests or wetlands for agriculture. As such, the use of potash has a beneficial effect on the global carbon balance. Potash also increases plant sequestration of CO2 in comparison with other fertilizers.
- Flame retardants (ICL Industrial Products largest product lines) enhance resistance to fire in diverse applications and delay its spread. The fires prevented (or quenched more rapidly) reduce significant unnecessary carbon dioxide emissions.
- ICL's chemical-based water treatment solutions enhance the fresh water supply in water-challenged regions, reducing the need to engage in energy-intensive, costly desalination projects.

Page: 4. Communication

4.1

Have you published information about your company's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Page/Section reference	Attach the document
In mainstream financial reports (complete)	page 26, 3.3.1.B.2	https://www.cdproject.net/sites/2013/40/22340/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/Financial reports 2012.pdf
In voluntary communications (underway) - previous year attached	page 12, 106-109	https://www.cdproject.net/sites/2013/40/22340/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/ICL_2011_CSR_eng.pdf
In voluntary communications (underway) - previous year attached	only one page (only Hebrew version exists)	https://www.cdproject.net/sites/2013/40/22340/Investor CDP 2013/Shared Documents/Attachments/Investor-4.1-C3-IdentifyAttachment/ICL 2011 report to the voluntary GHG reporting mechanism in Israel.xlsx

Further Information

Our 2012 Annual Report and 2011 Corporate Responsibility Report summarize ICL's general strategy regarding climate change and GHG emissions. The Corporate Responsibility Report also includes GHG emission statistics for the entire Company. English versions of both reports are attached above. Since 2011, ICL has become one of the first companies to file a report regarding its Israeli GHG emissions to the new, voluntary GHG reporting mechanism established by the Israeli Ministry for the Protection of the Environment (note: ICL's Israeli facilities account for approximately 80% of the Company's global GHG emissions). This report (also attached above) only exists in the Hebrew language.

Module: Risks and Opportunities [Investor]

Page: 5. Climate Change Risks

5.1

Have you identified any climate change risks (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

5.1a

Please describe your risks driven by changes in regulation

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R1	Uncertainty surrounding new regulation	<p>Most of ICL's largest producing facilities are located in Israel. GHG regulation in Israel is still in its first steps, and there is currently much uncertainty about the nature of the eventual mandatory GHG reporting scheme. In 2010, a voluntary mechanism for company reporting of GHG's (Scope 1 and Scope 2 emissions) was introduced by the Israeli Government with active participation of ICL. This mechanism has widely been considered to be the basis for of a future mandatory reporting and emission-reducing mechanism in Israel. However, in 2011, The Israeli parliament has also passed a law promoting the establishment of a local PRTR (Pollution Release and Transfer Registry) mechanism. This mechanism, which is scheduled to receive first reports at the end of June 2013 (for the calendar year of 2012), requires all major Israeli industry facilities to annually report a significant variety of pollutant emissions, including GHG gases. The methodology used for this reporting of GHG's does not match the one used by the voluntary mechanism (for example, the PRTR scheme excludes Scope 2 emissions, uses different EF's in some cases, and other differences), which continues to operate in parallel. The leaders of these two government mechanisms have made statements promising to improve the alignment between them (and possibly unifying the reports) for the next reporting year to allow accurate and simple GHG reporting, but the results of this expected improvement are yet to be determined. In conclusion, it is still unclear what form the eventual mandatory mechanism in Israel would take: whether as part of the PRTR law, as an emission trading scheme (such as the EU-ETS), as a taxation plan</p>	Increased operational cost	1-5 years	Direct	About as likely as not	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		<p>or some other option. Additional related uncertainties include the base years which would be used in such a mechanism, and the magnitude of emission reductions that would be demanded. A general overall Carbon Tax, such as the one considered in Europe, could add additional costs to ICL's activities. However, it is likely that such an option would be adopted first in Europe, and would therefore first affect ICL's European facilities if anything. ICL is already active in this field through its GHG Centre of Excellence, has gathered expertise in this field and has begun the process of reporting and reducing its emissions. Hence, ICL believes that it is well prepared for such scenarios.</p>					
R2	Other regulatory drivers	<p>ICL, as a company within the chemistry industry, is influenced by regulatory demands and licensing polices (e.g. environment and safety). For instance, ICL produces potash and salt in Israel, Spain and the UK according to permits and licenses issued by the relevant countries. Regulatory demands have been intensifying throughout the world, and changes in the compliance landscape may impact ICL and its operations. Further, since climate change increases the likelihood and severity of natural disasters, the acceleration of climate change could result in increased regulatory activities, influencing governmental decisions regarding the renewal of licenses. Government approvals are important to ICL in cases in which non-renewal could affect the company. However, ICL maintains high standards throughout its production facilities, often significantly above regulatory requirement, and therefore sees this risk as exceptionally unlikely.</p>	Reduction/disruption in production capacity	Unknown	Direct	Exceptionally unlikely	Low
R3	Fuel/energy taxes and regulations	<p>ICL's plants throughout the world consume large amounts of energy (although they are highly energy-efficient). Governments are expected to act to mitigate climate change, and one of the mitigation methods they may use is the legislation of taxes and/or regulations associated with the combustion of fossil fuels, especially emission-</p>	Increased operational cost	1-5 years	Direct	About as likely as not	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		intensive fuels such as fuel oil and diesel. Any increase in the input fuel cost rate will affect the Company's manufacturing costs and volumes. The fact that ICL is already implementing a gradual shift from fuel oil and diesel to natural gas positions it favorably to deal with such government initiatives.					

5.1b

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk and (iii) the costs associated with these actions

Note: Ernst & Young has been facilitating the ERM program in ICL and supported us with methodology of identification of risks.

R1:

(i) Potential financial implications of the risk are the costs of a potential Carbon tax which will add a price for every CO2 ton emitted, the costs of maintaining a dedicated and professional staff for the measuring of the GHG emissions, and the costs of hiring a qualified third party accounting company to verify our GHG calculations. The overall financial expense under this scenario should not exceed \$10 million (less than 1% from the company's net income). However, the scenario of an overall Carbon tax implemented in Israel seems unlikely in the adjacent future, as Israel is still taking its first steps in GHG legislation.

(ii) ICL has founded its GHG Centre of Excellence, and the company has gathered expertise in the GHG field and has begun cutting its emissions by over 23% from 2008 levels. Thanks to its significant role and advanced position with regards to GHG management, ICL is a strategic partner in the dialogue between the government and the Industry in Israel, and can anticipate coming developments within this risk in advance.

Therefore, ICL is well-positioned to manage this risk, and has invested the necessary resources to deal with climate change as part of its sustainability policy.

(iii) The costs associated with our actions are reflected in maintaining a dedicated and professional team for the continuous analysis of GHG emissions, and hiring a qualified third party accounting company to begin verifying our GHG calculations. We estimate the overall costs at approximately \$200 thousand annually (less than 0.1% of the company's net income).

R2:

(i) Potential financial implications of the risk are the losses of revenues from the operation of specific ICL facilities (due to non-renewal of permits). Revenues of ICL (2012) were \$6.7 billion globally, and any loss of revenue is dependent on which facilities are involved and for what period of time. In addition, the financial impact is related to selling prices of our products, which are subject to market developments.

(ii) ICL believes the scenario of the non-renewal or cancelation to our permits is very unlikely. The ICL facilities are in full compliance with strict environmental regulations, and act to prevent the likelihood of a damage caused to our facilities by natural disasters, for example by mitigating the intensity of floods at our facilities areas using canals and other engineering solutions. Therefore, the scenario of a severe damage caused to one of our facilities that would lead to a non-renewal of permits is not considered by ICL as a significant risk. Furthermore, ICL is an extremely diverse and globally spread company, with over 45 production sites

worldwide and a wide variety of products. Therefore, even the temporary or permanent shutdown of one of its facilities is very unlikely to have a significant influence on the company's overall profitability (net income of \$1.3 billion in 2012).

(iii) The costs associated with our actions are the costs of implementing engineering solutions such as the canals described above. Such costs are dependent on the type of regulatory requirement, the production site involved and the scope of work needed, In 2012, ICL spent a sum of around \$137 million on environmental issues, out of which \$58 million were invested in plant and equipment for the prevention of environmental hazards, and approximately \$79million as a current expense in this area. In 2013, ICL expects to spend a sum of approximately \$155 million in these areas, of which \$77 million will be as an investment in plant and equipment, and about \$78 million will be a current expense for the same purposes. It is also expected that beyond 2013 there will not be a drop in the amount of these costs.

R3:

(i) Potential financial implications of the risk are the added taxes related to (Carbon-intense) fossil fuels, which could add costs to large producing companies such as ICL. This impact can amount to several millions of dollars annually. ICL's energy costs in 2012 amounted to 8 % of total production costs. Of the energy costs, the cost of oil and oil products, electricity and natural gas represent 27% (\$109 million), 42% (\$171 million) and 16% (\$67 million), respectively. In tandem with a gradual increase in the use of natural gas, energy costs as a percentage of total production costs are declining and the mix of these costs are changing.

(ii) As part of the effort to tackle global warming as well as the rising risk involved with dependency on fuel oil and as mentioned above, ICL has been completing a gradual shift to the full usage of natural gas as our main fuel source. This strategic investment of nearly \$100 million is expected to yield over \$100 million in annual energy savings (see above for further clarifications), but also reduce our exposure to the fluctuating oil market. Since 2010, ICL's CHP plant in the Sdom region of Israel and its nearby production facilities (DSW, DSM, etc.) have been transitioning from using fuel oil and diesel to the use of natural gas, resulting in a dramatic reduction in the Company's use of fuel oil and diesel. The transition is now near completion, with some facilities at our DSW, BCL and Periclas companies still currently in the process (of transition). However, this transition has suffered a significant set-back at 2012 due to major inconsistencies in natural gas supply from Egypt to Israel and the rapid depletion of Yam Tetis field. Natural gas supply was fully renewed at April 2013 with the operation of the Tamar gas field off the shores of Israel. This development allows the ICL facilities in Israel to again take advantage of their already taken transition process, and achieve a reduced carbon intensity of operations (amongst other significant benefits).

Since renewable energy has not yet become a reliable energy source for industries at Israel and other countries, Natural Gas is the best current available solution for ICL in GHG emission terms, and therefore it is very unlikely that it will be specifically taxed in Israel, ICL is also utilizing solar energy for the production of Carnallite at the Dead Sea, using one of the world's largest evaporation systems. The use of solar energy helps ICL avoid the high costs related to fossil fuels and other energy sources used by the company's competitors. Regardless to the transition to natural gas and use of solar energy, ICL is hedging against short-term fluctuating energy prices coordinated by ICL's energy forum.

(iii) Costs associated with the strategic transition to natural gas are approx. \$100 million.

5.1c

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R4	Change in precipitation	ICL is a major producer of fertilizers for the agricultural industry. The agricultural industry is influenced by local	Reduced demand for goods/services	Current	Indirect (Client)	About as likely as not	Low

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
	extremes and droughts	weather conditions. Storms, long periods of drought, floods and extreme temperature change can affect crop quality and quantity, resulting potentially in decreased fertilizer usage and loss of sales. In fact, one of the main effects of climate change is expected to be an increased frequency of extreme weather events, such as harsher and/or longer droughts, which also leads to crop loss. If a country experiences a dramatic change in crop characteristics or output, the government could activate a mitigation plan by increasing the subsidy offered to local producers and farmers. It is difficult to predict the effect that this might have on ICL sales and revenues. If demand for fertilizers drops, ICL might be forced to reduce its prices, thereby reducing its profits, or otherwise lose some sales. However, a drought in one country could lead to increased fertilizer demand in another country which becomes its supplier, leading to increased profits for ICL in the supplier country. As such, this aspect of climate change could represent both a risk and an opportunity for ICL.					
R5	Sea level rise	ICL is a major producer of fertilizers, products which are needed globally to achieve the increasing need to produce more crops from a decreasing quantity of agricultural land. One of the expected effects of climate change is a rise in the level of the sea. Such a rise could significantly diminish the amounts of land available for all of mankind's needs, including agriculture. If the quantity of land used for agriculture is diminished, ICL's sales of fertilizer could be lowered at some cases. However, the need to grow the same or more crops on less land could also increase demand for fertilizers. Therefore, the rise in sea level represents both a risk and an opportunity for ICL.	Reduced demand for goods/services	>10 years	Indirect (Client)	Very unlikely	Low
R6	Change in precipitation extremes and droughts	Some of ICL's Israeli plants are located in Sdom in the Dead Sea region. In 2004, severe flooding in the area caused property damages and loss of profits. Climate change is expected to increase the frequency of extreme weather events such as floods, and could therefore	Reduction/disruption in production capacity	Current	Direct	Unlikely	Medium

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		increase the chance of such incidents in the future. Apart from implementing physical measures to deal with extreme weather conditions, ICL has acquired insurance to protect itself from exposure to such natural disasters.					
R7	Change in precipitation pattern	The Company's Israeli phosphate plants use large amounts of water as part of their daily operations. Water is scarce, and is purchased from Israel's national water company, Mekorot, at a cost determined by the Israeli government. Climate change is likely to reduce precipitation in Israel, thus increasing the price of water. Any increase in the cost of water may increase the Company's operational costs.	Increased operational cost	Current	Direct	More likely than not	Low

5.1d

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions

R4:

(i) Potential financial implications of the risk are the losses of revenues from sales of fertilizers to the specific regions affected by the droughts. For instance, a 1% drop in fertilizers sales volume would result in lost revenues of approximately 35 million dollars (according to 2012 figures). However, since ICL is a leading global provider of fertilizers, selling its products to a well-diversified portfolio of customers around the world, it is highly unlikely that any specific cases of droughts would significantly affect the company's revenues. Moreover, ICL produces not only fertilizers but also bromine-based products and specialty chemicals based on phosphoric acid and other raw materials. The demand for these products is less vulnerable to climate change risks, and some of these products (such as water treatment biocides) even benefit from droughts that boost demand for safe water.

(ii) As mentioned above, ICL's diverse range of customers around the world greatly reduces the chances of being impacted by this risk and the magnitude of it. In order to mitigate this risk, ICL continues to explore new markets and develop new products and service offering in order to reduce the company's exposure to specific markets.

(iii) There are no significant costs associated with managing this risk. The relevant marketing costs are included in the company's total selling and marketing costs (including shipping), which were approx. \$806 Million at 2012, but are not considered a significant part in these costs.

R5:

(i) Potential financial implications of the risk are the losses of revenues from sales of fertilizers to the specific regions which will be affected by the sea level rise. For instance, a 1% drop in fertilizers sales volume would result in lost revenues of approximately 35 million dollars (according to 2012 figures). However, since ICL is a

leading global provider of fertilizers, selling its products to a well-diversified portfolio of customers around the world, it is highly unlikely that any specific cases of droughts would significantly affect the company's revenues. Moreover, ICL produces not only fertilizers but also bromine-based products and specialty chemicals based on phosphoric acid and other raw materials. The demand for these products is less vulnerable to climate change risks, and some of these products (such as water treatment biocides) even benefit from droughts that boost demand for safe water.

(ii) As mentioned above, ICL's diverse range of customers around the world greatly reduces the chances of being impacted by this risk and the magnitude of it. In order to mitigate this risk, ICL continues to explore new markets and develop new products and service offering in order to reduce the company's exposure to specific markets.

(iii) There are no significant costs associated with managing this risk. The relevant marketing costs are included in the company's total selling and marketing costs (including shipping), which were approx. \$806 Million at 2012, but are not considered a significant part in these costs.

R6:

(i) Potential financial implications of the risk are the physical damage that could be inflicted to ICL's facilities in the case of floods, and the loss of revenue caused by a lowered production. Note: this risk is also mentioned in section 5.8.15 of ICL's 2012 annual report (p.110-111), along with other possible natural disasters such as earthquakes, which are not necessarily related to climate change. The company has estimated the potential level of influence of the combined risk of all natural disasters (related and unrelated to climate change) as high (p. 113 of annual report).

(ii) Apart from ICL implementing specific physical measures to deal with such scenarios, ICL has acquired insurance to protect itself from exposure to such natural disasters as floods. This does not affect the likelihood of floods, but greatly reduces the magnitude of potential damage to ICL. This insurance is currently expected to be renewed annually, hence mitigating this risk for a long-lasting timeframe.

(iii) The cost associated with our actions is the specific measures and price of the insurance, estimated at several millions of dollars.

R7:

(i) Potential financial implications of the risk are the added costs of water. Since the organization's current (2012) annual expenses on water are approx. 27 million dollars, a 10% rise in water prices would result in an added cost of approx. 2.7 million dollars. However, these added costs are not considered significant in proportion of the general ICL income.

(ii) For both financial and sustainability reasons, ICL is continually pursuing initiatives to minimize water usage and wastage so as to limit its dependency on water availability. Some of the ICL facilities are now operating new and improved waste water treatment facilities, which allow to recycle much of the wastewater back into the production processes (after treatment). Furthermore, the organization is constantly searching for opportunities to substitute the usage of drinking grade quality water with non-drinking grade quality water for the sake of the production processes (though only in cases where this does not affect the quality of the product). The usage of non-drinking grade quality water allows ICL to avoid some of the risk of a rising in water prices (as this grade of water is usually cheaper), and has sustainability advantages as well- by using water that would otherwise not used by the general public. One of the key examples of this is DSW, one of ICL's largest companies, which extracts local brackish water in the Dead Sea area for production needs. This water is otherwise unexploited by the public, and the extraction operations are approved and encouraged by the regulations.

(iii) In the last four years, the organization has spent approx. \$9.5 Million on drilling in the Sdom area, in purpose of extracting brackish water. In addition, some of the environmental investments mentioned above include the establishment of new wastewater facilities, allowing for greater recycling capacity of water.

5.1e

Please describe your risks that are driven by changes in other climate-related developments

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
R8	Changing consumer behaviour	As awareness of climate change increases, consumers are pressing governments and companies to take preventative action. ICL has experienced growing demand from its clients to provide Carbon Footprint (CFP) calculations for its products. For example, the French Government has recently enacted a pilot program under which products imported into France are requested have a valid product CFP. Products which will not have a reliable calculated CFP, could suffer from a competitive disadvantage compared to more climate change-oriented competitors. As a company with many diverse products, ICL invests significant resources (in terms of personnel, time and funding) to answer growing world's demand for product Carbon Footprinting. Its actions are facilitated by its accumulated experience in establishing ICL's GHG COE, which has gathered much expertise on the subject, as well as its progress in product Carbon Footprinting. Therefore, the change of consumer behavior represents both a risk and an opportunity for ICL, as the Company's efforts in this area position it as a leader in the climate change field, improving its overall reputation (and potentially therefore increasing its sales).	Reduced demand for goods/services	Current	Direct	Likely	Low

5.1f

Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions

R8:

(i) Potential financial implications of the risk are the loss of sales, due to the consumers preference to products that have conducted a CFP calculation, and/or have a lower CFP than our products. For instance, a 1% drop in all ICL sales volume due to such reasons would result in lost revenues of approximately \$67 million (according to 2012 publicly available financial statements). However, ICL is likely to be more prepared for the change in consumers' behaviour than others. Therefore, this item could represent a source of added costs, but is more likely to represent an opportunity to exhibit our leadership in the climate change field, and improve our reputation with clients (thus potentially increasing our sales). In conclusion, the change in consumer behaviour is more of an opportunity for ICL than a risk.

(ii) The GHG COE has gathered much expertise on the subject. The Carbon Footprinting of our products is advancing at a steady pace, with more than 55 products under reliable carbon footprint analysis according to the British standard PAS2050 together with SKM Enviro. Five of ICL's core products have also gained the

Carbon Trust's certification at 2009. Our actions in this field significantly reduce the magnitude of this risk, and in fact turn it into an opportunity, if we can keep our position as leaders in climate change management.

(iii) The costs associated with our actions are the costs of maintaining a dedicated and professional staff for the measuring and the analyzing of our GHG emissions and product Carbon Footprint. We estimate the overall costs at approximately \$200 thousand annually (less than 0.1% of the company's net income).

5.1g

Please explain why you do not consider your company to be exposed to risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1h

Please explain why you do not consider your company to be exposed to risks driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

5.1i

Please explain why you do not consider your company to be exposed to risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Page: 6. Climate Change Opportunities

6.1

Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

6.1a

Please describe your opportunities that are driven by changes in regulation

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
O1	Cap and trade schemes	One of the scenarios related to the Israeli government's strategy regarding climate change is the implementation of a local cap & trade scheme and/or the joining of the country to one of the existing global schemes. As a company that has achieved expertise in both carbon reporting and physical reductions, ICL could benefit from the implementation of a cap & trade scheme in Israel. Therefore, we believe this potential development has become an opportunity for the Company .Currently, however, such a development seems unlikely due to the evident crisis in the global carbon market.	Other: Competitive Advantage	1-5 years	Direct	Unlikely	Low

6.1b

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and(iii) the costs associated with these actions

O1:

- (i) Potential implications: Emission trading schemes offer financial benefits for companies that exhibit the best reduction per cost ratios. Based on our earnings from trading carbon credits through the clean development mechanisms, the potential financial income from implementing such a scheme in Israel could reach approx. \$4 million annually for ICL (depending on fluctuations in the carbon market).
- (ii) As a large producing company which has highly developed its methods to calculate its GHG emissions and to find the best opportunities for emission reductions,

ICL has already significantly reduced its emissions and continues to do so. Therefore, ICL has developed a competitive advantage for such a potential scheme. To address the potential impact, ICL has already contracted its carbon credits within the CDM scheme up to 2012, and in some cases on a spot basis with no future commitments, allowing the company sufficient carbon credits to manage potential opportunities arising in carbon markets. In order of increasing the likelihood of this opportunity, ICL is advocating for an open, free carbon market in Israel whenever we are asked for our opinion.

(iii) There are no direct costs associated with these actions, except for maintaining the activities within the corporate GHG Centre of Excellence. These ongoing costs are estimated at approximately \$200 thousand annually (less than 0.1% of the company's net income).

6.1c

Please describe the opportunities that are driven by changes in physical climate parameters

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
O2	Change in precipitation extremes and droughts	The agricultural industry, in which ICL operates, is influenced by local weather conditions. Storms, long dryness periods, floods and extreme temperature changes could affect the agricultural product quality and its quantity, resulting in higher fertilizer usage per acre and therefore increased sales. One of the expected main effects of climate change is the increase in frequency of extreme events such as harsher and/or longer droughts, which naturally leads to loss of crops. If a country experiences a dramatic change in crops characteristics or output, the government could activate a mitigation plan under which it would increase subsidies to local producers / farmers. In some cases, a drought in one country could lead to increased fertilizer demand in another country which supplies its food, leading to increased profits for ICL in the supplier country. Therefore, change in precipitation extremes and droughts are considered both a risk and an opportunity for ICL.	Increased demand for existing products/services	Current	Indirect (Client)	About as likely as not	Low
O3	Other physical climate opportunities	ICL is a major producer of fertilizers, products which are needed globally to achieve the increasing need to produce more crops from a decreasing quantity of agricultural land. One of the expected effects of climate change is a rise in the level of the sea. Such a rise could significantly diminish the amounts of land available for all of mankind's needs,	Increased demand for existing products/services	>10 years	Indirect (Client)	Very unlikely	Low

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		including agriculture. If the quantity of land used for agriculture is diminished, ICL's sales of fertilizer will be impacted. However, the need to grow the same or more crops on less land could increase demand for fertilizers. Therefore, the rise in sea level represents both a risk and an opportunity for ICL.					
O4	Change in precipitation pattern	One of the possible physical effects of climate change is major changes in participation patterns, resulting in a lack of fresh water in different parts of the world. Under such a scenario, water desalination technology (as a prominent solution) becomes a significant business opportunity. ICL has partial ownership (50%) in I.D.E, a leading provider of water desalinization solutions. The company has already implemented a range of water desalination projects in Israel and worldwide, developing new technologies which help in reducing the price and increasing the availability of desalinated water. In case of a growing lack of fresh water, the desalination market is expected to grow, and I.D.E sales could rise, earning added profits for ICL. Our organization's involvement in this market is expected to last for a very long timeframe.	Increased demand for existing products/services	Current	Indirect (Client)	More likely than not	Low

6.1d

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity and (iii) the costs associated with these actions

O2:

(i) Potential financial implications of this opportunity are the additional revenues from sales of fertilizers to the specific regions as a result of the change in climate patterns. These financial implications are very much dependent on the type of products and markets involved. For instance, a 1% added rise in fertilizers sales volume would result in added revenues of approximately 35 million dollars (according to 2012 figures).

(ii) ICL continues to explore new opportunities in developing markets, and expands its global position to benefit from any direct opportunity arising in this field (change in climate patterns). ICL's vast distribution of customers around the world enhances its ability to benefit from this opportunity and the magnitude of the opportunity.

(iii) There are no significant costs associated with managing this opportunity. Marketing costs are included in the company's expenses. The relevant marketing costs are included in the company's total selling and marketing costs (including shipping), which were approx. \$806 Million at 2012, but are not considered a significant part in these costs.

O3:

(i) Potential financial implications of this opportunity are the additional revenues from sales of fertilizers to the specific regions as a result of the potential rise in sea level. These financial implications are very much dependent on the type of products and markets involved. For instance, a 1% added rise in fertilizers sales volume would result in added revenues of approximately 35 million dollars (according to 2012 figures).

(ii) ICL continues to explore new opportunities in developing markets, and expands its global position to benefit from any direct opportunity in this field (rise in sea level). ICL's vast distribution of customers around the world enhances its ability to benefit from this opportunity and the magnitude of it.

(iii) There are no significant costs associated with managing this opportunity. Marketing costs are included in the company's expenses. The relevant marketing costs are included in the company's total selling and marketing costs (including shipping), which were approx. \$806 Million at 2012, but are not considered a significant part in these costs.

O4:

(i) Potential financial implications of this opportunity are the additional revenues from sales of I.D.E desalination services. The specific additional revenues are dependent on the specific business cases arising (what countries, the magnitude of demand for I.D.E services, etc.). For instance, a 10% rise in I.D.E net income would result in an added income of approximately 1.1 million dollars for the ICL organization (as per the 2012 financial statements).

(ii) I.D.E marketing department is constantly searching for new business opportunities and demand for their services- which at many cases arises from scarcity of water (due to climate change and other reasons).

(iii) There are no specific costs associated with managing this opportunity. The ownership of I.D.E is maintained without any direct relation to this opportunity 's management.

6.1e

Please describe the opportunities that are driven by changes in other climate-related developments

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
O5	Changing consumer behaviour	As the awareness to climate change rises in the world, consumers are pressuring governments and companies to act on the subject. ICL has experienced a growing demand from its clients to provide them with the Carbon Footprint (CFP) of our products. Recently, the French Government has decided, as a pilot stage for the coming year, to demand any imported product entering France to have a valid product CFP. As a company with many diverse products, ICL needs to spend significant resources (personal, time and funding) to answer to growing demand of product Carbon Footprinting. However, the GHG COE has gathered much expertise on the subject, the Carbon Footprinting of our products is advancing on a steady pace	Other: Competitive Advantage	Current	Direct	Likely	Low

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		(currently- over 55 leading products have undergone a CFP calculation). Therefore, this item could be a risk of added costs to ICL, but is more likely an opportunity to exhibit our leadership in the climate change field, and improve our reputation with clients (thus hopefully, increasing our sales).					

6.1f

Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions

O5:

(i) Potential financial implications of this opportunity are the added sales, due to the consumers' preference to products that have conducted a CFP calculation, and/or have a lower CFP compared to other market options. We believe ICL is likely to be more prepared for the change in consumers' behavior than others. Therefore, despite the possible added costs, this change is likely to represent an opportunity to exhibit our leadership in the climate change field, and improve our reputation with clients (thus potentially increasing our sales). The gained competitive advantage is very much dependent on the type of products and markets involved. For instance, a 1% rise in all ICL sales volume due to such reasons would result in added revenues of approximately \$67 million (according to 2012 figures).

(ii) The GHG COE has gathered much expertise on the subject. The Carbon Footprinting of our products is advancing at a steady pace, with more than 55 products under reliable carbon footprint analysis according to the British standard PAS2050 together with SKM Enviros. Five of ICL's core products have also gained the Carbon Trust's certification at 2009. Our actions in this field enhance the magnitude of this impact, whereas the likelihood is mainly influenced by macro-trends and consumer preferences.

(iii) The costs associated with our actions are the costs of maintaining a dedicated and professional staff for the measuring and the analyzing of our GHG emissions. We estimate the overall costs at approximately \$200 thousand annually (less than 0.1% of the company's net income).

6.1g

Please explain why you do not consider your company to be exposed to opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1h

Please explain why you do not consider your company to be exposed to opportunities driven by physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

6.1i

Please explain why you do not consider your company to be exposed to opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]

Page: 7. Emissions Methodology

7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO ₂ e)	Scope 2 Base year emissions (metric tonnes CO ₂ e)
Tue 01 Jan 2008 - Wed 31 Dec 2008	3230980	817367

7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

7.2a

If you have selected 'Other', please provide details below

7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	Other: 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting
CH4	Other: 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting
Other: N20	Other: 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting
HFCs	Other: 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting
SF6	Other: 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting

7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
Other: All emission factors were taken from DEFRA 2012 (except for a few custom ICL-specific ones that were calculated with the help of our climate-change specialist consultants ,SKM-Enviros and in some cases specific site engineers)		Other: Multipule units	2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting

Further Information

Due to the size and complexity of the ICL organization, the measurement of GHG annual emissions has begun in 2008 covering only the emissions of our sites in Israel. These 2008 Israeli emissions were the base year emissions reported in our previous CDP reports. However, as part of the professional progress of our Centre of Excellence for Greenhouse Gases, since 2010 we have implemented a comprehensive data collection process that enabled the calculation of ICL's entire worldwide GHG inventory. Currently, our annual calculation encompasses 58 ICL sites, which constitute almost all of the organization's global manufacturing activity. Our current, new reduction target- is based on these global emissions. Emissions stated above (in 7.1) as global baseline emissions are therefore the sum of the actual emissions measured for the Israeli facilities at 2008 (80-90% of global emissions at that year), plus an educated estimation of the emissions outside of Israel for 2008 (10-20% of global emissions). A more precise, retroactive calculation of the 2008-9 ICL emissions outside of Israel is planned for the coming months. Therefore, minor changes in the global baseline emissions may appear in next year's report. These changes are expected to be well within the uncertainty range declared in this report.

Attachments

[https://www.cdproject.net/sites/2013/40/22340/Investor CDP 2013/Shared Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/DEFRA 12-guidelines-ghg-conversion-factors-.xls](https://www.cdproject.net/sites/2013/40/22340/Investor%20CDP%202013/Shared%20Documents/Attachments/InvestorCDP2013/7.EmissionsMethodology/DEFRA%2012-guidelines-ghg-conversion-factors-.xls)

Page: 8. Emissions Data - (1 Jan 2012 - 31 Dec 2012)

8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

1812814

8.3

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

1296798

8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

Yes

8.4a

Please complete the table

Source	Scope	Explain why the source is excluded
Three small ICL Special Fertilizers facilities	Scope 1 and 2	These small facilities have been recently purchased by ICL, are still adapting to corporate practices and could not report their emissions to this date due to time constraints. However, we have made assumptions and can state with reasonable confidence that these facilities constitute less than 0.5% of our total emissions combined.
10-20 local offices	Scope 1 and 2	Information was not received for 2012. However, we have made assumptions (using the average reported for offices in ICL) and can state with reasonable confidence that they constitute together less than 0.4% of our total emissions (note: offices are generally very negligible producers of GHG emissions in ICL general scales).

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
More than 10% but less than or equal to 20%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints Sampling Data Management	Since our report has not yet been fully verified, and due to the diversity and scale of our company, results are subject to different deviations. ICL's estimation is that the uncertainty range could reach up to 20% of Scope 1 emissions, which could thereby reach an overall figure as high as 2,170,820 tons. Figures given in this report are valid to the best of our knowledge at this time. Potential reasons for variation could include mistakes in measuring, calculating and/or internal reporting of figures relevant for emission calculation and missing units in the scope of reporting (although these are estimated to account for less than 1% of total emissions). In addition, calculations of process emissions are made by senior engineers at different ICL facilities. Although these calculations are reliable, they might deviate slightly from actual emissions.	More than 10% but less than or equal to 20%	Data Gaps Assumptions Extrapolation Metering/ Measurement Constraints Sampling Data Management	Since our report has not yet been fully verified, and due to the diversity and scale of our company, results are subject to different deviations. ICL's estimation is that the uncertainty range could reach up to 20% of Scope 2 emissions, which could thereby reach an overall figure as high as 1,556,159 tons CO ₂ e. Figures given in this report are valid to the best of our knowledge at this time. Potential reasons for variation could include mistakes in measuring, calculating and/or internal reporting of figures relevant for emission calculation and missing units in the scope of reporting (although these are estimated to account for less than 1% of total emissions). Some uncertainty is added from missing information on the production methods of the small quantities of steam purchased by ICL companies from external suppliers. An average emission factor has been implemented in such cases.

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Third party verification or assurance complete

8.6a

Please indicate the proportion of your Scope 1 emissions that are verified/assured

More than 0% but less than or equal to 20%

8.6b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	ISAE3000	https://www.cdproject.net/sites/2013/40/22340/Investor CDP 2013/Shared Documents/Attachments/Investor-8.6b-C3-RelevantStatement/ICL 2012 Limited Assurance Report BKGL.pdf

8.6c

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission
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8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Third party verification or assurance complete

8.7a

Please indicate the proportion of your Scope 2 emissions that are verified/assured

More than 0% but less than or equal to 20%

8.7b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Attach the document
Limited assurance	ISAE3000	https://www.cdproject.net/sites/2013/40/22340/Investor CDP 2013/Shared Documents/Attachments/Investor-8.7b-C3-RelevantStatement/ICL 2012 Limited Assurance Report BKGL.pdf

8.8

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

8.8a

Please provide the emissions in metric tonnes CO2

9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

9.1a

Please complete the table below

Country/Region	Scope 1 metric tonnes CO2e
Israel	1436761
Rest of world	376053

9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
-------------------	--

9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
----------	--	----------	-----------

9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
----------	--

9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
----------	--

9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)
-----------------	--

10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

10.1a

Please complete the table below

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)
Israel	1016835	1236267	0
Rest of world	279963	630510	0

10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2 emissions (metric tonnes CO2e)
-------------------	--

10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2 emissions (metric tonnes CO2e)
----------	--

10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2 emissions (metric tonnes CO2e)
----------	--

10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)
-----------------	--

Page: 11. Energy

11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

11.2

Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	5648327
Electricity	1783203
Heat	0
Steam	83574
Cooling	0

11.3

Please complete the table by breaking down the total 'Fuel' figure entered above by fuel type

Fuels	MWh
Kerosene	2198
Coking coal	28986
Other: Petrol (used mainly for vehicles)	62464
Liquefied petroleum gas (LPG)	52488
Naphtha	167063
Diesel/Gas oil	232989
Oil shale and tar sands	335262
Natural gas	3424822
Other: Heavy Fuel Oil (Mazut)	1342050
Petroleum coke	6

11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comments
No purchases or generation of low carbon electricity, heat, steam or cooling		

Further Information

Notes:

- 1) Fuel definitions are based on DEFRA (2012).
- 2) ICL purchases small amounts of compressed air from external suppliers, in total of 525 thousand m³ in 2012. We were unable to assess this figure in MWh terms. In any case, the effect of this item in our carbon footprint is negligible - a total of 42 tons CO₂e in 2012.

Page: 12. Emissions Performance

12.1

How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

12.1a

Please complete the table

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	0.6	Decrease	The project of changing cover gas at ICL's Dead Sea Magnesium has continued throughout 2012. Although the grand majority of reductions derived of this project have already been made between 2008 and 2010, the company has nonetheless replaced at 2012 some of the HFC134a usage with Novec 612, a gas compound with a very low GWP. This has resulted in an emissions reduction of ~8K tons CO ₂ e (0.3% of total ICL Scope 1+2 emissions). The energy efficiency program was estimated to yield another reduction of ~10K tons CO ₂ e

Reason	Emissions value (percentage)	Direction of change	Comment
			(0.3% of total ICL Scope 1+2 emissions). These two reduction initiatives have together achieved a ~0.6% reduction in total emissions between 2011 and 2012. The transition to natural gas has suffered difficulties during 2012 due to shortages in external supply of gas, and did not achieve savings compared to the previous year (see below, 'Other'). The emission reduction project at Fertilizers and Chemicals has also not produced savings in absolute terms compared with the previous year- due to a significant increase in the production of nitric acid at 2012 (see below, 'Change in output').
Divestment	0.5	Decrease	One of ICL's facilities in the U.S.A (Carteret) has ceased production during late 2011, and is not operating as of 2012. This results in a reduction of ~0.5% in our total Scope1+2 GHG emissions.
Acquisitions	0.5	Increase	ICL's Performance Products segment has acquired two new facilities in America (one in the U.S.A and one in Mexico). These facilities have started producing under ICL operational control during 2012. Since they were both included in our GHG inventory for 2012, they have caused an increase of ~0.5% in our total Scope1+2 GHG emissions.
Mergers			
Change in output	3.5	Increase	DSW and DSM are two of the largest energy consuming and therefore GHG-intensive companies within the ICL organization. Both facilities have increased production significantly between 2011 and 2012. DSB, another significant consumer of energy within ICL, had significantly decreased production at the same period, thereby reducing its GHG emissions. Fertilizers and chemicals, ICL's facility near Haifa, Northern Israel, has significantly increased the production of nitric acid at 2012, resulting in increased N2O emissions (although the facility has succeeded in its efforts to reduce the amount of N2O emitted per ton of nitric acid, the increase in production has nonetheless resulted in an increase in the absolute N2O emissions). We estimate the combined effect of these changes in production to be the cause of an emission increase of 3.5% out of our total increase of 6.0% (in Scope 1+2 emissions). Other facilities have also increased or decreased their production volumes, thus affecting the level of absolute emissions, but these changes are considered less significant than the production changes described above.
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other	3.1	Increase	Shortage in natural gas supply: Since 2010, ICL's facilities in Israel have been transitioning from using fuel oil and diesel to the use of natural gas, resulting in a dramatic reduction in the Company's use of fuel oil and diesel. These measures have previously reduced our Scope 1 emissions directly by decreasing emissions from onsite energy combustion. In addition, they have the potential to reduce our Scope 2 emissions, as the

Reason	Emissions value (percentage)	Direction of change	Comment
			employment of new, more efficient CHP plants effectively reduces ICL's dependency on the purchase of electricity from the national grid. However, this transition has suffered a significant set-back at 2012 due to major inconsistencies in natural gas supply from Egypt to Israel and the rapid depletion of the YamTetis offshore reservoir. The shortage in natural gas supply has reluctantly caused major ICL facilities to temporarily switch back to fuel oil and diesel combustion- thus resulting in greater Scope 1 emissions. Also, reduced capacities of ICL electricity generating facilities (due to the natural gas shortage and other reasons) has caused the need for increased purchase of Israeli national grid electricity, which has a much higher emission factor than our self produced electricity (the Israeli electricity company is still heavily relied on coal combustion). Therefore, our Scope 2 emissions have also increased. We estimate the total effect of the shortage to be the cause of 3.0% out of our total increase of 6.0% (in Scope 1+2 emissions). Natural gas supply was fully renewed at April 2013 with the operation of the Tamar gas field off the shores of Israel. This development allows the ICL facilities in Israel to again take advantage of their already taken transition process, and achieve a reduced carbon intensity of operations (amongst other significant benefits) from 2013 and onwards.

12.2

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000466	metric tonnes CO ₂ e	unit total revenue	12	Increase	The increase in emissions per \$ of revenue is derived from two drivers: 1) The absolute emission increase reasons described in 12.1a (mostly increased productions at some facilities and shortage in natural gas supply) 2) ICL's revenues have decreased between 2011 and 2012 (by 5.6%), mainly as a result of lower sales volumes of potash products to major clients in China and India. This effect was partially offset by an increase in sales of other fertilizer products by ICL in 2012.

12.3

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO₂e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
253	metric tonnes CO ₂ e	FTE employee	3	Increase	The increase in emissions per employee between 2011 and 2012 is due to an increase in absolute emissions (caused mostly by increased productions at some facilities and shortage in natural gas supply, see 12.1a). This increase was partially offset by an increase in the number of employees across ICL's companies. The latter is mainly as a result of additional manpower in respect of acquiring companies around the world, completing investments in new plants and increased production.

12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.00197	metric tonnes CO ₂ e	Other: Operating Income	30	Increase	The increase in emissions per \$ of operating profit is derived of two reasons: 1) The absolute emission increase reasons described in 12.1a (mostly increased productions at some facilities and shortage in natural gas supply) 2) ICL's profits have decreased between 2011 and 2012, mainly driven by the lower revenue and sales volumes of potash recorded in 2012 as compared with 2011.

Further Information

ICL is a large and complex organization, with significant diversity of energy and carbon intensity between its different facilities. Some facilities, especially those located in the Sdom region (DSW, DSM and DSB) are also inter-dependent in energy terms. For instance, DSM and DSB are jointly supplied electricity and steam by the DSW operated CHP plant. The amount of electricity produced at the CHP plant and the added amount purchased from the national grid are dependent on both the production volumes at all three plants, and the CHP's capacity of electricity production (which was influenced for instance by the shortage in natural gas at 2012). The national grid electricity in Israel has a much higher EF than the electricity produced at the ICL-owned CHP plant, and therefore the CHP's electricity capacity and operating schedule are key factors in the emission trends of all three Sdom facilities. Due to this operational situation, and similar cases throughout the ICL organization, we find it challenging to provide an accurate, detailed breakdown of our emission deviations between these sites and others. As mentioned, our total annual emissions are a result of multiple reasons (as required above in question 12.1a), including production volumes, shortage/supply of natural gas, and energy efficiency initiatives. Our GHG analysts have examined these calculations and results and have estimated the distribution of emission changes portrayed above (in 12.1a) to the best of their knowledge at this time. Actual specific reasons for the emission trends may differ. We estimate the possible deviation of emission change by up to 20% for each reason stated above.

Page: 13. Emissions Trading

13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership

13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

13.2

Has your company originated any project-based carbon credits or purchased any within the reporting period?

Yes

13.2a

Please complete the table

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose, e.g. compliance
Credit Origination	PFCs and SF6	Changes in the manufacturing process of metal magnesium: Despite the fact that magnesium is a commodity and that its markets are highly competitive, ICL's magnesium production process conforms to extremely high quality standards and incorporate an ongoing effort to reduce associated carbon emissions. Magnesium, when melted, ignites if it comes into contact with oxygen in the air, an occurrence which impairs the quality of the product. For this reason, it is common industry practice to "protect" the magnesium by using gases that prevent its exposure to oxygen. Some of the gases commonly used in this process have been linked with negative health and environmental effects, including SF6. As awareness of the need for environmental protection grows, the industry has become more aware that SF6 is a greenhouse gas with significant greenhouse potential (23,900 CO2e). As such, ICL's Dead Sea Magnesium (DSM) has replaced this gas with a combination of HFC134a, a gas with a lower environmental impact and Novec 612, a substitute protection compound with a very low GWP. Currently, SF6 is no longer used at DSM. For this reduction initiative, ICL's DSM has chosen to employ the UN's Clean Development Mechanism (CDM) for the trading of approvals for the reduction of greenhouse gases (Carbon Credits).The company initiated this project in 2009, and is	CDM (Clean Development Mechanism)	220406	220406	Not relevant	Other: Emission reduction and gain of credits

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose, e.g. compliance
		annually validating the achieved reductions. The project has resulted in a significant reduction in DSM's CFP and in ICL's overall CFP. DSM has reduced its Scope 1 process GHG emissions by over 90%. The change was voluntary, and the company has received CDM credit for it, generating over \$12 million overall in income from carbon credits. This initiative is expected to operate on a permanent basis, without a limited lifespan (in terms of not using SF6. Income levels may vary according to fluctuations in the Carbon Market).					
Credit Origination	N20	Reduction of process emissions from nitric acid production: ICL Fertilizers and its chemical subsidiaries located in Haifa, Israel operate a nitric acid facility which emits a small quantity of nitrous oxide (N2O). Although nitrous oxide is not considered a health contaminant, it is considered a greenhouse gas. Since the end of November 2007, ICL has been deploying an innovative system aimed at reducing its nitrous oxide emissions (per nitric acid production) by about 80%. At this stage, the actual reduction achieved has reached 70%, and the Company is continuing its efforts to improve the performance of the system through support of Johnson Matthey, the firm that developed the technology. The project was approved by the Clean Development Mechanism Executive Board of the United Nations Framework Convention on Climate Change (CDMEB - UNFCCC) and backed by Israel's National Committee for Clean Development. This process enables the Company to use the Clean Development Mechanism (CDM), making it possible to trade Carbon Credits. The reduction is in Scope 1 process emissions. The change was voluntary, and ICL has received CDM credit for it. The project is still underway, and is scheduled to reach its 80% goal no later than 2014. This initiative is expected to operate on a permanent basis, without a limited lifespan. The eventual	CDM (Clean Development Mechanism)	64000	64000	Not relevant	Other: Emission reduction and gain of credits

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits retired	Purpose, e.g. compliance
		annual CO2e reduction is difficult to estimate in absolute terms- as the production level of nitric acid at this facility can vary significantly according to market needs. Average production of 2008-12 was used to estimate the expected savings in absolute terms.					

Page: 14. Scope 3 Emissions

14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Purchased goods and services	Relevant, calculated	17265	The emissions given in this line represent our GHG emissions related to externally sourced water. The emissions were calculated using DEFRA 2012 emission factors for supplied water. These EF's were used on all water purchased by the different ICL companies (tap water, well, river etc.). Quality of information is considered high, as most water figures are derived of primary data (invoices of water		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			suppliers). In the minority of cases, where no metering is conducted, the consumption was estimated by the relevant facility personnel. The assumption is that these GHG emissions derive of electricity consumed in pumping and/or pre-treatment of the water by the suppliers. Other materials sourced externally have been assessed as part of our product footprinting analyses in cooperation with our consultants and ICL's purchasing and supply-chain departments. We concluded that ICL did not have influence on potential reduction of emissions resulting from the production/supply of these materials, and they were therefore excluded from our Scope 3 GHG inventory.		
Capital goods	Not relevant, explanation provided				The potential amount (size) of GHG emissions deriving of purchased capital goods was assessed by the ICL GHG COE, and was determined to be insignificant. ICL is a large manufacturing organization, and any emission arriving from specifically purchased capital goods is likely to be very negligible compared the significant emissions resulting from our fuel combustion, electricity consumption and process GHG emissions.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	33804	The emissions given in this line represent our Scope 3 GHG emissions related to the activity of contractor vehicles (not owned directly by ICL companies), mostly heavy machinery working in our plants. Emissions were calculated using DEFRA 2012 emission factors for fuels (usually diesel), and at some cases also based on DEFRA 2012 emission factors for heavy machinery activity, measured in km's or ton-		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			km's). Quality of information is considered medium, as in many cases the contractors could not supply accurate fuel consumptions, and estimation were conducted by the facility personnel. Some of these emissions, from our smaller facilities outside of Israel, have not been calculated yet (and are expected to be completed in coming years). However, the figure supplied in this line nonetheless represents the grand majority of this relevant activity within our organization.		
Upstream transportation and distribution	Not relevant, explanation provided				As a large manufacturing organization, there are naturally emissions related to the transportation of ICL's significant amount of externally purchased raw materials. These emissions were previously assessed as a one-time project by our consultants (SKM-Enviros). The cases of raw material transportation that constitute the major part in these emissions were identified, and discussions were made regarding the findings with ICL's different purchasing departments. However, our conclusion was that for several reasons, ICL does have significant influence in order to reduce these emissions, and therefore they are currently excluded from our Scope 3 GHG inventory
Waste generated in operations	Relevant, calculated	17861	The emissions given in this line represent our Scope 3 GHG emissions related to the treatment of our wastes by external companies. The emissions were calculated using DEFRA 2012 emission factors according to the different waste streams and treatment methods. Quality of information is considered medium, as in some cases specific metering of waste streams is		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			available, but on many others- the amounts are still calculated based on mass balances or assumptions. In-line with the new PRTR law in Israel, we are currently taking measures to increase the quality of waste stream classification by our Israeli facilities (according to the EU waste catalogue). Therefore, future corrections to the emissions provided in this line may be possible.		
Business travel	Relevant, calculated	3334	The emissions given in this line represent our Scope 3 GHG emissions related to flights taken by our company's personnel. The emissions were calculated using DEFRA 2012 emission factors for short/long haul flights (per one person travelling in the plane). An uplift factor has also been used. Quality of information is considered medium, as in some cases specific km's/miles of flights taken by company employees was available, but on others- the km's were estimated or calculated using the number of flights taken and an average flight distance. Other business travel items (by car, train) were estimated by the GHG COE and are considered to be negligible- and are therefore not updated on an annual basis.		
Employee commuting	Relevant, calculated	2041	The emissions given in this line represent our Scope 3 GHG emissions related to employee commute by regular daily buses (not owned by ICL) which transport employees from different cities and towns in southern Israel to our major facilities. The emissions were calculated using DEFRA 2012 emission factors for diesel consumption, and km's travelled by bus. Quality of information is considered medium, as in some		

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
			cases specific diesel consumptions were supplied, but on others- emissions were calculated using assumptions about the km's of bus travel and number of employees per ride. Other employee commuting (by personal vehicles of the employees) was estimated by the GHG COE and is considered to be very negligible compared with other company fuel consumptions, and furthermore- relevant information is very hard to obtain. Therefore, our calculations cannot be regularly updated.		
Upstream leased assets	Not relevant, explanation provided				The potential amount (size) of GHG emissions deriving of upstream leased assets was assessed by the ICL GHG COE, and was determined to be insignificant. ICL is a large manufacturing organization, and any emission arriving from our small number of upstream leased assets is likely to be very negligible compared the significant emissions resulting from our fuel combustion, electricity consumption and process GHG emissions. Therefore, we do not maintain an annual update of these emissions.
Investments	Not relevant, explanation provided				The potential amount (size) of GHG emissions deriving of investments was assessed by the ICL GHG COE, and was determined to be insignificant. ICL is a large manufacturing organization, and any emission arriving from our investments in facilities not operationally controlled by ourselves is likely to be very negligible compared the significant emissions resulting from our fuel combustion, electricity consumption and process GHG emissions at our operationally controlled facilities. Therefore, we do not update these emissions on an annual

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
					basis.
Downstream transportation and distribution	Relevant, calculated	80284	The emissions given in this line represent our Scope 3 GHG emissions related to some of our downstream distribution by our companies. The figures included in the calculation are the fuels consumed during transportation of ICL goods by external contractors, working for our cargo transportation company (Mifaley-Tovala), and also by the Israeli national rail services (transporting ICL goods from the Tzefa terminal to Ashdod and Haifa harbours). The emissions were calculated using DEFRA 2012 emission factors for diesel and for ton-km of rail transportation. Quality of information is considered high, as in both cases relevant bills are supplied and available. As a large manufacturing organization, with a highly complex supply chain of products, we assume that there are further emissions related to our supply chain (transport by ships, trucks in countries outside of Israel). However, we currently assume our influence on these emissions to be quite negligible (and relevant information is very hard to obtain), and therefore do not currently calculate these added emissions		
Processing of sold products	Not relevant, explanation provided				ICL manufactures and sells hundreds of different products to many diverse customers around the world. Most of these products have several customers, with diverse usages for our many products. Any information on the processing, usage and end of life treatment of our products is very hard to obtain. Although the organization does actively promote safe and environmentally-

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
					responsible usage of its products, we consider our influence on the GHG deriving of our costumers actions (processing, usage and end of life treatment) to be insignificant. Therefore, we do not update these emission assessments on an annual basis.
Use of sold products	Not relevant, explanation provided				ICL manufactures and sells hundreds of different products to many diverse customers around the world. Most of these products have several customers, with diverse usages for our many products. Any information on the processing, usage and end of life treatment of our products is very hard to obtain. Although the organization does actively promote safe and environmentally-responsible usage of its products, we consider our influence on the GHG deriving of our costumers actions (processing, usage and end of life treatment) to be insignificant. Therefore, we do not update these emission assessments on an annual basis.
End of life treatment of sold products	Not relevant, explanation provided				ICL manufactures and sells hundreds of different products to many diverse customers around the world. Most of these products have several customers, with diverse usages for our many products. Any information on the processing, usage and end of life treatment of our products is very hard to obtain. Although the organization does actively promote safe and environmentally-responsible usage of its products, we consider our influence on the GHG deriving of our costumers actions (processing, usage and end of life treatment) to be insignificant. Therefore, we do not update these emission assessments on an annual basis.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Methodology	Percentage of emissions calculated using primary data	Explanation
Downstream leased assets	Not relevant, explanation provided				The potential amount (size) of GHG emissions deriving of downstream leased assets was assessed by the ICL GHG COE, and was determined to be insignificant. ICL is a large manufacturing organization, and any emission arriving from our small number of downstream leased assets is likely to be very negligible compared the significant emissions resulting from our fuel combustion, electricity consumption and process GHG emissions. Therefore, we do not update these emission assessments on an annual basis.
Franchises	Not relevant, explanation provided				The potential amount (size) of GHG emissions deriving of franchises was assessed by the ICL GHG COE, and was determined to be insignificant. ICL is a large manufacturing organization, and any emission arriving from our franchises not operationally controlled by ourselves is likely to be very negligible compared the significant emissions resulting from our fuel combustion, electricity consumption and process GHG emissions at our operationally controlled facilities. Therefore, we do not update these emission assessments on an annual basis.
Other (upstream)	Not evaluated				
Other (downstream)	Not evaluated				

Please indicate the verification/assurance status that applies to your Scope 3 emissions

No third party verification or assurance

14.2a

Please indicate the proportion of your Scope 3 emissions that are verified/assured

14.2b

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Relevant standard	Attach the document

14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

14.3a

Please complete the table

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Downstream transportation and distribution	Other: Decreased operations	17	Decrease	Downstream transportation and distribution form the dominant part (52%) within the emissions currently included in our Scope 3 measured inventory. The specific decrease in these emissions at 2012 can be mostly attributed to a decrease in the total tonnage of products and raw materials that were transported by trucks (not owned by the ICL corporation) within Israel, in relation to the activity of the ICL facilities. Note: Our Scope 3 measuring methodologies are annually examined and amended by the ICL GHG COE. Future corrections and/or additions to our scope 3 GHG inventory are likely yet to be expected. These potential corrections form a part of our constant efforts to improve the accuracy and fullness of our vast and complex GHG inventory. Any past or future differences are expected to be well within the uncertainty range declared at this year's report.

14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our suppliers

Yes, our customers

14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Suppliers: ICL continuously engages its suppliers in an effort to influence their GHG strategy, and pursues comprehensive efforts in order to replace or adjust its supplier relationships to reflect our commitment to lower our carbon footprint. ICL has completed an overall review of its externally-supplied raw materials and their carbon intensity, a project that included approaching directly our key suppliers asking for their performance data. Additionally, while calculating the Carbon Footprint (CFP) of our products under international standards, the emission factor of the different emission sources has to be determined. In most cases of raw materials purchased from external suppliers- ICL engages the suppliers in request of the calculated carbon footprint value of their products. In cases where these values have already been calculated and are readily communicated by the suppliers- we use these emission factors in our assessments. However, in some cases where the CFP

of the raw material was not calculated yet, and the raw material is expected to form a significant part in our product's CFP (with prioritization for such cases), we offer our suppliers a collaboration in order to try and calculate a full or partial assessment of their product's CFP, in a matter that would serve both ICL (for usage in our CFP calculations) and the supplier (which would receive an assessment that he could also use for similar requests from other companies). Success is measured by the amount of such successful collaborations achieved. We've had several cases where such collaborations have resulted in mutual beneficial results. By this process, we believe we exhibit our leadership in the climate change field, and encourage other companies to start measuring and managing their GHG inventories and product carbon footprints.

Customers: Since initiating the ICL GHG project at 2008, ICL has initiated several efforts alongside partners and customers to reduce GHG emissions throughout the life cycle. In some cases we have even approached our customers with carbon data and presented them with facts and figures on our performance. For example, ICL's bromine-based flame retardants offer a low-carbon alternative to phosphorus-based retardants used for fire safety purposes. ICL has also received several requests for carbon footprint values for our products by our customers. In all such cases- we are determined to readily provide them with these values. In some cases, where these requests are for products that have not been assessed yet (as of today, we have calculated ~55 products carbon footprints, but our organization offers hundreds of different products) these requests help us determine the prioritization of product assessments. The required products are given high priority within our decision on which batch of products to assess in any given time. Success is measured by our ability to provide our customers with the CFP value of our products immediately after their request (if already calculated) or within a reasonable timeframe (if calculation is still needed), and in our ability to maintain and enhance long-standing business engagement with such customers.

14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
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14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
Other	As stated above, in some cases we ask our suppliers for the CFP values of their supplied raw materials, and then use these values in our own CFP calculations.

14.4d

Please explain why not and any plans you have to develop an engagement strategy in the future

Further Information

Some information in this document is based upon certain sections from ICL's 2012 Annual Report. You are advised to review the entire report as filed with the Israeli Securities Authority and the Tel Aviv Stock Exchange (TASE) on the MAGNA site. A translation for your convenience of this report is on our internet site at: <http://www.icl-group.com>.

For details regarding adjustments you should refer to the full documentation as published.

The binding version is the Hebrew publication. You should not assume that the information contained herein is accurate as of any date other than the date of this document. We are not providing you with any investment, legal, business or tax advice. All statements, other than statements of historical facts included in this document, may be forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Such forward looking information involves risks and uncertainties, including those referred to in the company's 2012 Annual Report referred above.

Some of the market and industry data contained in this document are based on independent industry publications or other publicly available information, while other information is based on internal studies and/or estimates. Although we believe that these sources and our internal data are reliable, as of their respective dates, the information contained in them has not been independently verified, we cannot assure you as to the accuracy or completeness of this information. As a result, you should be aware that the market and industry data contained in this document and beliefs and estimates based on such data, may not be reliable.

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Please enter the name of the individual that has signed off (approved) the response and their job title

Asher Grinbaum, Executive Vice President and COO

CDP 2013 Investor CDP 2013 Information Request