



 **Huliot** Israel

# SUSTAINABILITY REPORT

# 2023

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WE MAKE IT FLOW



# Contents

## 03 About Huliot Group

- 04 Company Values
- 05 Huliot Group Worldwide
- 06 Driving Forces
- 08 Huliot Going Green
- 10 A Message from the CEO

## 11 Huliot Israel

- 12 About This Report
- 13 Materiality
- 16 Key Highlights
- 17 Key Productivity Indicators (KPIs)
- 18 We Aim High

## 19 Our Roots

- 20 Technology Excellence

## 21 Product Families

- 22 Ultra Silent™
- 22 Smart Lock™
- 23 HT Pro™
- 24 Lock Seal™
- 24 Pressure Clamp™

## 25 Governance

- 25 Our Vision
- 26 Board of Directors
- 27 Quality and Innovation
- 28 Certifications & Approvals

## 29 Our Impact Priorities

- 30 The Green Construction Industry
- 31 Plastic Piping Industry Impact
- 32 Huliot is committed to the circular economy
- 33 Energy Saving and CO<sup>2</sup> Reduction
- 34 Huliot and the UN Sustainable Development Goals
- 35 Our Environment
- 37 Our Customers
- 38 Our People
- 39 Our Community
- 40 Huliot helping people in time of need

## 41 Future Targets

- 42 Huliot has established the following targets



# About Huliot Group



Huliot Group is a global leader in advanced flow systems for commercial and residential buildings.

The company designs, manufactures, and markets complete solutions for water supply, wastewater, and infrastructure from various types of plastic such as PP, PVC, PE-X, and PPR.



Founded in Israel in 1947, our company has expanded both organically and through mergers and acquisitions which have deepened our expertise and captured greater parts of the value chain. Today, Huliot Group owns and operates nine manufacturing plants in Israel, India, Slovenia, Portugal, and Germany, and provides solutions to more than 60 markets worldwide. Huliot Group is jointly owned by Kibbutz Sde Nehemia (50%) and the Tene Investment Fund (50%).

Our mission is to deliver a seamless and silent water flow experience for consumers in their homes, at work, and in commercial and public buildings through state-of-the-art solutions. As part of our mission, we are constantly developing and integrating a wide range of operational practices designed to protect the environment.



# Company Values



## HUMILITY

Being humble and respectful to others. Listening and being open to different thoughts and ideas. Never assuming we know everything.



## PROFESSIONALISM

Challenging our boundaries. Making knowledge-based decisions. Being accountable and proactive at identifying problems and solving them.



## PASSION TO LEAD

Aspiring to be the best at what we do. Adopting a mindset of winners. Choosing the best path over the easy one. Keeping an open mind and a positive attitude toward challenge.



## ACHIEVING GOALS TOGETHER

Excelling together. Supporting each other and offering assistance beyond our defined roles. Promoting ideas and engaging with our partners. Listening and understanding the perspectives of our teammates toward challenge.



## INTEGRITY & ROLE MODELING

Being honest and fair. Adhering to rules. Recognizing the needs of others. Accepting differences.

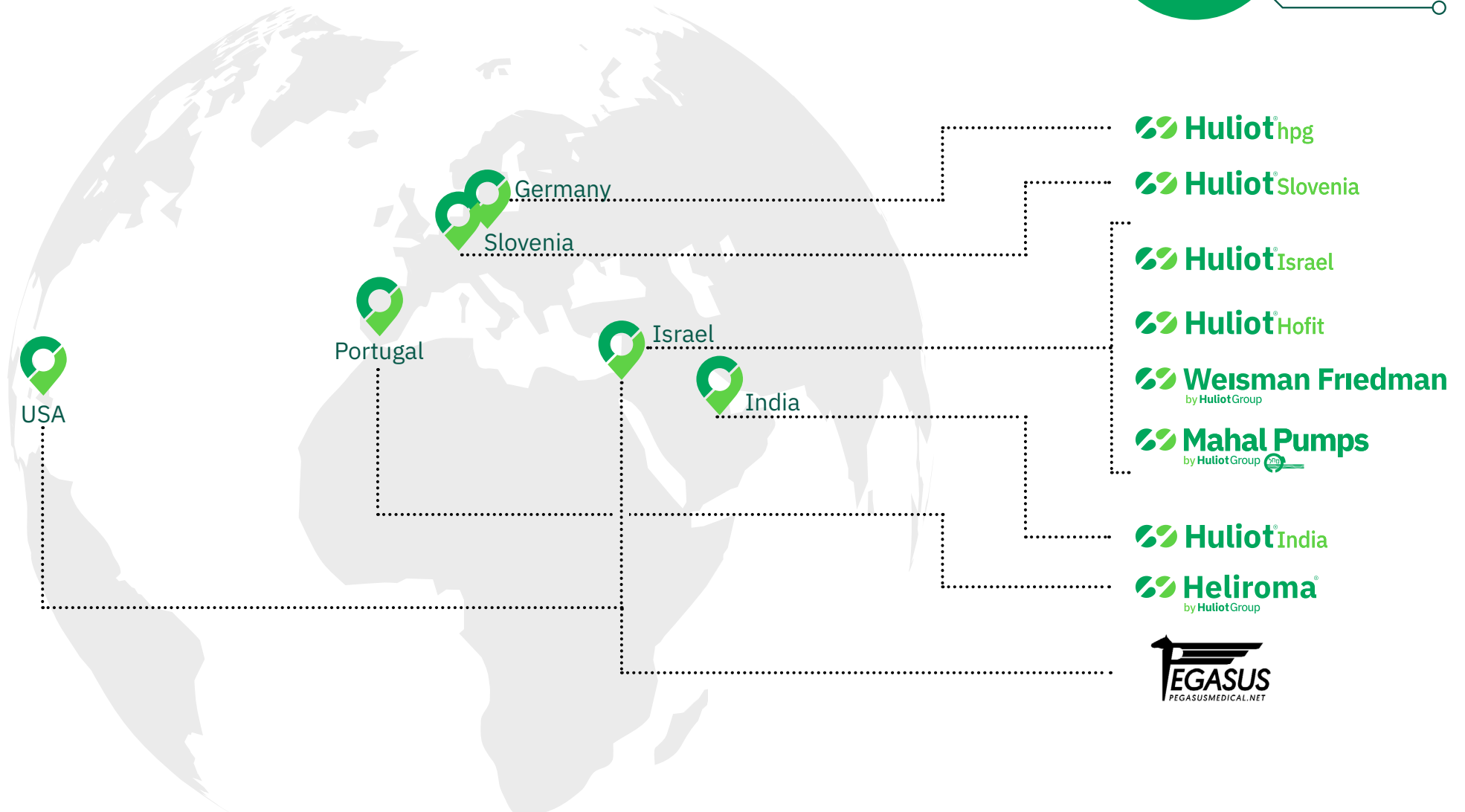
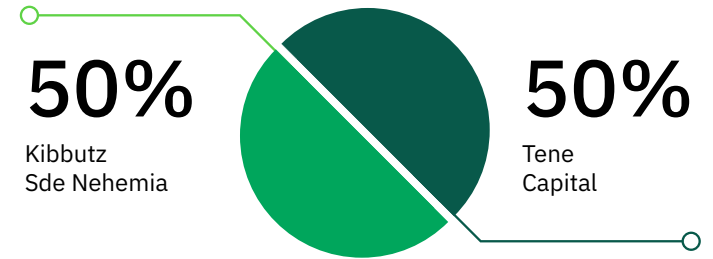


## OBLIGATION TO COMMUNITY AND ENVIRONMENT

Promoting environmental protection. Encouraging others to care about the environment. Investing in community collaboration.



# Huliot Group Worldwide





# Driving Forces

Our success as a global organization is anchored in a clearly defined cross-company strategic framework that is based on 4 engines: Raising the Bar, Synergy, Mergers & Acquisitions (M&A), and Trust Compass.

This framework guides the formulation of annual goals that are the basis for each subsidiary's workplan for the upcoming year.



## TRUST COMPASS

Our leadership position is derived through strong relationships with clients, suppliers, and the community. We designed the Trust Compass program to provide more value to and deepen our connections with our clients and employees. The Trust program is a business compass that drives us to continually innovate solutions to address consumer needs, environmental protection, and financial profitability for the entire value chain.

TRUST is built on three pillars:



### Relationship

based on professionalism that delivers expertise and positions our customers at the center of our considerations



### Reliability

of our products and solutions



### Responsibility

implemented through the integration of our ethical, social, and environmental values in everything that drives our business





## RAISING THE BAR

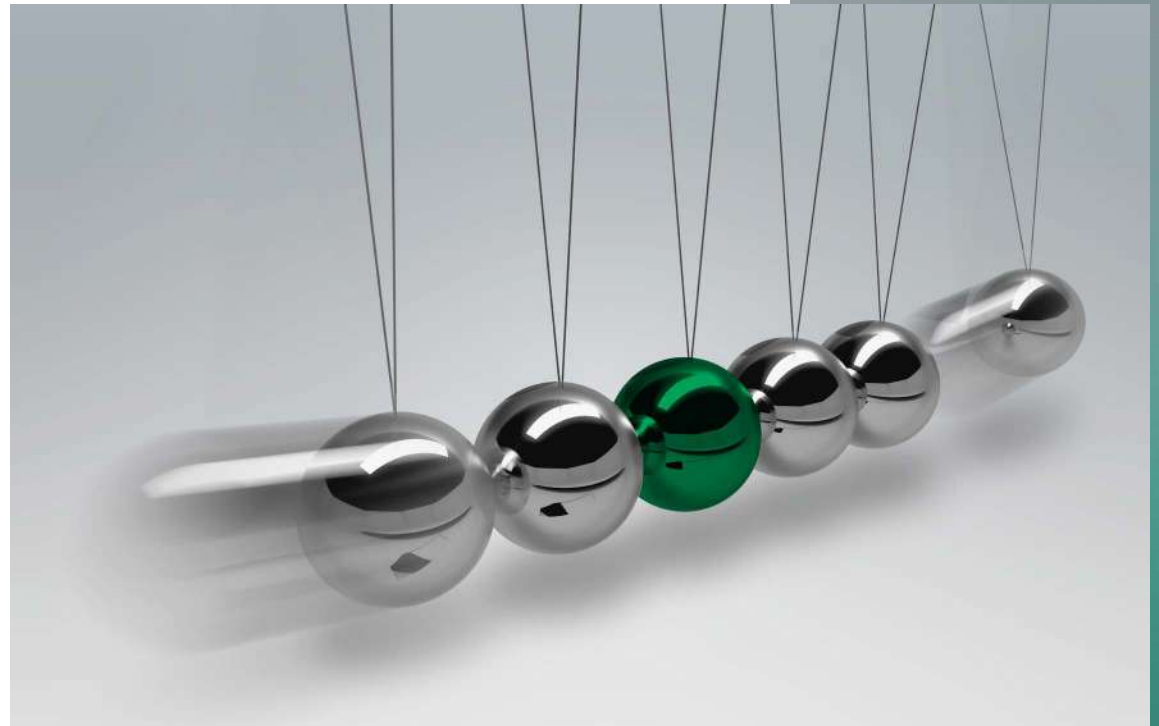
We raise the bar by continuously improving our operations with a constant focus on being able to better serve our clients.

## M&A

Huliot Group will extend its value proposition by capturing additional parts of the value chain and entering new markets through mergers and acquisitions of complementary companies. We will also continue to expand organically through establishing local manufacturing, sales, and marketing operations in new territories.

## SYNERGY

Synergy is created through the relationships and collaboration between our subsidiaries to address client needs and maximize business results. Our synergy strategy focuses on establishing awareness of the group portfolio across our subsidiaries so that customers in every market are exposed to the entire offering of the company.





# Huliot. Going Green





## HULIOT GOING GREEN

Huliot Group's commitment to environmental sustainability has been put into action through the Huliot Going Green program. Designed to mitigate our carbon footprint across the group while creating economic value, the program has led to a transition to a more efficient and less wasteful production strategy and opened new opportunities as resellers of residual materials.

**This program consists of three pillars:**



Continuous evaluation of production lines to integrate newer and more environmentally sustainable materials



Drastic reduction of waste by revising production protocols

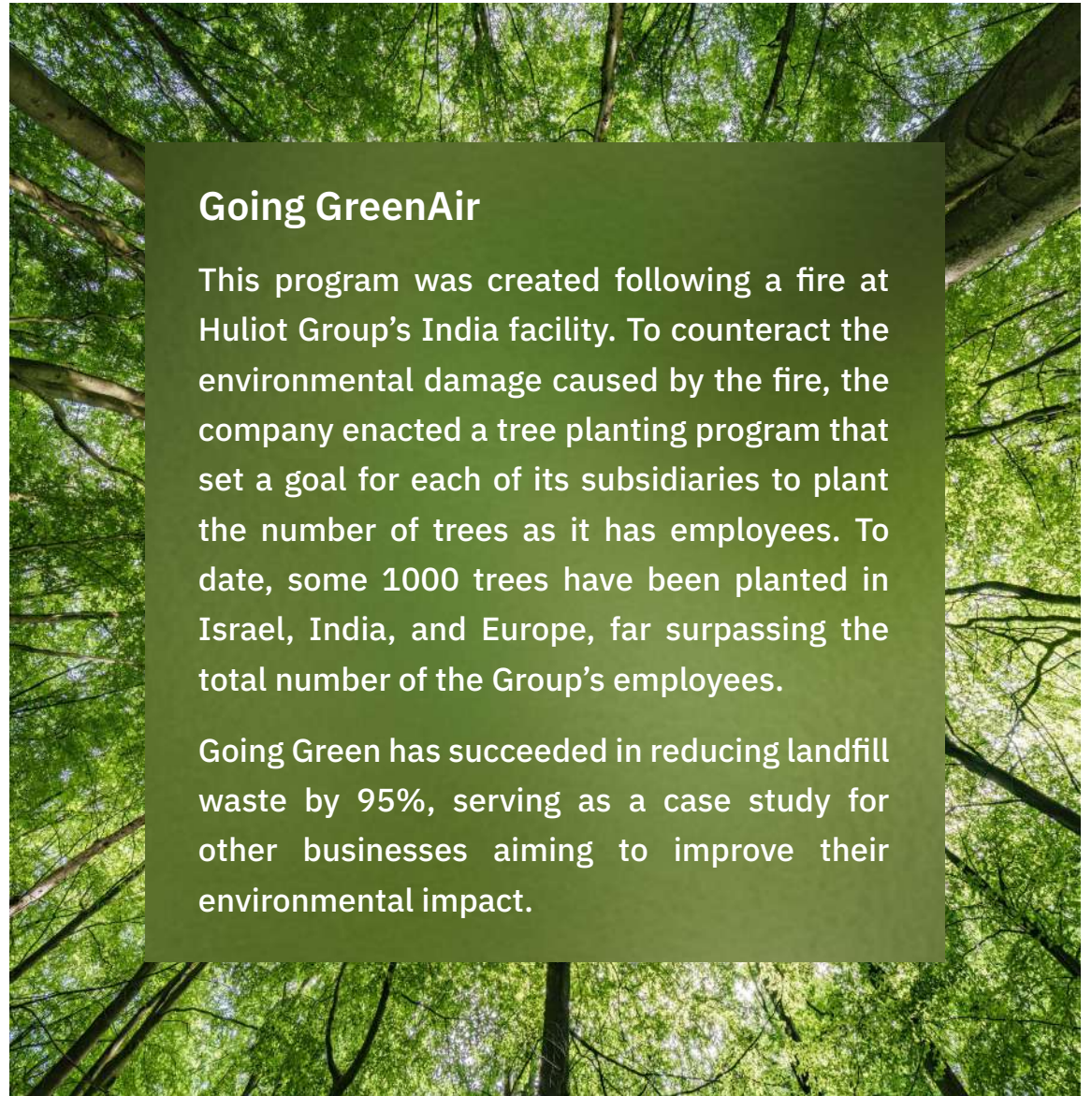


Implementation of a monitored and measured Reduce-Reuse-Recycle (RRR) policy throughout the company

### Going GreenAir

This program was created following a fire at Huliot Group's India facility. To counteract the environmental damage caused by the fire, the company enacted a tree planting program that set a goal for each of its subsidiaries to plant the number of trees as it has employees. To date, some 1000 trees have been planted in Israel, India, and Europe, far surpassing the total number of the Group's employees.

Going Green has succeeded in reducing landfill waste by 95%, serving as a case study for other businesses aiming to improve their environmental impact.





# A Message from the CEO

Dear Stakeholders,

As we release our company's first sustainability report, I am pleased to share with you the journey and vision of Huliot Group's commitment to sustainability.

**Our History** Founded in 1947, Huliot Group has a rich history of innovation and excellence in the field of plastic piping systems for infrastructure and construction applications. Over the decades we have grown from a small local manufacturer to a global leader, recognized for our high-quality products and dedication to customer satisfaction.

**Evolution of Our Sustainability Efforts** Our sustainability journey began in the early 2000s when we realized the urgent need to address environmental challenges. Initially, our efforts focused on reducing waste and improving energy efficiency within our operations. However, the impact of climate change and the increased occurrence of extreme weather events has driven a need for sustainable solutions. Huliot Group constantly innovates to address climate related challenges facing the infrastructure and construction industries. Over time, we have developed

a comprehensive approach to sustainability that includes social and governance as well as environmental aspects.

**Future Plans and Expansion** Looking ahead, we are committed to further advancing our sustainability program. While this report focuses on our largest subsidiary, Huliot Israel, our next report will include the whole Huliot Group with a particular emphasis on collaborating with our suppliers to reduce carbon emissions. We aim to set ambitious targets and implement innovative solutions to minimize our environmental footprint.

## Our Sustainability Vision:

- **Zero Waste** We are dedicated to achieving zero waste in our operations by optimizing resource use, enhancing recycling processes, and reducing waste generation.
- **Climate Action** We will continue to take proactive measures to combat climate change by reducing greenhouse gas emissions, improving energy efficiency, and investing in renewable energy sources.
- **Sustainable Products** Our focus will remain on developing and promoting sustainable products that contribute to a circular economy and support our customers in their sustainability goals.

**Conclusion** We are proud of what we have achieved so far, but we know there is still much work to be done. The challenges we face are significant but so are the opportunities. With the continued support of our dedicated employees, partners, and customers, I am confident that our ongoing efforts and future plans will significantly contribute to a more sustainable world. Together we will continue to lead by example and drive positive change in our industry.

Thank you for your continued support.

Warm regards,

Nitzan Cohen  
CEO & Chairman of the Board, Huliot Group

# Huliot Israel



This inaugural report reflects Huliot Group's commitment to transparency and communication of the company's extensive efforts to meet and surpass industry sustainability standards.

This report focuses on the Group's largest subsidiary, Huliot Israel<sup>1</sup>.



As one of Israel's longest continuously operating companies in the industry, Huliot is recognized as a leader in innovation, quality, and customer relations. Huliot serves the local market with locally manufactured products.

This voluntary report establishes the baseline to comply with future reporting requirements mandated by the EU in pursuit of the goals set out by the European Green Deal. While the main objective of the Green Deal is to become the first continent to achieve net zero by 2050, the strategic frameworks developed incorporate by the UN Sustainable Development (SDG) goals. The SDGs relate to a wide range of social justice, economic equality, environmental, and global partnership topics.

<sup>1</sup> Also referred to as Huliot in this document.



# About This Report

Huliot Israel designs, manufactures, and markets a wide range of products produced from various types of plastic such as PP, PVC, PE-X, and PPR. Plastic is one of humanity's most used and useful materials but is also one of the biggest contributors to global pollution. As a leading plastic piping manufacturer, Huliot's management is keenly aware of the environmental and climate impact of the plastic manufacturing industry.

**This report provides a detailed overview of the company's extensive efforts to reduce and recycle plastic and mitigate GHG emissions.**

Huliot is unique in the plastic piping industry as its roots are deeply imbued with the early kibbutz ideology. The pioneers who founded Kibbutz Sde Nehemia and established Huliot were striving to create a new social contract based on egalitarianism, a shared economic and communal fate, labor in agriculture and industry, and a deep respect for the environment. All these values can still be found in Huliot Group's approach to interacting with its internal and external stakeholders and society at large. Founded by kibbutz members, the company's DNA is permeated with a sense of social justice and mutual support. In this spirit, Huliot Group is committed to creating an equitable and rewarding work environment for all its employees. Huliot strives to contribute value to the wider community by investing resources to address the needs of disabled and disadvantaged communities through several long-term initiatives.



# Materiality

To determine materiality, we relied on a review of materiality assessments performed by similar companies from the industry, the Global Reporting Initiatives (GRI) framework, and extensive data on the company's activities collected by the QA department. Each of these material topics, as well as less impactful topics, are addressed through the combined resources of the company's different departments including QA, HR, and R&D. The following topics were deemed to be areas in which the company's operations have the greatest impact:





## WASTE

One of the biggest material challenges for the plastic manufacturing industry is the amount of waste that ends up in landfills. Huliot is on a mission to achieve zero waste at its facility through developing and implementing technologies, processes, and policies that decrease the use of raw materials through recycling and driving the circular economy. In addition to residual plastic from the production process, the company's waste stream includes plastic wrap, wooden pallets, food scraps, paper, cardboard, and metal.

## GHG EMISSIONS

Producing plastic is a highly carbon intensive activity based on the production of polymers from fossil fuels. It's estimated that the major commodity polymers supply chain accounts for 3,400 PJ (3.2 quads) of energy consumption per year and 104 million metric tons of CO<sub>2</sub>e emissions in the US alone<sup>2</sup>. Additional emissions result from production activities, transportation, and other activities involved in creating the ubiquitous plastic products on which our world is so dependent.



<sup>2</sup> S. Nicholson, N. Rorrer, A. Carpenter, G Beckham, "Manufacturing energy and greenhouse gas emissions associated with plastics consumption", Joule, Volume 5, Issue 3, 2021, March 2021.



## EMPLOYEE DIVERSITY AND SATISFACTION

Huliot's facilities are located on Kibbutz Sde Nehemia in the northern periphery of Israel. The surrounding area is mostly rural and consists of a mix of agricultural communities and small villages and towns. Of an estimated 50,000 residents in the entire area, about half live in the town of Kyriat Shemona. Eighty percent of the 220 employees work in the production department which, naturally, attracts males at a much higher ratio than females. As one of the largest employers in the area, Huliot is committed to be a role model in caring for and developing our employee.

## COMMUNITY RELATIONS

Peripheral regions are historically under resourced, placing the responsibility to address urgent gaps in social, economic, and communal resources on the business community, volunteers, and philanthropy. Providing opportunities for interactions between different communities is a major step toward breaking down barriers between the "haves" and the "have nots". Huliot's proximity to Kyriat Shemona, an underserved city in the northern periphery, is a major factor in the company's ability to contribute to the larger community.





# Key Highlights

## WASTE SENT TO LANDFILL



## CIRCULAR ECONOMY



In 2023, 333 tons of residual plastic was sent to be pelletized.

# 95%

of the material was reused in Huliot's products.

## HULIOT GOING GREENAIR

In 2023, huliot employees planted hundreds of indigenous saplings such as oak, dates, and olives as part of a major reforestation project in the north of Israel.



## ENERGY CONSUMPTION (KWh/KG)



	EXTRUSION	INJECTION
2021	0.69	1.60
2022	0.66	1.48
2023	0.58	1.20

## REDUCED WATER CONSUMPTION (M³)







# Key Productivity Indicators (KPIs)

Huliot diligently tracks progress on its KPIs. The key categories tracked are waste, customer satisfaction, energy consumption, and work accidents.

Huliot is on target to achieve its 2024 sustainability targets and in some cases surpassed the 2024 target in 2023:

	2021	2022	2023	Target 2024
Kg waste per ton of product	8.1%	8.9%	6.6%	3.9%
Customer complaints per 100 tons of product	0.5	0.8	0.8	0.3
Supplier complaints per 100 tons of product	0.2	0.2	<b>0.09</b>	0.1
Energy consumed kWh Kg product	0.9	0.8	<b>0.7</b>	0.7
Water consumed L/Kg product	1.4	0.6	0.5	0.5
Landfill waste Kg/ton product	1.6	1.7	<b>0.0</b>	1.5
Work accidents per/100k work hours	1.4	2.7	3.0	1.1



# We Aim High

Huliot is proud to have achieved two unique standards developed by the Standards Institute of Israel (SII)



## GREEN LABEL

This coveted label is awarded by the SII to products and organizations that mitigate their environmental impact through organizational processes and reduce the use of environmentally harmful materials. Huliot's UltraSilent, UltraBeton, UltraSWG, SmartLock, and Tavrig+ products achieved this label based on a reduction in the use of hazardous materials and improved energy efficiency.



THE STANDARDS INSTITUTION OF ISRAEL

PLATINUM MARK

## PLATINUM MARK

The Platinum Mark is granted to companies that have achieved certification under at least five management systems.

Innovation is key to Huliot's long term success. During the five years from 2019 to 2023 inclusive, the company invested an average 11% of its total investments in R&D.

**The patent pending SMARTLOCK™ solution is the most advanced intra-apartment drainage system on the market.**

# Our Roots

Headquartered at Kibbutz Sde Nehemia in the northern Galilee, Huliot Israel (Huliot) was founded in 1947 by pioneers who faced multiple existential challenges requiring resilience and ingenuity to survive. Almost 80 years later, Huliot continues to be driven by the same spirit of innovation and excellence that served its founders. Jointly owned by Kibbutz Sde Nehemia (50%) and the Tene Investment Fund (50%), the company focuses on developing flow solutions for the infrastructure and construction industry.



With the increase in extreme weather events caused by climate change, water management in built environments is becoming a major challenge. Huliot specializes in designing and producing a range of water flow, drainage, and sewage piping systems and parts for infrastructure and construction projects. Huliot's products are designed to ensure the safe delivery of clean water, secure disposal of wastewater and sewage, and efficient management of excess rainwater.

# Technology Excellence

The company's production capabilities consist of a diverse array of manufacturing technologies including extrusion for single, multi-layer, and corrugated pipes ranging from 80 mm to 800 mm, rotation and injection molding within a single facility. Huliot is constantly upgrading its manufacturing technology both through inhouse R&D and adaptation of new technologies in the field. Examples of the company's technology excellence include:



## Dual component injection

performed robotically in a single injection process and monitored with special vision equipment



## Four-layer acoustical sewage pipe

empowered by proprietary nano technology for extraordinary acoustic insulation, with socket connection



## Induction welding fitting technology

uses a single welding unit for a range of multilayer composite pipe diameters, for hot-and-cold-water fitting systems



## Extra strong polypropylene sewage piping

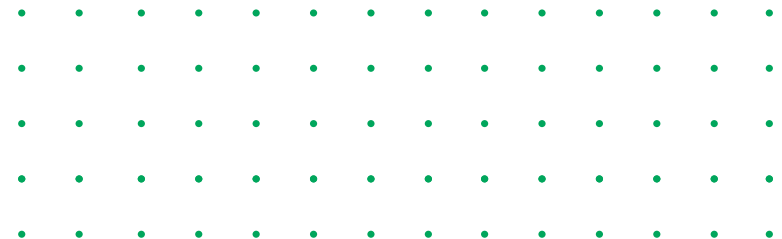
featuring multi-layer technology to support high loads





# Product Families

Huliot Israel designs and manufactures a wide range of building and infrastructure piping, fittings, and accessories. In response to feedback from customers and other market players, the company has developed unique design characteristics such as smooth internal walls that facilitate better flow, acoustic piping that eliminates noise, and novel improvements to installation processes.



## ULTRASILENT™

The UltraSilent product line is a soundproof, triple layer, push-fit system of pipes and fittings for soil and waste discharge. Designed for both low and high temperatures, the system can be installed in ground or within the building structure. Consisting of a three-layer wall structure, the external and internal layers are composed of polypropylene (PP) while the middle layer is made of mineral-filled polypropylene (PP-MD) as are the fittings. Joints are made with push-fit sockets and elastomer seals. All materials are halogen and cadmium free.



## SMARTLOCK™ Save, Quick, Strong

The patent pending SMARTLOCK™ system addresses the issue of leakage in the piping system through a unique dual component injection process. Manufactured by a highly advanced, completely robotic production system, this innovation prevents leakage at the weakest point of the pipe connections. The injection machines incorporate integral process control which provides maximum efficiency and precision. SmartLock eliminates the need for lubrication or chamfer and enables using a plain end pipe, maximizing pipe utilization.



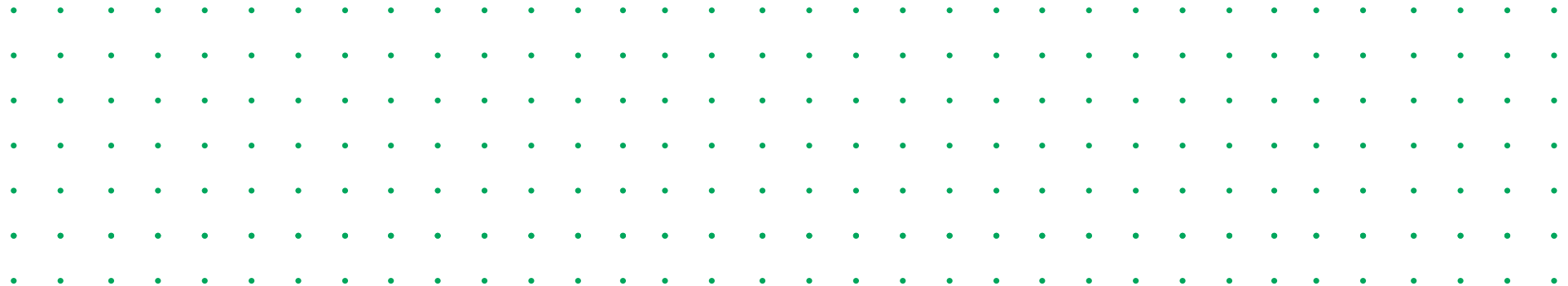


### Push-Fit Polypropylene Wastewater System.

A three-layer drainage piping system for waste systems inside buildings composed of halogen- and cadmium-free co-polymer polypropylene. Joints are made with push-fit sockets and elastomer seals. This system can also be used to create ventilation systems for rainwater drainage.

### HiPE-X®

The HiPE-X® products are used for residential water supply and heating systems. Produced from polyethylene, this produce line is characterized by high density and molecular weight and resistance to high temperatures. The cross-link production process changes the molecular structure of the raw material enabling the piping to withstand high pressure.



## ACCESSORIES

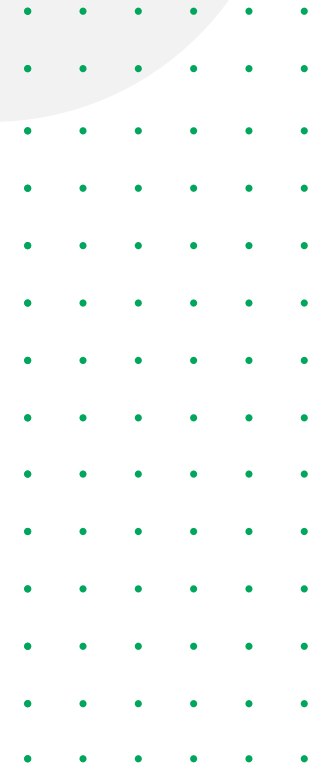
### LOCKSEAL™

LockSeal™ is used when installing pipes in concrete to protect the push-fit connections against vibrations when the concrete is poured and lift forces generated while the concrete is drying. It also prevents the concrete slurry from infiltrating the gasket and decreasing sealing quality.



### PRESSURECLAMP™

Resistant to up to six bars of pressure, Pressure Clamp is a complementary accessory for the push fit ULTRA SILENT™ system. The clamp is designed for parking lot ceilings, exposed rainwater pipes, and blind sewage drainage pipes.



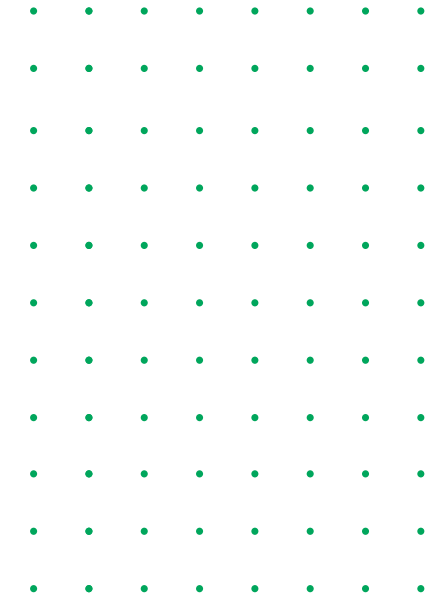




# Governance

## Our Vision

Huliot is committed to a future where plastic piping solutions are not only integral to construction and infrastructure but also incorporate the highest standards of sustainability and efficiency. We aim to lead the industry in creating innovative, eco-friendly products that meet the evolving needs of our global community while minimizing environmental impact.



We strive to be at the forefront of technological excellence, utilizing cutting-edge automation to enhance our operational efficiency and product quality. Our dedication to sustainability drives us to continually seek and implement solutions that reduce waste, conserve resources, and promote circularity in our products. We aim to inspire and set benchmarks for responsible manufacturing practices, ensuring that every product we create supports a more sustainable and resilient future.

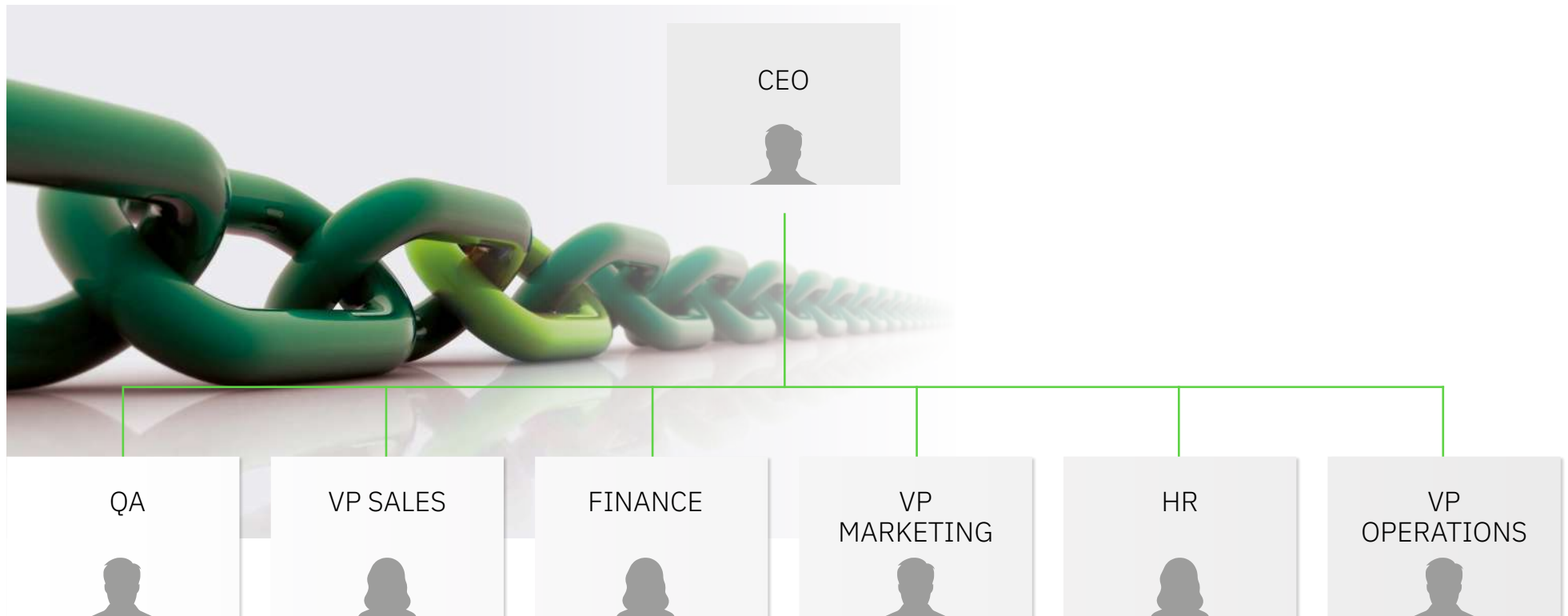
By fostering a culture of innovation, collaboration, and environmental stewardship, Huliot aspires to redefine the role of plastic piping in modern infrastructure. Our vision is to build a legacy of excellence and responsibility, where our products contribute to a greener planet and a better quality of life for all.



# Board of Directors

Huliot Group's 12 directors also serve as Huliot Israel's BOD

- 2 external directors who are both registered accountants
- 2 investor directors
- 8 internal directors bringing professional experience in finance and/or management
- 1 observer appointed by Kibbutz Sde Nehemia



# Quality and Innovation

Quality is a guiding principle underpinning each of Huliot Israel's operations. The company implements an integrated management system (IMS) to ensure the safety and wellbeing of its employees, operational excellence, and environmental protection.

Huliot's products are manufactured under the supervision of the Standards Institute of Israel (SII) and comply with the world's most stringent standards including:

- Germany Deutsches Institut für Bautechnik (DIBT)
- German Plastics Center testing laboratories (SKZ)
- Spanish Association for Standardization and Certification (AENOR)
- Danish Technological Institute (DTI)

The company's rigorous quality policies have earned it accreditation for compliance with the International Standards Organization standards ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.



# Certifications & Approvals



## WORLDWIDE CERTIFICATIONS



## ISO



**ISO 14001: 2015**  
Environmental Management System



**ISO 9001: 2015**  
Quality Management System



**ISO 45001:2018**  
Occupational, Health and Safety Management System

## GREEN LABEL + EPD

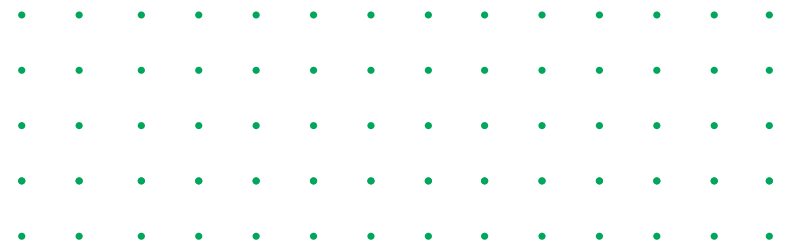


Green Label granted to companies that minimize the use of hazardous materials, improve energy efficiency and reduce environmental degradation



# Our Impact Priorities

Huliot's commitment to the green construction industry is realized through constant efforts to reduce the use of raw materials and landfill waste by incorporating recycled materials in its products and contributing to building the circular economy.



# The Green Construction Industry

**Increasing awareness of climate change and resource depletion is driving a surge in demand for sustainable building solutions.**

Green construction minimizes the ecological footprint of construction projects through:



Utilizing environmentally friendly materials



Implementing efficient energy solutions



Employing sustainable construction methods

Sustainable plastic piping is characterized by reduced energy consumption during manufacturing, a longer lifespan, and lower maintenance costs. Plastic piping is lightweight, which decreases transportation emissions and facilitates easier handling during construction.

Certification and compliance with environmental standards are key to achieving the goals of the green construction industry. Certifications such as LEED (Leadership in Energy and Environmental Design) or similar accreditations that recognize a commitment to sustainable practices are integral to the aims of the industry. Certified plastic piping solutions enable builders to adhere to rigorous standards while demonstrating their dedication to reducing environmental impacts and promoting sustainable development.





# Plastic Piping Industry Impact

The European Plastic Pipes & Fitting Association (TEPPFA) developed a life cycle assessment (LCA) tool for the environmental impact of plastic piping based on seven different criteria: abiotic resources depletion (non-fossil), abiotic resources depletion (fossil), acidification potential, eutrophication potential, global warming potential, ozone depletion potential, and photochemical ozone creation potential<sup>3</sup>.

TEPPFA performed LCAs of plastic pipes for five application segments: soil and waste; pressurized water supply; drainage and sewage; plumbing and hot and cold water; and rain gutters. Various types of plastic materials were compared to pipes made from cement, iron, copper, titan zinc, aluminum, and galvanized steel for a total of 21 application areas.

Almost every LCA performed showed that, over its lifetime of at least 50 years, plastic piping performed on average significantly better from an environmental perspective than any of the other materials.

The end-of-life stage of plastic piping occurs when buildings and infrastructure are either renovated or demolished. Diverting plastic piping from the landfill stream at this stage is critical to reducing the environmental impact of plastic in landfills.

The European Circular Plastics Alliance (CPA), an initiative under the European Strategy for Plastics<sup>4</sup>, has set a goal of

**10 million tons** of recycled plastics in products and packaging by 2025.

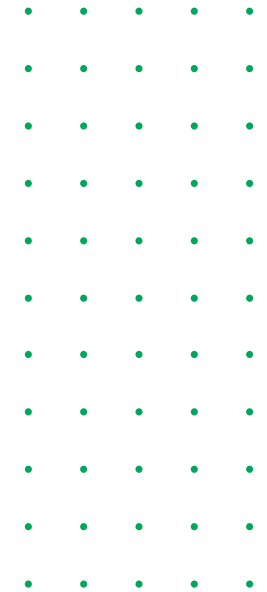
The CPA estimates that

**1.7 million tons** of plastic waste can be recovered from the construction industry.

According to the nonprofit organization Plastics Europe in 2022<sup>5</sup>

**~23%** of the demand for 53.3 million tons (Mt) of plastic products was accounted for by the building and construction industry.

**22.7%** of the products with recycled content were used in building and construction industry.



<sup>3</sup> "Environmental Impact Criteria", The European Plastic Pipes & Fitting Association (TEPPFA).

<sup>4</sup> [https://environment.ec.europa.eu/strategy/plastics-strategy\\_en](https://environment.ec.europa.eu/strategy/plastics-strategy_en)

<sup>5</sup> "The Circular Economy for Plastics", Plastics Europe, March 2024.

# Huliot is committed to the circular economy

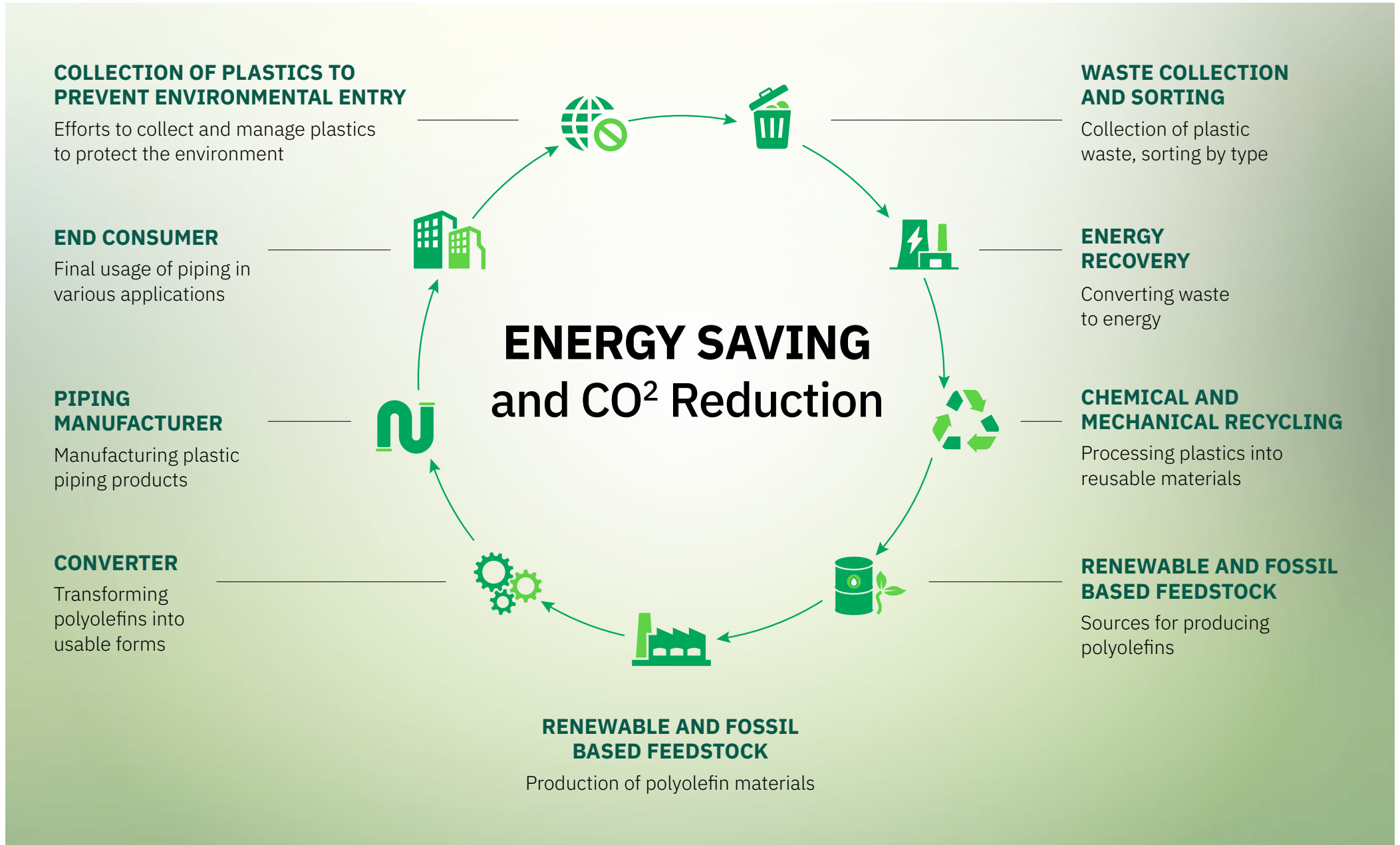
## COLLECTING AND RECYCLING PLASTIC AND OTHER WASTE MATERIALS

Huliot has implemented actions all along the production chain to reduce our impact on the environment. Residual plastic is ground into particles that serve as the middle layer of a three-layer piping system. Plastic waste that is not usable in the production cycle is sold to other companies. The stretch packaging film that is used to wrap components and raw materials delivered to the facility is collected. Using a refurbished compression machine the film is compressed into compact bundles that are sold to another of Huliot Group's subsidiaries. When delivery trucks from that subsidiary are unloaded at Sde Nehemia, the bundles are sent back in the empty trucks.

Other waste materials, such as metals and wood, are sold for reuse or recycling. The electronic waste goes to a unique nonprofit that employs people with special needs. The company retains any pallets that can be reused and sells the unusable pallets and other wood waste to a company that grinds them into sawdust for various agricultural, civilian, and military uses. Paper and cardboard waste is sent to Israel's largest paper recycling facility to be recycled into new products. Huliot packs its products in cartons that are produced from recycled materials.







# Huliot and the UN Sustainable Development Goals

Contributing to specific UN Sustainable Development Goals (SDGs) is key to achieving global sustainability and a useful indication of the sustainability of an organization. Huliot has determined that its activities impact four SDGs.



Gender Equality - Achieve gender equality and empower all women and girls

**Target 5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

**Indicator 5.5.2:** Proportion of women in managerial positions



Ensure availability of sustainable management of water and sanitation for all

**Target 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

**Indicator 6.3.1** Proportion of domestic and industrial wastewater flows safely treated



Ensure access to affordable, reliable, sustainable, and modern energy for all

**Target 7.2** By 2030 increase substantially the share of renewable energy in the global energy mix

**Indicator 7.2.1** Renewable energy share in the total final energy consumption



Ensure sustainable consumption and production patterns substantially increasing recycling and safe reuse globally

**Target 12.5** By 2030 substantially reduce waste generation through prevention, reduction, recycling and reuse

**Indicator 12.5.1** National recycling rate, tons of material recycled



# Our Environment

Huliot works with the T.M.I.R. Manufacturers Recycling Corporation (Tamir), a public benefit corporation, that was established to ensure compliance with Israel's Processing of Packaging regulations. These regulations set recycling targets for general waste (60%); glass, paper, and cardboard (60%); metal (50%); plastic (22.5%); and wood (15%). Tamir develops and implements solutions for waste sorting, collection, and recycling for industry and municipalities.



Huliot's commitment to the green construction industry is realized through constant efforts to reduce the use of raw materials and landfill waste by incorporating recycled materials in its products and contributing to building the circular economy. TAMIR is a nonprofit organization recognized by the government as a key provider of Israel's stringent packaging recycling regulations.

A waste recycling and separation system continually monitors and enables improving the recycling operations. Receptacles are located throughout the facility for separating waste into various categories including packaging, string and rope, food waste, paper and cardboard, and electronics. Signage is posted at each disposal site stipulating, visually and textually, the correct sorting of waste into the different receptacles.



Since 2015 Huliot has reduced the amount of waste sent to landfills by approximately

84%



In 2023, these efforts resulted in a savings in landfill costs of

€183,000



Savings in worker hours of

1600



## CLEAN ENERGY PRODUCTION

Israel gets over 300 days of sun annually making solar energy an obvious solution to offsetting GHG emissions. Solar panels installed on the Sde Nehemia facility produced almost one million kWh in 2023.

Residual polypropylene from the production process is sent to a sorting station that prepares it for use as refuse-derived fuel (RFD). The prepared raw material is transferred a few kilometers to the country's largest cement production facility. In 2023, Huliot sent 63 tons of polypropylene to the facility, equivalent to about 732,000 kWh.

1,732,000 kWh  
renewable energy  
produced



## PROTECTING WATER SOURCES

Huliot's commitment to environmental stewardship extends to the fluid waste created by the production facilities. The company's fluid waste stream is disconnected from the municipal sewage system. Waste water from the production floor is streamed through a separator that separates out the oils which are sold for reuse.

## ENVIRONMENTAL EDUCATION AND AWARENESS

Huliot is committed to creating awareness of environmental issues and engages in a range of activities that promote this goal. The company shares its knowledge with other companies and organizations and invites students to tour its facilities. The company collaborates with the regional municipality, the Upper Galilee Regional Council, to plan and organize educational activities for youth and communities.



# Our Customers

Cultivating and maintaining close relationships with our customers has enabled constant improvement and new additions to the company’s product portfolio. The company has developed the TRUST model based on three pillars:

- 01 Reliability of products and systems
- 02 Relationships that place the customer at the center of the company’s priorities and decisions
- 03 A commitment to good social and environmental values

An uncompromising insistence on the values of reliability and quality has resulted in considerable business success. The company has expanded its product range as well as the solutions offered to the plumbing sector based on continual interaction with plumbers, infrastructure contractors, and planners. Huliot is considered Israel’s leading brand for plumbing infrastructure.

Every two to three years, the company conducts an extensive customer survey. In 2020, 32 of the

company’s key customers were surveyed including the company’s 10 largest customers. Topics included service, innovation, quality, cost-benefit, and professionalism. A similar survey was conducted in 2017. As can be seen from the table below, the company is moving in the right direction in terms of overall customer satisfaction:

Overall Score	2017	2020
100	1	5
90-99	11	7
81-89	9	14
55-80	11	5





# Our People

The company provides gainful employment to over 220 residents of the diverse surrounding communities. As a kibbutz founded and owned entity, generations of kibbutz members have worked in the company, promoting an atmosphere of mutual support and extended family. The company has continued this tradition in its commitment to providing a supportive and caring environment for all its employees.

Huliot is in the process of preparing an employee satisfaction survey and restructuring its compensation and benefits to increase employee satisfaction and retention. A new bonus system is being implemented to encourage managers to be part of the company's success. The HR department has integrated a global digital platform called Bob<sup>6</sup> to manage time, talent, performance, and culture. The platform also serves as a companywide communications website in addition to the smart phone application WhatsApp.

**Recruiting the best employees goes hand in hand with a commitment to becoming a preferred employer. Huliot is in the process of conducting an interdepartmental survey to gain insights on how to improve workplace conditions and develop a more attractive compensation and benefits package. The HR department is investing resources in improving the recruitment process to make the company visible to potential employees.**

Each year the HR department develops and implements a comprehensive skills training and employee development program. Topics covered include safety in the workplace, operations, and maintenance and supply chain management. Two teams are required to take a first aid course and all employees are required to take a general workplace safety course.

As most of Huliot's operations center around the production facility, 80% of the company's employees engage in production. A majority of these employees are from Israel's minority communities. The remaining 20% hold managerial and administrative positions.

## Not only work

Social activities and holiday celebrations are a big deal at Huliot. The company recognizes personal life events such as birthdays, gifts for employees' children who are starting first grade, and financial gifts for weddings and births. Employees receive a yearly vacation bonus. In addition to an annual day of fun for the entire company, departments organize Fun Days for the employees and their families. Retiring employees are honored for their contribution and the company provides retirement planning services.

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<sup>6</sup> This platform was given a 4.6 (out of 5) star rating in a recent Gartner Peer Insights survey.



# Our Community

**As a highly successful organization that is embedded in an area populated by a mixture of agricultural communities and an urban community in the town of Kyriat Shemona, Huliot strives to contribute to the region's economic and social needs.**

Among its ongoing activities to achieve this goal is the company's relationship with two local organizations—the Renanim School and the Revadim hostel. An annual plan of activities is developed together with the organizations. These relationships have been mutually beneficial and have enabled employees to provide value to the wider community.

Huliot has collaborated with several nonprofit social organizations to launch a unique leadership team to promote the rights of employees with disabilities. Team members were equipped with resources and tools to influence and lead change. Each participant took on a project to promote the issue in the workplace and among their families and friends.

## HELPING PEOPLE WITH SPECIAL NEEDS IS A WIN-WIN.

### Volunteer Programs

For years, Huliot's employees have been given the opportunity to engage with students and adults with special needs. The Rananim School is a local special education school that serves students between the ages of elementary school and twenty-one. The Revadim Hostel is a residence, leisure, and employment center for adults with intellectual developmental disabilities.

Throughout the years the company's employees have been involved in activities with both these organizations such as:

- Traveling to Jerusalem for a night tour of the city together with residents of the Revadim Hostel
- Celebrating Hanukkah candle lighting together with Hostel residents
- Inviting the Rananim School orchestra to perform at the company's annual conference
- Providing support by the company's marketing team to rebrand the Rananim School and financing the graphic design work for the updated communications
- Participating with students to improve the appearance of the school's grounds

### A Special Place for Special People

Huliot has taken its approach to people with special needs a step further by integrating them into its workforce. The company provides people with disabilities of all kinds to engage in productive employment and become contributing members of society.

# Huliot helping people in time of need

On October 7 Israel experienced the worst tragedy of its modern-day history when it was attacked by HAMAS. In the aftermath of the attack in the south and subsequent attack in the north, over 200,000 Israeli civilians became homeless overnight. Thousands of residents from the southern communities lost not only friends and family, but their homes which were destroyed in the ensuing battle. Citizens living near the northern border were forced to leave their homes, many of which have been damaged beyond repair by Hezbollah missiles. As of this writing, most of these evacuees are still homeless.

As the magnitude of the attack became clear, Huliot employees jumped into action. The initiatives that employees put into action included cooking and baking for reserve soldiers and evacuees relocated to temporary housing, gathering and donating computers and other equipment to children whose homes had been destroyed, collecting and donating warm clothing, collaborating with the Maccabi Tel Aviv soccer team to donate soccer balls, and pitching in on evacuated farms to harvest produce.

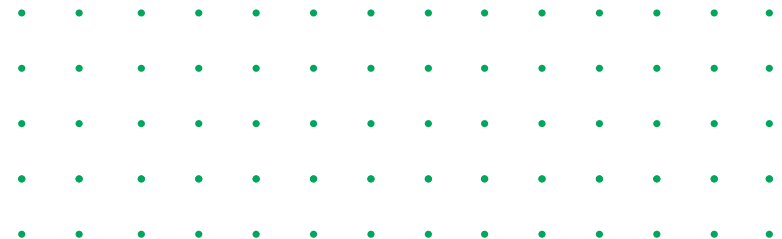






# Future Targets

Our commitment to sustainability on every level is driven by the recognition that creating value for all our stakeholders is a mutually beneficial undertaking. This commitment is realized daily in all of our operations and activities.





# Huliot has established the following targets:



## Reduce Scope 1 and 2 net emissions

Reducing net emissions requires both reducing energy consumption and increasing the consumption of renewable energy. Currently the company's energy is obtained from the Israel Electric Corporation (IEC).<sup>7</sup> Huliot leases 39 cars for its staff. One third are either electric or hybrid.



## Reduce water usage

Water that is used for the extrusion and injection processes is captured in a closed loop but some water is still lost through leakage. This system will be upgraded to eliminate all leakages and retain 100% of the water used in a closed system.



## Preparation for Scope 3 reporting

As the largest subsidiary of a global corporation with operations in Europe, Huliot is gearing up to collect and report its Scope 3 emissions. This will require interacting with suppliers to acquire their data as well as incorporating protocols and tools to collect our operations data.



## Continue to develop customer relations

Our customers are the most valuable source of information on the quality of our products and evolving market needs. We owe our success in large part to communicating and interacting with our customers over decades of service. Retaining and expanding our customer base is a driving force behind identifying, fixing, and improving our service and product offering.



<sup>7</sup> In its latest report from September 2023, in 2022 the IEC generated 4.8% electricity from renewable sources, mainly solar power, and another 22.4% was generated from natural gas. The remainder is derived from fossil fuels. The IEC forecast for 2025 calls for 17% of energy production to be come from renewables and 37% from natural gas.



## Huliot Going Green

Our Going Green program is the cornerstone of our dedication to safeguarding the environment. In pursuit of our circular economy goals, our R&D department continually seeks methods to increase the use of recyclates. Preserving nature is a primary objective of our approach to environmental sustainability. We are partnering with Israel's Nature and Parks Authority to develop and implement a high impact nature related project.



## Become an attractive workplace

Recruiting and maintaining committed, skilled employees is not only key to our company's success but a significant contribution to the greater community. As one of the largest employers in our area, we have a responsibility to provide our employees with a safe work environment that promotes employee development and provides fair wages and benefits. In the coming year, an employee survey will be conducted to identify issues for improvement that will enhance Huliot's position as a preferred employer.

*Huliot Israel is part of the Huliot Group, a group of companies with the common goal to "Make It Flow". Huliot Group designs, manufactures, and markets products that enable clean water to safely reach consumers and wastewater to be securely disposed.*



# Huliot® Group

 Huliot Israel

 Huliot Slovenia

 Huliot India

 Huliot Hofit

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