



ESG Report

AZRIELI
GROUP

2019-2020

WITH UPDATES FOR 2021

Spearheading National
Development

WELCOME

CORPORATE RESPONSIBILITY
REPORT

AZRIELI
GROUP

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WELCOME

CORPORATE RESPONSIBILITY REPORT

A Message from the Chairwoman of the Board,
Ms. Danna Azrieli

Dear Stakeholders,

It is an honor to present the Azrieli Group's Corporate Responsibility Report for the years 2019 and 2020, summarizing the Company's significant activities as they relate to corporate social responsibility. This report, the first published by the Group, has been prepared in accordance with leading international standards, reflecting our work and achievements in the areas of social responsibility and environmental sustainability and detailing our priorities for the years ahead.

As Israel's leading real estate company, we develop and manage properties across the nation, all the while creating innovative and accessible sites for every person at every stage of life. Out of a sense of social, corporate, and environmental responsibility, we strive to shape the way people work, shop, and live, without compromising on the value we create for all

our stakeholders. The Group's operations serve as a growth engine for the Israeli economy, generating thousands of jobs and driving local economic activity forward and upward.

The core values underlying our activities include leadership, commitment to Israel, responsibility, excellence, professionalism, innovation, customer service, customer experience, integrity, and fairness. Over the years, the Group has made considerable contributions to educational and social advancement in Israel through donations to the Azrieli Foundation (Israel) (R.A.), a non-profit organization. As part of its corporate responsibility plan, the Group will continue to make direct contributions to various causes and organizations.

Our properties are strategically located throughout the

country, with some having become landmarks within the Israeli landscape, such as Tel Aviv's Azrieli Center and Azrieli Sarona Tower. As a leader in the real estate sector, we also aim to lead in the area of sustainability, set the highest standards in ESG goals (Environmental, Social & Governance), bring about broad practical change in initiating, operating and managing the Group's real estate projects with regard to environmental sustainability, and promote conceptual change through education and community outreach across Israel.



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CORPORATE RESPONSIBILITY
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A Message from the Chairwoman of the Board,
Ms. Danna Azrieli

We invite you to read about the social, environmental and economic aspects of the Group's operations, objectives, commitments and overall vision as detailed in this report. Approximately 40% of our properties are LEED certified (a set of American standards for green construction) and additional projects in development are slated to be registered for LEED certification. These standards define some of the most rigorous environmental planning requirements in the world and allow us to use resources efficiently, while reducing our ecological footprint. We are currently in the midst of a pilot project for recycling and reducing waste in the Tel Aviv Azrieli Center, with the aim of reducing the amount of waste transferred to landfills by at least 50% over the next three years. This pilot project is designed as an optimal model for waste management that will be replicated in additional Group properties in the future, and could serve as a basis for other entities in the industry who seek to implement

similar projects on their premises.

2020 was a daunting year for the Israeli economy and for the global economy as a whole. The outbreak of the COVID-19 pandemic posed new and complex challenges, including a significant impact on operational, business and social development. In the face of these challenges, we have taken various measures to ensure business continuity and preserve our long-standing relationship with tenants, residents, customers, employees and all visitors to the Group's properties.

We shall continue to reinforce our social and environmental commitment and expand our involvement and investment in the community. Our corporate responsibility is firmly rooted in our company culture and integrated into our strategy and policies, as we set CSR targets in each of the Group's operational segments and strive to maximize our positive impact on the environment and society.

On a personal note, I see great importance in integrating sustainability and corporate responsibility into the core of the Group's business operations. We achieve this by recognizing the collective responsibility to conserve the environment in which we live, conducting ethical business practices, and supporting the education of future generations. All of these require managerial input and significant resources, and I firmly believe that such investment will prove greatly beneficial to our Company and its stakeholders.

**Yours,
Danna Azrieli,
Chairwoman of the Board**

ABOUT THE GROUP

CORPORATE RESPONSIBILITY
REPORT

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About The Group

Group Profile

The Azrieli Group is Israel's leading real estate company. For almost 40 years, we have been active in the real estate sector: building, developing and managing shopping malls, office spaces, and more recently, senior housing. In addition, we are engaged in the income-producing property segment abroad, mainly in the United States. We also entered the field of data centers through an investment in a U.S. company and an acquisition of a Norwegian Data Center company.

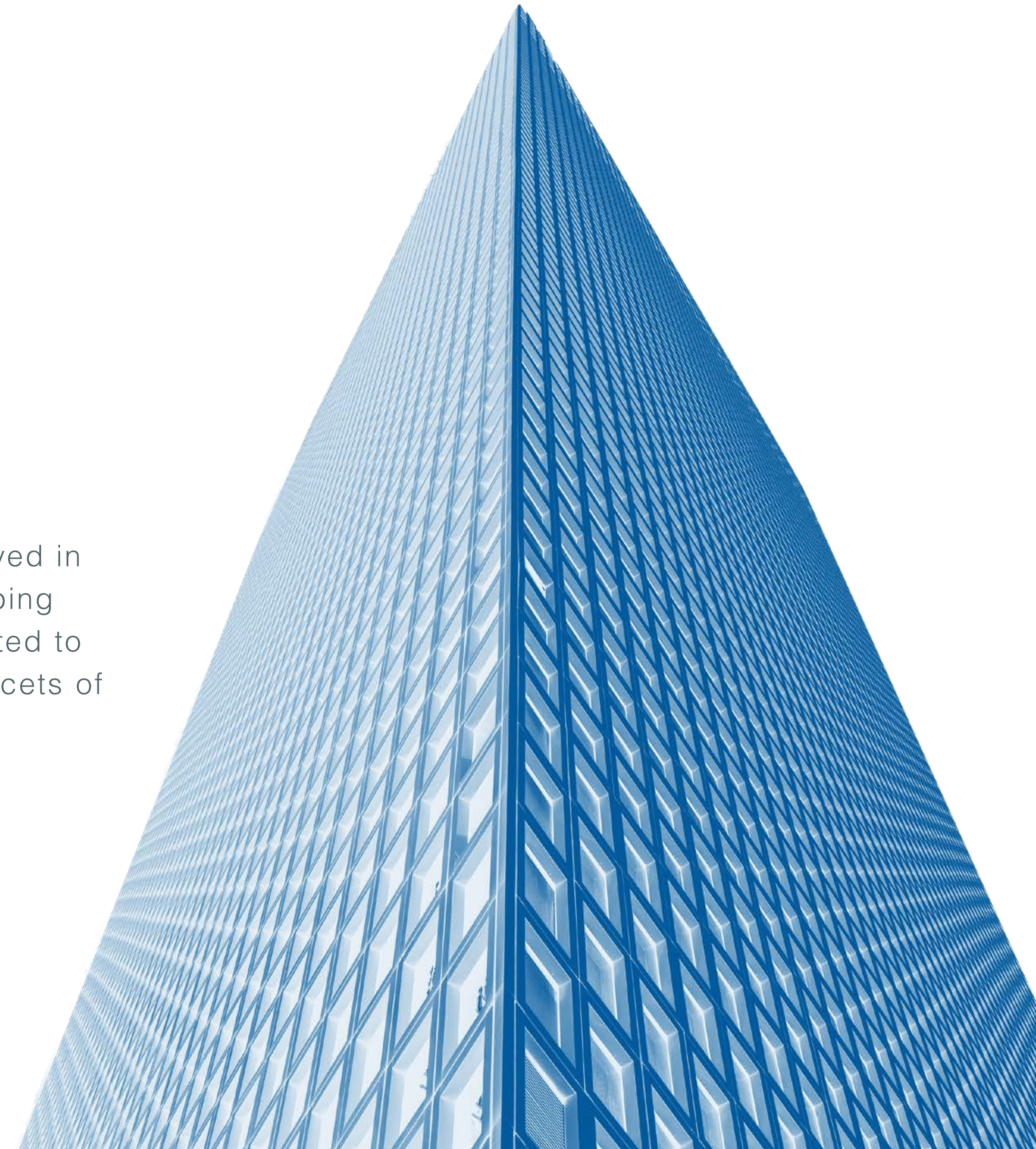
ABOUT THE GROUP

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Our Vision

The Azrieli Group is an Israel-based real estate company that is involved in constructing innovative, dynamic and accessible sites for work, shopping and living for every person at every stage of their life. We are committed to maximizing corporate, social and environmental responsibility in all facets of our business.



ABOUT THE GROUP

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Our Operating
Segments

Shopping malls and
retail centers

We develop, construct, acquire, rent, manage, and operate retail centers and shopping malls across Israel. Management services are performed directly by the Group and/or through dedicated, Group-owned management companies.

Office buildings in Israel

In this operating segment we engage in the development, acquisition, leasing, management and maintenance of office towers and business centers. Many of the Group’s income producing properties are projects that integrate retail and commercial office spaces into mixed use projects.

Data centers

The increasingly growing demand for data storage has led to global technological advancements. The prevalence of cloud-based storage solutions and the transition to outsourcing information management services have led the Group to invest in the field of data centers. Our strategic effort to enter operating segments synergetic to our income-producing property activity has led us to invest in the North American company, Compass, and to fully acquire the Norwegian company, Green Mountain.

Palace Senior housing

We are engaged in the operation and development of senior housing facilities for the elderly population. Our facilities feature high-quality standards and ancillary services. The Company holds four senior housing properties designed for independent living and has two projects under construction. The properties also offer medical and assisted living facilities as part of the range of services available to its residents.

Azrieli.com

Our e-commerce website offers marketing and sales solutions for businesses seeking to sell their products online. We strive to develop a platform as part of our omni-channel approach to customer engagement, integrating both physical and digital commerce.

Hospitality

The Group recently entered this sector through its mixed-use projects. Our expansion of the Azrieli Center (Spiral Tower) in Tel Aviv will include a hotel with an expected 250 hotel rooms and suites. A hotel in the city of Modi’in is slated to include approximately 85 hotel rooms and suites. In addition, in 2020 we completed the acquisition of the Mount Zion Hotel in Jerusalem.

Income-producing
real estate in the U.S.

The Group owns several leasable office properties in Houston and Austin, Texas. These properties are located in populated, urban areas with high demand for office space.

The Azrieli Group in Numbers¹



1.3M

Total area of income-producing real estate (sq m)



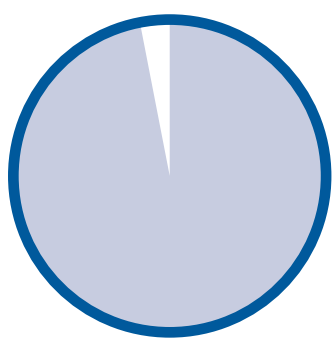
361

Number of employees



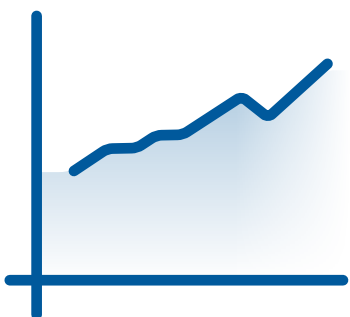
40K

Number of office occupants



97%

Average occupancy rate in Israel



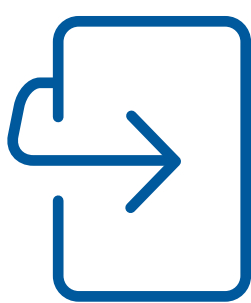
1,600M

NOI – Net Operating Income of income-producing real estate (NIS)²



3K

Number of tenants (malls and offices)



60M

Number of visitors per year



12

Properties bearing a LEED standard, Energy Star, or the Israel Green Building Standard 5281

1. The figures are rounded and refer to assets as of 31Dec20, as detailed in the Group's financial statements.
For further information regarding the Group's performance for the year 2020, see our annual consolidated financial statements.

2. Excluding the effect of the relief given to tenants in 2020 due to the Covid-19 pandemic.

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18

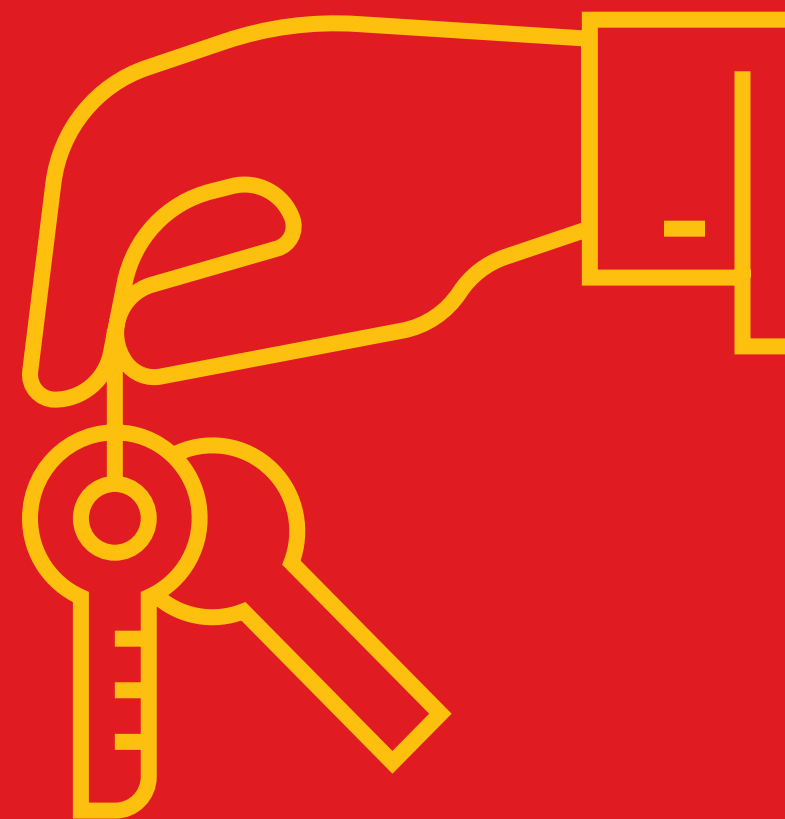
Retail centers and
shopping malls

98% occupancy rate
352 thousand sq m

11

Real estate sites
in development

645 thousand sq m



15

Office spaces and
others in Israel

96% occupancy rate
628 thousand sq m



8

Income-producing properties
in the U.S. (offices)

246 thousand sq m
77% occupancy rate



4

Senior housing facilities
in Israel

97% occupancy rate
105 thousand sq m

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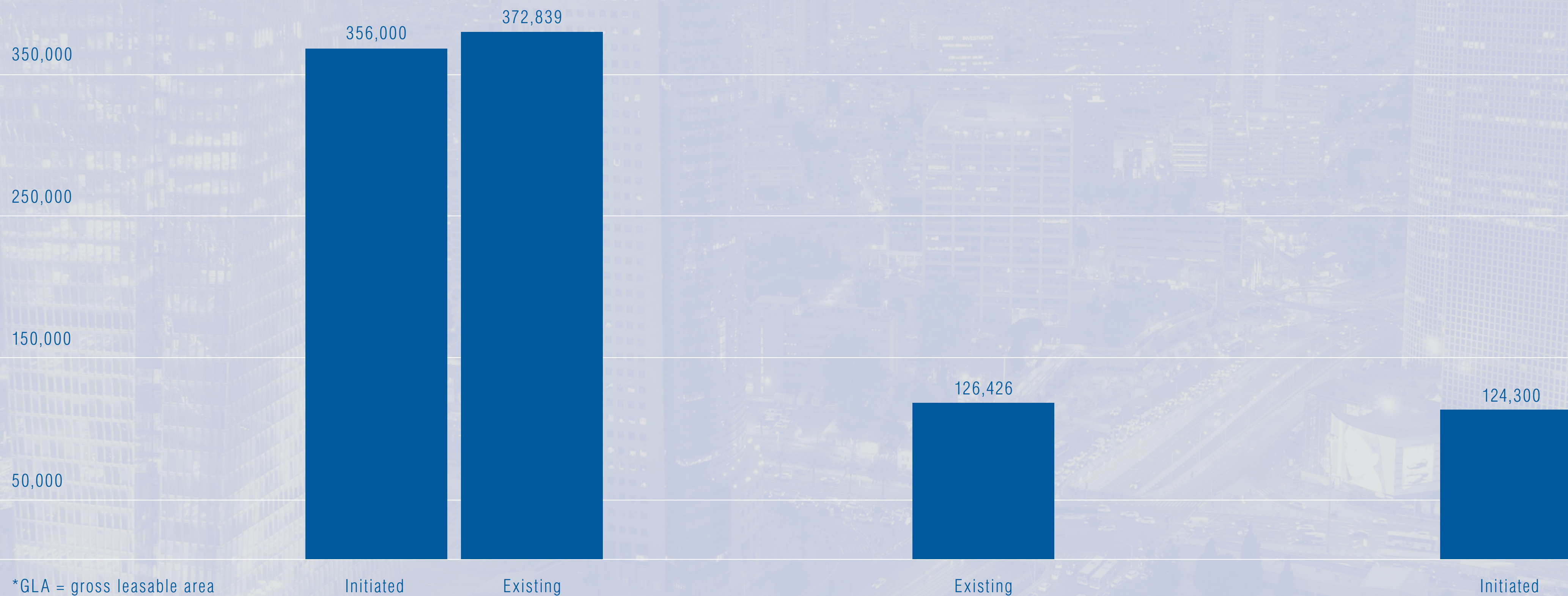
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Total GLA area of Azrieli properties that are certified under green construction standards - Israeli or international (in meters)

LEED

ENERGY STAR

ISRAELI STANDARD 5281



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10 Little-Known Facts About Us

1.

Our founder, Mr. David Azrieli, originated the word "Canion" – Shopping mall in Hebrew.

2.

Approximately 20 international retail chains launched their first branches in Israel within Azrieli shopping malls, including H&M, McDonald's and Foot Locker.

3.

Azrieli.com is the first platform of its kind in the world to consolidate the activities of a group of shopping malls - brands, payment and shipping - all under one website.

4.

The Azrieli Group is the fourth largest company on the Tel Aviv Stock Exchange in terms of market value (as of the date of this report).

5.

The Group aims for every property developed going forward (offices and commerce) to be certified by a green building standard such as LEED.

6.

We donated NIS 20.4 million to community initiatives in the years 2019 and 2020 through the Azrieli Foundation (Israel) (R.A.). In the past 10 years, we donated approximately NIS 120 million to various community initiatives through the Azrieli Foundation (Israel) (R.A.).

7.

We established a tenant aid fund amounting to NIS 100 million in response to the challenges presented by the COVID-19 pandemic.

8.

According to a study conducted by Tel Aviv University in collaboration with the Maala Index, we were one of the five most beneficial companies to Israeli society in 2019.

9.

Women account for 44% of the Group's Board of Directors.

10.

As part of the Group's policy, we advocate equal pay for women and men.

The Azrieli Group Through Its Years of Operation



ABOUT
THE GROUP

➤ 1983



The Azrieli Group,
founded by Mr. David Azrieli OBM,
is incorporated as a private company.

GROUP
PROFILE

➤ 1985



Launch of the Ayalon Shopping Mall, Israel's
first shopping mall, bringing a real change to the
consumption habits of the Israeli public.

AZRIELI
GROUP

➤ 1990-97



Launch of the Negev Mall
and the Jerusalem Mall.

➤ 1998



The Tel Aviv skyline is forever changed by the
Azrieli Center towers.

ABOUT THE GROUP

2006

The Group acquires a controlling share in Granite Hacarmel, a holding company operating in the oil and alternative energy sources segment with companies such as "Sonol," oil distribution company "SuperGas," "Tambur" paints manufacturer, and GES water desalination.

GROUP PROFILE

2008-9

Launch of the Modi'in Mall, completion of the square tower in the Azrieli Center, Or Yehuda Mall, acquisition of the Givataim Mall, a 20% holding in Leumi Card and a 4.8% minority holding in Bank Leumi, Israel's second largest bank.

AZRIELI GROUP

2010

The Group's shares become publicly traded in the largest IPO in the history of the Tel Aviv Stock Exchange.

2010-14

Launch of the Acre Mall, Kiryat Ata Mall, and the Azrieli Holon Business Center. Acquisition of the Haifa Mall, Holon Mall and the Herzliya Business Park.

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➤ 2014

Danna Azrieli

Ms. Danna Azrieli is an Israeli real estate developer and philanthropist. Since 2014 Danna has been Chairwoman of the Azrieli Group, Israel's largest publicly traded real estate company. During her tenure between the years 2014-2021, the Net Operating Income of the Azrieli Group has had exponential growth of 43%.



ABOUT THE GROUP

2015

The Group enters the senior housing segment with the acquisition of Palace Tel Aviv senior housing residence.

GROUP PROFILE

Launch of the Ramla Mall and construction of an additional floor in the Ayalon Mall.

AZRIELI GROUP

2017

Launch of the Rishonim business and retail center and acquisition of Palace Raanana.

2018

Completion of the Sarona Tower.

Palace Modiin

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2019-2020

Investment in Compass, a company engaged in the data centers business.

The group has completed the sale of all its holdings in Granite Hacarmel and its subsidiaries and has transitioned its focus towards real estate in Israel. The Group enters the hospitality segment with the acquisition of the Mount Zion Hotel in Jerusalem.

2021

Acquisition of Green Mountain, a company active in the field of data centers in Europe.

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➤ 2020

Hamanor Holon



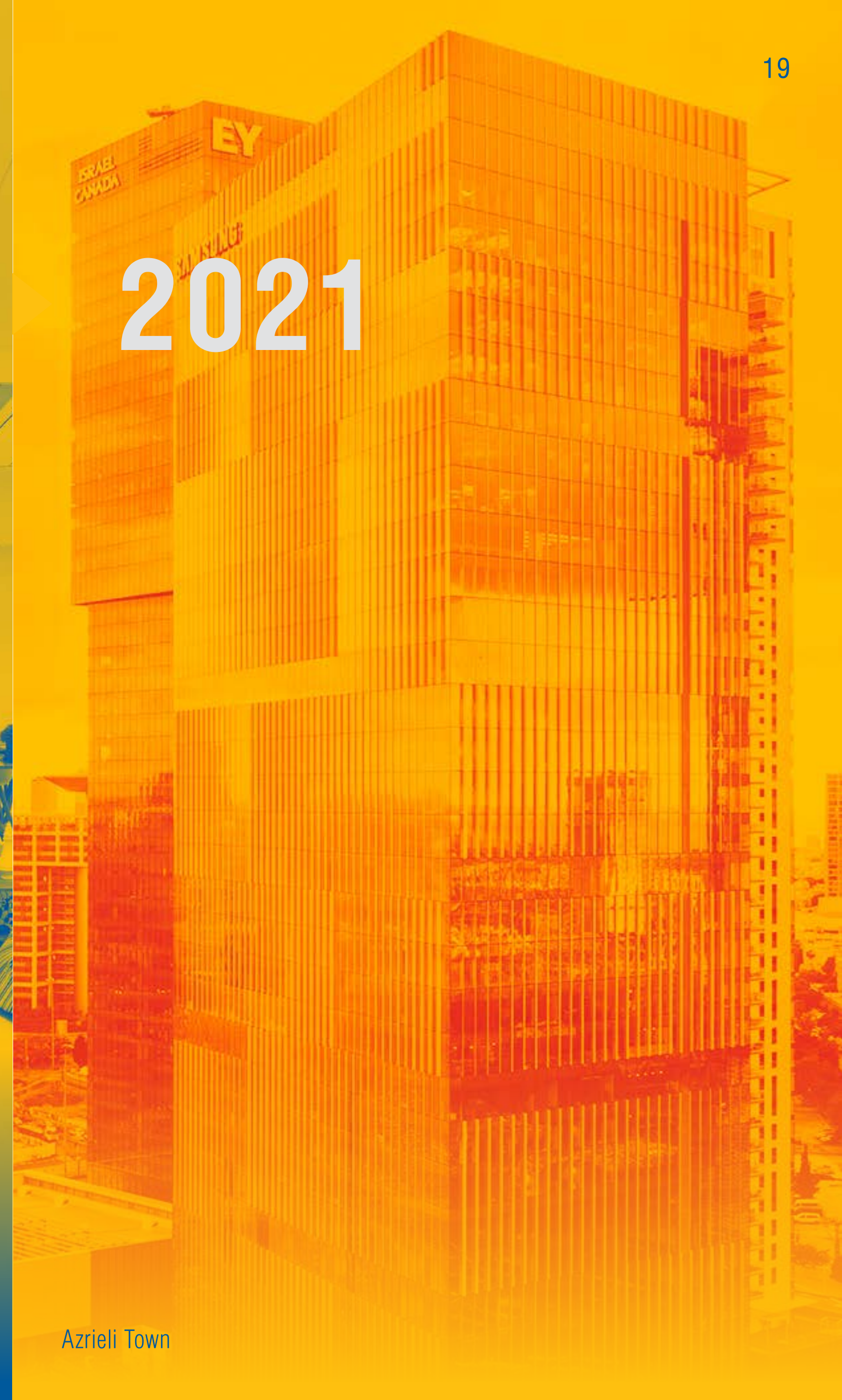
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Palace Lehavim



2021

Azrieli Town



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The CBD of Tel Aviv



Azrieli Sarona

The Spiral Tower

Azrieli Center









Azrieli TOWN
Residential & Retail

Azrieli TOWN

Azrieli TOWN
Building E

Assets by Operating Segment

Azrieli Group Brekdown of Properties

	PERCENTAGE OF SEGMENT ASSETS OUT OF TOTAL ASSETS	TOTAL BALANCE SHEET ASSETS (IN NIS MILLION) AS OF THE DATE OF THIS REPORT
Retail centers and shopping malls in Israel	 35%	12,431
Leasable office and other space in Israel	 35%	12,463
Senior housing in Israel	 8%	2,597
Income-producing properties in the U.S.	 6%	2,126
Cash and cash equivalents	 8%	2,646
Data centers	 3%	1,101
Hotels	 1%	292
Holdings and other	 4%	1,468

*As of 2020.

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Group
Organizational
Structure

- 01 **Danna Azrieli**
Owner & Chairwoman of the Board
- 02 **Eyal Henkin**
Chief Executive Officer
- 03 **Irit Sekler - Pilosof**
Deputy CEO and CFO
- 04 **Uri Kilstein**
Deputy CEO and Head of Malls
- 05 **Nirit Zeevi**
VP Legal Advisor & Company Secretary
- 06 **Sharon Arie**
VP Engineering and Construction
- 07 **Elad Alon**
VP Innovation and Business Development
- 08 **Rachel Mittelman**
VP, IT
- 09 **Gideon Avrami**
VP, Head of Offices
- 10 **Yoram Ben Porat**
VP, Head of Senior Housing
- 11 **Israel Keren**
VP, Operations
- 12 **Rafi Wunsh**
VP International Real estate & Data centers
- 13 **Ofer Yarom**
VP, Marketing and Digital
- 14 **Gabi Oved**
Chief Architect
- 15 **Eli Maor**
Head of Hotel Operations
- 16 **Michal Alaluf –Tamir**
Head of HR
- 17 **Daniel Koren**
CEO Azrieli.com



ABOUT THE GROUP

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Headquarters and Property Locations

We operate mainly in Israel, with some activities in the United States. In Israel, we maintain presence throughout northern, southern and central urban areas of the country. The Group headquarters are located in the Azrieli Center towers in Tel Aviv.

Membership in International Organizations

Azrieli Group shares are listed on the EPRA Index. EPRA, the European Public Real Estate Association, encompasses all publicly listed companies in the European real estate sector. A listing on the EPRA affords the Azrieli Group greater visibility to international investors based on its percentage weight in the index.

Approximately 90% of the Group's income-producing real estate (aggregate) is located in Israel.

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Awards, Recognitions and Ratings

In 2018, the Azrieli Sarona Tower was selected as a finalist for the Best Tall Building Award.

In 2019, Azrieli Sarona Tower won the Council on Tall Buildings and Urban Habitat's Façade Engineering Award.

In 2020, the Azrieli Spiral Tower was announced as a winner of the International Architecture Award by the Museum of Architecture and Design and by the European Centre for Architecture.

The Azrieli Group was named an Israeli Superbrand for the fifth consecutive year in 2019 by Globes Magazine. The Azrieli brand is synonymous with marketing excellence in the real estate industry.

For over seven years, the Azrieli Group has ranked among the top two companies in the income yielding real estate sector of Dun's 100, a comprehensive ranking of Israeli companies and their management. This ranking acknowledges the Azrieli Group as one of the best companies on the Israeli market.

The Azrieli Jerusalem Mall has been rated first in the Marker Magazine's annual shopping mall index for five consecutive years. The Jerusalem Azrieli Mall is known for its customer satisfaction and management, for which the mall rated number one and number two, respectively.



Our Approach To Sustainability

OUR APPROACH TO SUSTAINABILITY

CORPORATE RESPONSIBILITY
STRATEGY

AZRIELI
GROUP



CORPORATE RESPONSIBILITY STRATEGY

Spearheading national development
while championing environmental,
social and governance issues

We strive to establish the Azrieli Group and its brand as a model for commitment to the environment and the community, both locally and at a national level for all our stakeholders: tenants, visitors, residents, employees, suppliers, our community and the environment.

We uphold our commitment to Israel by building and strengthening the national economy, making and embracing various commitments designed to better society, and raising the bar on eco-friendly practices. We fulfill these through:

OUR APPROACH
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CORPORATE RESPONSIBILITY
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1. Environmental responsibility

Green construction; waste management; setting and meeting targets for reduced emissions; minimizing the use of non-biodegradable materials; managing water consumption; improving energy efficiency; reducing our ecological footprint; raising awareness of the need for environmental protection.

2. Social responsibility

Meaningful dialogue and connection with the community; active involvement with and contributions to Israeli society; promoting educational and social excellence in Israel through education, medical and scientific research, community, welfare, art and culture.

Creating a safe and empowering environment for our employees, tenants and customers; developing and diversifying our human capital; providing high quality accessible service; promoting innovation, transparency, fair and respectful conduct.

3. Governance and economic responsibility

Business resilience and stability; creating new employment opportunities; investing in infrastructure; bolstering and supporting the resilience of other businesses.

We have defined six core spheres of influence to help us realize our action plans and bring our corporate responsibility vision to life:

- Community and stakeholders
- Human capital
- Environment
- Innovation in real estate
- Corporate governance and responsible management
- Construction

Our belief in corporate responsibility is firmly rooted in our corporate culture. Environmental, Social and Governance (ESG) principles are integrated into our policies, evaluations and decision-making process, and our commitment to uphold them is reflected in our comprehensive code of ethics and in our various operations and assets.

POSITION HOLDERS ENTRUSTED WITH CORPORATE RESPONSIBILITY

Our Chairperson, Ms. Danna Azrieli, promotes corporate responsibility issues within the Group and is the organization’s most senior decision-maker to approve our corporate responsibility report.

Ofer Yarom is the Group’s VP of Marketing and Corporate Responsibility, Dr. Alit Wiel-Shafran is the Group’s Sustainability and Environment Manager and Shirel Vertman Machluf is the Group’s Corporate Responsibility Coordinator.

United Nations Sustainable Development Goals

In line with our corporate responsibility strategy, we have adopted the United Nations Sustainable Development Goals (SDGs). These goals address global challenges related to social, environmental and economic issues, and are designed to create a common vision and targets so as to enable a more sustainable world.

Throughout this report, the SDG symbols will be presented beside the steps we take to achieve them.






OUR APPROACH
TO SUSTAINABILITY


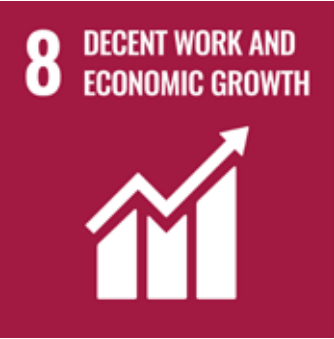
CORPORATE RESPONSIBILITY
STRATEGY

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Key Objectives

GOAL NUMBER	REFERENCE CHAPTER IN THIS REPORT	OBJECTIVE AS DEFINED BY THE UN
	Social and Communal Responsibility	<p>4.3 Equal access to affordable technical, vocational and higher education</p> <p>By 2030, ensure equal access for all women and men to affordable and quality technical and higher education, including university.</p>
	<p>Responsible Management</p> <p>Our Employees: The Human Advantage</p>	<p>5.5 Ensure full participation in leadership and decision-making</p> <p>Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.</p>
	Building Sustainably	<p>6.4 Increase water use efficiency and ensure freshwater supply</p> <p>By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater.</p>



Key Objectives

GOAL NUMBER	REFERENCE CHAPTER IN THIS REPORT	OBJECTIVE AS DEFINED BY THE UN
	Building Sustainably	<p>7.3 Improve energy efficiency</p> <p>By 2030, double the global rate of improvement in energy efficiency.</p>
	Our Employees: The Human Advantage	<p>8.5 Comprehensive employment and fair work, equal pay</p> <p>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.8 Protect workers’ rights and promote a safe work environment</p> <p>Protect labor rights and promote safe and secure working environments for all workers.</p>

Key Objectives

GOAL NUMBER	REFERENCE CHAPTER IN THIS REPORT	OBJECTIVE AS DEFINED BY THE UN
	Building Sustainably	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure</p> <p>To support economic development and human well-being, with a focus on affordable and equitable access for all.</p> <p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable</p> <p>With increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities.</p>
	Building Sustainably	<p>11.6 By 2030, reduce the adverse per capita environmental impact of cities</p> <p>With special emphasis on air quality and municipal and other waste management.</p>

Key Objectives

GOAL NUMBER	REFERENCE CHAPTER IN THIS REPORT	OBJECTIVE AS DEFINED BY THE UN
	Building Sustainably	<p>12.5 Substantially reduce waste generation</p> <p>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
	Building Sustainably	<p>13.1 Climate resilience</p> <p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.</p>

OUR APPROACH
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OUR IMPACT
MODEL

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Our

Model

IMPACT

Creating Impact — Leadership, Innovation And Quality

We have identified the material aspects that reflect the Group's significant economic, environmental and social impacts on our stakeholders.



OUR APPROACH TO SUSTAINABILITY



ENVIRONMENT

- Designing, building and operating green buildings
- Leading Israeli's recycling revolution
- Reducing the carbon footprint of our tenants and our properties
- Promoting environmental innovation and technological development
- Raising environmental awareness

TENANTS AND CUSTOMERS

- Creating comfortable and unique spaces
- Enhancing and supporting business resilience
- Creating accessible, safe and inviting spaces for social gatherings
- Generating optimal business opportunities for our tenants
- Bringing leading brands together in one place
- Insisting on exceptional customer experience
- Maintaining customer privacy

AZRIELI
GROUP

COMMUNITY AND SOCIETY

- Developing sustainable spaces
- Investing in infrastructure
- Strengthening the economy
- Enabling job creation and additional hiring opportunities
- Promoting community resilience and growth

HUMAN CAPITAL

- Promoting organizational ethics and transparency
- Prioritizing employee development and training
- Enhancing opportunity equality and gender diversity
- Promoting employee experience and well-being
- Enabling a safe and healthy workplace

Material Aspects And Boundaries

Identifying and Evaluating Material Aspects

In accordance with the principles established by the GRI Guidelines, we performed an analysis to define the material aspects under the various reporting standards (GRI, SASB, GRESB, EPRA); we aligned our initiatives based on reviews of global companies in the same industry while conducting an ongoing dialogue with various stakeholders through meetings, surveys, tours, document analysis and a dialogue with Group executives.

OUR APPROACH
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Significance to the Azrieli Group

Materiality Matrix

High

Very High

Extremely High

Extremely High

Very High

High

Significance to Stakeholders

ENVIRONMENT

SOCIAL

GOVERNANCE

Tenant/occupant/
customer management

Information security and
customer privacy

Accessibility

Environmental risk management

Community relations

Water Consumption
Management

Sustainable
Transportation

High quality real estate

Corporate ethics and governance

Green building

Safety and hygiene

Real estate location

Waste management

Energy consumption and efficiency

Employee training and
development

OUR APPROACH
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OUR IMPACT
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Stakeholder Identification Process

We believe that balanced and fair business conduct is based on transparency and ongoing communication with our stakeholders.

This dialogue is of critical importance for identifying gaps and adapting services to meet changing needs.

Thus, we go to great lengths to identify the various stakeholders and monitor their respective interests and expectations.

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STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

REFERENCE CHAPTER IN THIS REPORT

Tenants (offices, retail centers and shopping malls)

We maintain ongoing dialogue with our tenants in order to gather as much feedback as possible, allowing us to improve satisfaction levels. Dialogue takes place through various channels.

A key aspect of our dialogue is raising tenants’ awareness of their environmental impact, with a focus on waste recycling and wastewater treatment.

Our Tenants and Customers

Visitors

We value the quality of our visitors shopping experience and thus actively seek to improve wherever we can. Attention is paid to operation, cleanliness, maintenance and enhanced visitor comfort. Customer service is always available and accessible, with our management’s contact details publicly available on our social media channels, mobile apps and website.

Our Tenants and Customers

Senior housing residents

As our senior housing properties constitute both homes and communities, engagement with residents is ongoing and continuous. We remain attentive to the needs and interests of our residents and this dialogue is an essential part of managing our chain of senior housing.

Not included in the scope of this report

OUR APPROACH
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STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

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Azrieli.com users

We provide swift responses to user queries on any topic and aim for complete customer satisfaction. Moreover, we strive to deliver personalized content and offer users preference-based options.

Not included in the scope of this report

Local authorities

We maintain continuous dialogue with local authorities on issues such as land use planning, infrastructure, future plans and more. Further dialogue is conducted regarding changes in laws and regulations that concern our operations.

Building Sustainably

We are committed to innovative, industry-leading standards and thus collaborate with the various authorities in formulating new urban planning policies and regulations in Israel. Further dialogue is held with the relevant regulatory bodies, such as the National Fire and Rescue Authority, Home Front Command, etc.

Employees

A two-way, ongoing and continuous dialogue through diverse channels such as personal evaluations, employee feedback, open door policies, employee portal, leadership development programs, organizational initiatives and more.

Our Employees: The Human Advantage

Investors

Regular meetings, quarterly and annual conference calls, and annual shareholder meetings. Continuous and direct contact with our Capital Market Department and Azrieli’s Investor Relations Team.

see more <http://investors.azrieli.com>

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STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

REFERENCE CHAPTER IN THIS REPORT

Suppliers

The wide geographical distribution of the Group’s assets necessitates direct dialogue between the property management teams and their suppliers and service providers, allowing for a more consistent and dedicated relationship. Dialogue with all service providers across the country is maintained through the Group’s headquarters and through property management teams. This is a professional dialogue designed, inter alia, to ensure the quality of service we receive from suppliers, and subsequently, the quality of service we provide to our tenants.

Building Sustainably

Responsible Management

Community, social and
environmental organizations

We had created a framework to actively support our community through the Azrieli Foundation (Israel) (R.A.) with which we worked until May 2020. Since that time, we are building infrastructure and have begun to work closely with local organizations, create collaborations and promote social issues in each of our properties.

Social and Communal
Responsibility

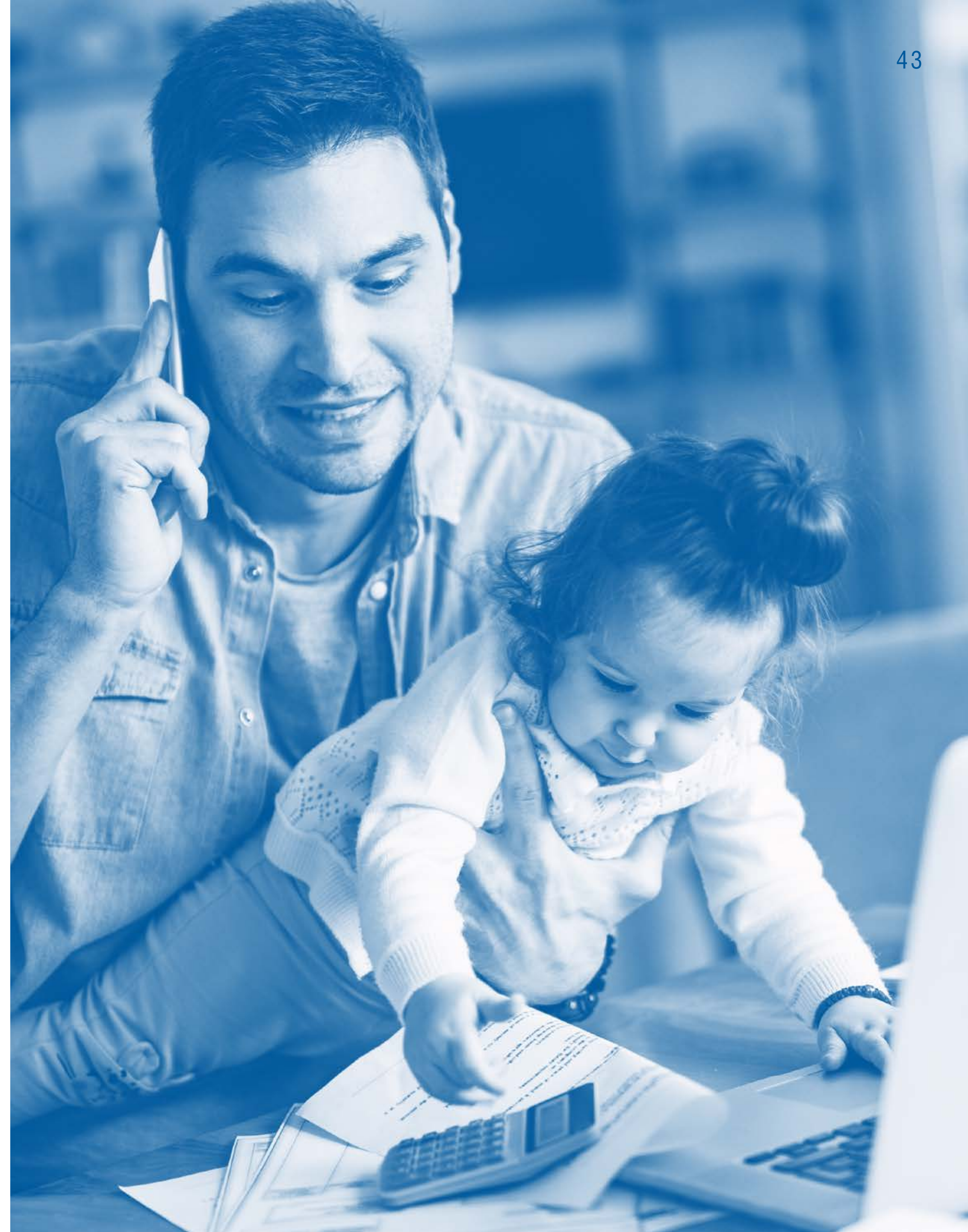
Response to COVID-19

Business Continuity During the Covid-19 Pandemic

COVID-19 and its Effects on the Real Estate Sector in Israel and Abroad

The outbreak of COVID-19 has presented us with a new reality. Trade volumes have declined, adversely affecting cash flow from rental income and mall operating income. Many tenants found themselves facing greater uncertainty and have struggled to make real-time changes to cut unnecessary costs.

In the office space segment, the expected trend is a continuation of the hybrid working model whereby employees work remotely as needed. Within the retail sector, chains and smaller stores have discovered the importance of an online shopping platform that enables them to reach their customers even when stores are closed.



RESPONSE TO COVID-19

BUSINESS CONTINUITY
DURING THE PANDEMIC

AZRIELI
GROUP

Ready For Any Scenario

The key to our successful response to the pandemic was forethought, long-term planning, and our continued status as a market leader. At the early stages of the outbreak, we took a number of steps that allowed us to maintain our resilience in the face of this unprecedented crisis.

Tenant Financial Aid Fund

In light of COVID-19's impact on the tenants in the Group's malls, the Company established a financial aid fund in the amount of NIS 100 million, devoting special attention to small and medium sized businesses. Loan applications by tenants in the Group's malls were processed in an effort to assist these businesses in resuming their operations.

Tenant Relief Plan

Following the first lockdown, the Company formulated a relief plan for mall tenants for the period of restrictions in which a majority of businesses were closed, as well as for the period shortly after their reopening. Those tenants whose businesses were closed following the first lockdown were granted an exemption from rent payments and management fees in the second half of March 2020, and a moratorium on rent and management payments from April 2020 until the resumption of normal operations. During

H2/2020, the Company granted relief to tenants whose activity was constrained due to government-mandated social distancing guidelines during periods in which malls were open.

Plan for Resumption of Operations

- **Shopping centers**

We used the lockdown period to renovate our malls with special consideration for smooth visitor traffic and completed improvements in time for reopening. We extended our e-commerce platform in collaboration with our tenants. With the return of regular operations, our malls reopened subject to the guidelines determined by the "Purple Badge," including the appointment of a COVID-19 officer in each mall, responsible for enforcing compliance with health and safety regulations.

- **Office spaces**

During mandatory lockdown periods, the majority of office workers transitioned to working from home. Yet not long thereafter, certain challenges of remote work began to emerge. As markets began

to reopen, it became clear that our need for human connection, in-person communication, and uninterrupted workdays led most employees to prefer waking up in the morning, getting dressed and heading to work.

- **Senior housing**

Our first challenge was to maintain the health and well-being of our residents, as they are a high-risk population group. The second, no less important challenge was that of loneliness and isolation due to social distancing. We took measures to ensure that our residents kept in regular touch with their families and friends without compromising their health.

- **Crowd Restrictions**

In accordance with the "Purple Badge" regulations and the social distancing guidelines determined by the government, we limited the number of mall visitors. All mall entrances and exits were tracked with 3-D sensors able to count and monitor all individuals who enter and exit the mall in real time. These sensors were implemented in accordance with privacy protection rights.

Maintaining the Health and Safety of Our Employees

With long periods of lockdowns, where mall operations were shut down and many companies and organizations transitioned to partial or fully remote work models, we understood the importance of acting quickly and adapting to the realities of COVID-19:

1.

We appointed a COVID-19 officer to coordinate the information, management and implementation of the Ministry of Health's guidelines.

2.

Teams were established to formulate work plans in response to the crisis, steps to exit the crisis and preparation for additional waves.

3.

We consistently and efficiently managed our workforce – providing financial and personal assistance to employees and finding technological solutions for remote work – in order to maintain business continuity.

Work-Life Balance

In order to facilitate our employees' efforts to balance work, family and a challenging financial period, many were granted approval (subject to technical and professional feasibility) to work from home during mandatory lockdowns and restrictions. Outstanding employees received special care packages as tokens of our appreciation and gratitude. In addition, we implemented a variety of measures for assistance, such as: maintaining ongoing communication with our employees and managers during the coronavirus crisis, ensuring financial security for those on furlough, granting assistance with applications for social security benefits, delivering holiday gifts to employees' homes, and more.



RESPONSE TO COVID-19

BUSINESS CONTINUITY
DURING THE PANDEMIC

AZRIELI
GROUP

The Technological Challenge of Remote Work

We supplied our employees with computers, webcams, microphones, printers and other peripheral devices to facilitate the transition to working from home. We adapted our organizational network for remote workloads, augmented user support around the clock, developed and implemented decision-making tools/accounts/reports/controls, and adjusted systems and databases for new payment and collection terms for our tenants.

Mental Health Support for Our Employees and Their Families

We have taken measures to help our employees cope with the challenges posed by the COVID-19 crisis by providing them and their families with an option for psychological counseling. The service is provided by a company that specializes in providing counseling in a variety of areas – personal, marriage, family and organizational, with over 400 certified and experienced therapists nationwide.

Every employee is entitled to four counseling sessions at no cost, and 10 additional sessions at a subsidized cost.

Counseling is offered over the phone (not limited in number and free of charge) or through face-to-face meetings with a therapist. Counseling is provided for many issues, including parenting, child development, anxiety, relationships, care of an elderly parent, addiction, etc. All consultations are confidential.

Following the success of this collaboration during the COVID-19 outbreak, the service remains available to our employees as needed.

Building Sustainably

Global Trends

The real-estate sector is driven by numerous global trends. These include population growth, urbanization, the transition to more sustainable materials, shifts toward low-carbon and circular economies, digitization, various consumption habits, etc. While all of these trends merit attention, the impact of one trend in particular – the climate crisis – is on a much greater scale.

GLOBAL WARMING AND CLIMATE CHANGE

We are proud to take part in the global effort against climate change, encouraging action to mitigate its adverse effects on weather, the economy, health, geopolitics, security and more.

This chapter highlights the strategies, objectives, and practices we have defined and implemented with regard to environmental sustainability. Along with a focus on the above-mentioned trends, our commitment rests on three pillars: adaptation, mitigation and resilience.



Environmental Risk Management and Climate CHANGE



Led by the European Union and the United States, the world is moving toward a low-carbon economy that aims to keep global temperature increase at a minimum. Companies that adapt to this trend are likely to maintain their financial stability.

Climate change is bound to introduce additional dangers, such as dwindling resources, instability in global markets and supply chains, and changes in the frequency and magnitude of extreme weather events (floods, fires, rising sea levels, etc.)

The Group invests significant resources to boost resilience to these and many other risks and works continuously to analyze the relevant threats and minimize their impact on the Group. We also define regulatory and environmental risks as medium-level risks (these definitions are reflected in the Group's financial statements).

Building Sustainably

ENVIRONMENTAL RISK MANAGEMENT
& CLIMATE CHANGE

AZRIELI
GROUP

Managing Risks Posed By Extreme Climate Events

As part of the measures taken to reduce the risk of extreme weather and climate events, such as flooding due to heavy rainfall or increased electricity consumption due to heat waves, we have mapped, studied and formulated - under the guidance of the Home Front Command - procedures for coping with such events throughout our properties.

In order to reduce potential damage to persons or property, we circulate these procedures to all property managers and maintenance teams. The managers further distribute this information to our tenants (posting the document and conducting emergency drills). For further details see the chapter “Our Tenants and Customers.”



Building Sustainably

ENVIRONMENTAL RISK MANAGEMENT
& CLIMATE CHANGE

AZRIELI
GROUP

Wastewater

We treat wastewater on an ongoing basis and perform regular sampling - including degreasing, pumping and disposing to authorized sites - in accordance with local requirements. Every several months, wastewater treatment procedures are distributed to the relevant tenants in order to ensure regulatory compliance and minimize cases of pollution. The Ministry of Environmental Protection performs periodic grease trap checks and the water and sewage corporations supervise all our facilities regularly.

During 2020, we worked alongside the water and sewage corporations in the relevant municipalities in regard to a number of properties owned by the Group. We did so in order to remedy an issue of wastewater discharged by certain businesses leasing space in such properties, which ostensibly resulted in deviations in the values of wastewater discharged into the municipal sewage system. The Company has retained professional consultants on the matter and places great importance on strict compliance with environmental issues.

We take various measures to improve the quality of wastewater in our properties. For example, we installed four oil separators in the Jerusalem Mall for a total cost of NIS 280,000. We also conducted a wastewater analysis and held informational meetings with our tenants on the matter. Thanks to these measures, wastewater deviations have been significantly reduced.



Identification and Treatment of Soil Contamination

Each of our new projects includes the appointment of professional environmental consultants who provide their guidance and expertise throughout the construction process. In addition, before construction begins, soil surveys are conducted in accordance with regulatory requirements to ensure there are no soil contaminants.

Hazardous Materials and Electromagnetic Radiation

Some of the Group's properties are leased to companies who make use of hazardous materials, as well as cellular service providers who install and operate cellular antennas and/or nanocells. Pursuant to the provisions of our agreements with these companies, they are obligated to obtain any and all necessary approvals required by law for the use of hazardous materials, installing and operating antennas or transmitters, and must comply with any and all safety and environmental protection laws as applicable.

Any use of hazardous materials by the Group is subject to various laws and regulations. We ensure that chemicals used in our cooling towers are kept on spill control pallets and managed in accordance with the Hazardous Materials Act.

Environmental Regulation

We invest considerable resources in an effort to comply with the environmental regulations applicable to the Group, including: the Planning and Building Law and its regulations, Environmental Impact Surveys, the Water Law, Water and Sewage Departments regulations, the Business Licensing Law, the Hazardous Substances Law, the Nuisance Prevention Law, the Maintenance of Cleanliness Law, and other laws and regulations as they apply.

As of this report's publication, several bills are pending which, if passed, may affect the Group's activities. These include the Prevention of Soil Contamination and Remediation of Contaminated Soil Bill, 5771-2011.

Sustainability in Planning

As a market leader, the Group is dedicated to building our nation with responsibility, excellence, professionalism, innovation and a commitment to environmental sustainability. We remain committed to promoting environmental issues in the planning and operation of our assets.



ENVIRONMENTAL PLANNING

Azrieli Group Assets

As it stands, about a quarter of our properties follow local or international environmental standards and constitute approximately 37% of the Group's gross leasable area (GLA).

Our goal is for 100% of our properties to be certified according to green building standards.

4

Four properties in Israel and three properties in the United States are LEED certified in various rankings³.

5

Five properties in the U.S. are ENERGY STAR certified.

1

One project is certified by the Israeli standard for green construction (5281).

9

Nine additional projects in development in Israel are registered for a LEED certification and three additional projects are registered for the Israel Green Building Standard.

In addition, we aim to receive LEED O&M certification by 2025 for 18 of our older properties.

³Properties designated for commerce, offices and hotels.



Building Sustainably

SUSTAINABILITY
IN PLANNING

AZRIELI
GROUP

Environmental Planning

AZRIELI GROUP ASSETS

Adopting local and international environmental building standards – green building standards, LEED, LEED O&M and ENERGY STAR – is a key driver in the fight against climate change allows us to promote the improvement of air quality and protect public health and biodiversity. Implementing these

standards enables us to reduce greenhouse gas emissions and other air pollutants, promote advanced construction methods, integrate innovative technologies, push for alternative energy, and more.

These standards aim to promote durable, cost-effective, sustainable and environmentally friendly design and construction methods. They provide flexibility, reduce the buildings' ecological footprints, and improve air quality, public health and the overall environment.

Building Sustainably

SUSTAINABILITY
IN PLANNING

AZRIELI
GROUP



LEED

Leadership in Energy and Environmental Design (LEED) is a set of rating systems for evaluating the design and environmental performance of buildings as a whole. The systems provide project standards that determine what a green building is in terms of design, construction and operation.

The LEED standard for operation and maintenance (O&M) in existing buildings makes it possible to ensure that entire buildings and internal spaces are sustainable, despite having been fully active and occupied for at least a year. The Arc platform enables activity management around five areas: energy, water, waste, transportation and human experience.



Israel Green Buildings Standard (SI 5281)

The Israel Green Building Standard defines green construction and lays out the metrics of efficiency that a building must meet in order to be declared a green building. The metrics are defined for categories such as energy, water, materials, waste, health and well-being, transportation and more. Sub-topics are defined under each category and include specific metrics for measurement and evaluation.



Energy Star

ENERGY STAR is a standard supported by the US Environmental Protection Agency (EPA) that is used by organizations seeking cost-effective ways to manage energy use in buildings and plants while remaining competitive and increasingly profitable. Certified buildings are verified to be more energy efficient than 75% of similar buildings. We register for this standard certification in our US properties only.

Environmental and Social Factors in Planning

Environmental planning is the result of an integrated and multidisciplinary view of all environment-related issues. These issues are reflected in the land selection process during projects' preliminary stages and in the implementation of environmental measures in our properties' planning policies.

Incorporating environmental considerations in the early planning stages allows us to prevent or mitigate negative environmental impact, ensure the health and well-being of the buildings' occupants and conserve natural resources.

We integrate various environmental and social factors as early as preliminary planning stages, as exemplified in the following table:





Environmental Factors

Energy-efficient design, energy efficiency and innovation in building and construction (cost-effective chiller systems, smart elevators, cost-effective lighting, motion sensors, etc.)

Water-efficient design (water reuse and reclamation, smart irrigation, etc.)

Use of materials that are local, natural and environmentally friendly (recyclable)

Preventing or minimizing hazards, environmental damage and risks, and taking into consideration urban heat island effects and wind corridors

Efficient use of land resources and maximizing potential building rights

Promoting mixed-use developments, flexibility and modularity to encourage better land use

Preventing stormwater infiltration and flooding and preserving the groundwater supply

Design of advanced waste management systems, source separation of up to nine streams

Consideration of biodiversity (minimizing light pollution, landscape integration, preservation of ecological corridors, etc.)



Social and Health Factors

Improving air quality (advanced air conditioning systems, air flow solutions, etc.)

Design for occupants’ comfort (shading, thermal comfort, natural lighting, acoustics, space, balconies and more)

Enhancing urban spaces and promoting renewal, while preserving intrinsic values and minimizing the urban sprawl phenomenon

Promoting sustainable mobility

Location selection based on socio-demographic developments (such as population growth) and changes in future demand

Design of buildings accessible to all populations

Design adapted for emergencies and extreme events (detailed further in the chapter, “Our Tenants and Customers”)

Building Sustainably

SUSTAINABILITY
IN PLANNING

AZRIELI
GROUP



INTEGRATIVE PLANNING

Azrieli Sarona Tower

A LEED Gold certified project (confirming the building is sustainable and environmentally sound).

The Sarona Tower is designed with energy consumption in mind and creates a comfortable environment for tenants and visitors. The configuration includes an interior window wall, an exterior window wall and integrated interior blinds between the layers of glazing. Cooling is achieved mainly by natural ventilation, enhancing thermal, visual and acoustic comfort and increasing tenant productivity.

Energy Efficiency

The integrated blinds between the layers of glazing reduce direct sunlight penetration, leading to a 25% reduction in energy consumption.

Acoustic Comfort

The “double-skin façade” reduces street noise by up to 45 decibels, enhancing productivity and creating a more comfortable work environment.

Innovative Construction

We continuously implement innovative, first-of-its-kind in the country solutions in our projects. For example, we were the first in Israel to use a jumping lift, which significantly reduces the time needed for construction. Following our success, the country’s leading construction companies have implemented this solution in their sites. The jump lift functions by using the building’s permanent shaft during the construction phase, moving higher (or “jumping”) in the shaft as the building is constructed around it, thus replacing the exterior construction elevators and safely carrying equipment and manpower to greater heights without compromising on speed.

Importance of Groundwater Conservation

During the construction of the building’s basements we encountered groundwater from the aquifer. Instead of allowing the water to flow into the drain, we made efforts to return the water to the aquifer. We performed regular sampling of water quality, ensuring that the water pumped back into the aquifer was clean and pure.

Building Sustainably

SUSTAINABILITY
IN PLANNING

AZRIELI
GROUP

The Azrieli Center Spiral Tower



An innovative project for the construction of **Israel's tallest tower**. The project received the LEED V4 Platinum pre-certification (the highest level of LEED certification for buildings meeting environmental standards). The 91-story skyscraper will be located at the most central intersection in the country in the heart of Tel Aviv's metropolitan hub.

Building Sustainably

SUSTAINABILITY
IN PLANNING

AZRIELI
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Among the many variables considered during the complex planning:

Energy Saving

The design of various shading elements (external fins and spandrel panel glazing to prevent unwanted solar heat from entering office spaces and to reduce glare by 20%) are integrated into the building's envelope and reduce solar radiation in acclimatized spaces. Thermal insulation and enveloping curtain walls allow passive solar heating during the winter months.

As part of the project, we integrated two systems for the generation of renewable energy: solar panel shading on the Ayalon promenade and an array of solar panels placed on the building's rooftop (an approximate area of 3,000 sq m). According to a preliminary energy model, the Azrieli Spiral tower is expected to achieve total energy consumption savings of 23% (compared to its peers).

Energy efficiency in general will be facilitated in many ways, including spectrally selective window

glazing, maximizing natural lighting (75% of the permanently populated spaces will have access to full daylight), installing energy efficient lighting, using motion/light sensors in relevant spaces, managing cold water temperature in chillers through smart control systems, and high-performance water-cooled chillers and cooling towers, along with a variety of advanced technologies specifically suited to the building's needs.

Reduced Water Consumption

Responsible water resource management is among our highest priorities. We examine the project's overall water balance to optimize water use and save potable water in the building's operating systems (HVAC) and outdoor areas by using advanced systems for water efficiency: HVAC condensation water recycling system, water circulation management in cooling towers, low-water-use plants and watering methods, use of alternative water sources for landscape irrigation, etc.

Additionally, cooling towers' bleed-off water will be reused for a variety of non-potable purposes, as

cooling towers are the largest water consumers and contributors of effluent water. The system is expected to save thousands of cubic meters of water annually. In total, these measures are expected to help save an estimated 40% of the project's potable water (compared to similar projects).

Sustainable Walkability and Mobility

The ground floor of the project was planned to maximize the mobility of pedestrians through a series of friendly landscapes.

The site is easily accessible by all modes of transportation, with 915 bicycle racks above and below ground, and approximately 35 shower stalls set to be installed. On the day of the inauguration of the Spiral Tower, 10% of total private parking spaces will be fully equipped for electric vehicles, with the infrastructure to expand to 80% of total private parking spaces. 100% of parking spaces will be covered to minimize the urban heat island effect.

Tenant lease agreements will include guidelines for energy reduction and sustainable management.

Building Sustainably

SUSTAINABILITY
IN PLANNING

AZRIELI
GROUP

Promoting Public Transportation

The Azrieli Center in Tel Aviv caters to a large and diverse population from all corners of the country, thanks to its accessible location and an ongoing cooperation between the Azrieli Group and the Israel Railways.

A pedestrian bridge connects our complex directly to the “Tel Aviv - Hashalom” train station, allowing convenient, safe passage for commuters and other visitors. The station’s location in the city center and its proximity to the Azrieli Center and other popular destinations make it the station with the largest number of daily passengers in the country. In addition, dozens of bus lines pass along the complex, enabling further mobility options in the process.

The light rail’s Red Line will run in proximity to the Azrieli Center. The Red Line will be the backbone of the mass transit system in Tel Aviv, and will pass through the most congested regions of the metropolitan area, serving the greatest number of passengers when compared with future lines planned for construction.



Platform 1 רציף 1					13105
Destination	רציף Plat.	מסעדות Est.	שעה Time	יעד	רכבת No.
Herzliya	1	13:10		הרצליה	740
T.A Center	1	13:16		ת"א מרכז	34

Platforms 2-3 רציפים 2-3					13105
Destination	רציף Plat.	מסעדות Est.	שעה Time	יעד	רכבת No.
תל אביב	3	13:10		אשדוד	531
תל אביב - מרכז	2	13:16		תל אביב - מרכז	169

Tests and Simulations To Reduce Adverse Environmental Effects

In an effort to minimize our impact on the environment, we conduct various tests, simulations and scenario evaluations for our projects in development, so as to ensure optimum adaptability to their surroundings, local weather conditions and the urban environment in general. The tests are performed in reference both to future structures that are planned to be built in the vicinity and to the expected effects of climate change.

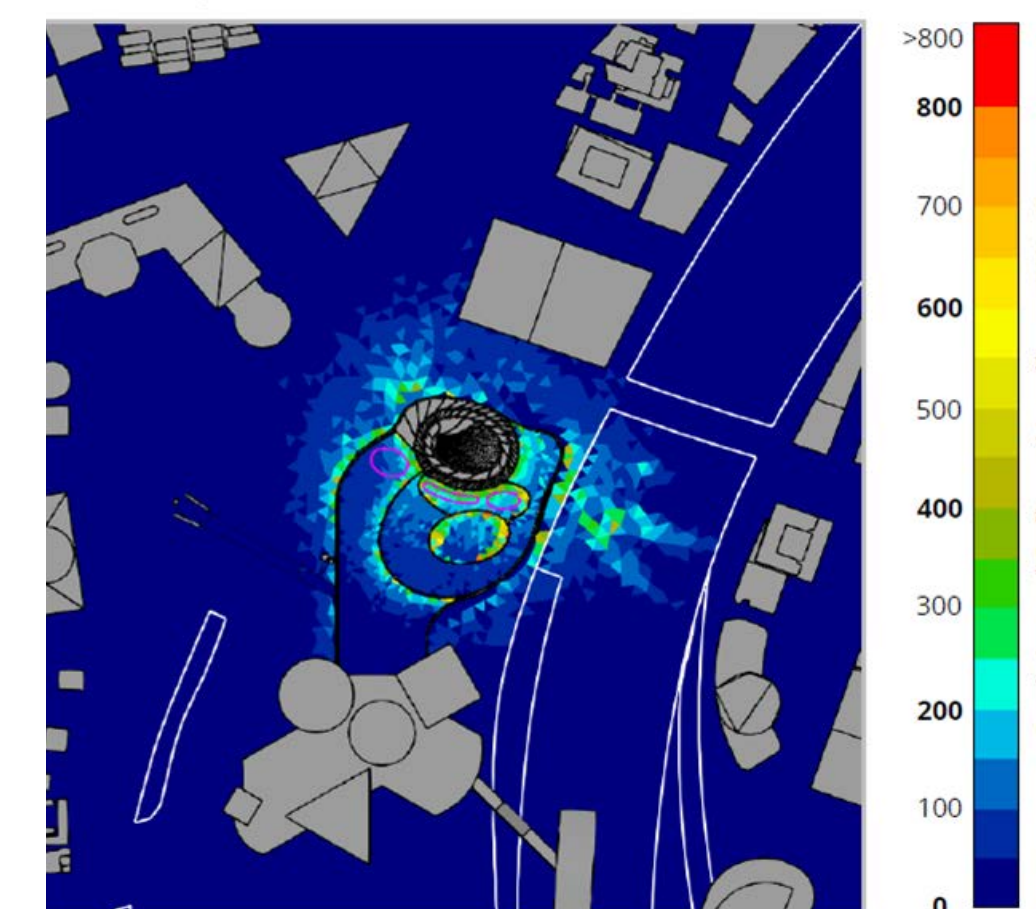
Among the various tests we perform:

Wind tunnel test

Used to test structure performance. The test simulates varying wind conditions, air pressures and temperatures. A small yet accurate model of the building is placed in the center of the tunnel and attached to various sensors. The test analyzes the structure's response to airflow under various conditions.

Urban heat island

A phenomenon whereby cities and towns exhibit higher temperatures than their rural or suburban surroundings. The impact of urbanization on the microclimate of cities is usually reflected by a rise in city temperatures and the creation of a heat dome above it. The urban heat island simulation maps the warmer areas in relation to their surroundings and allows us to make various design alterations in order to minimize this phenomenon.



URBAN SCALE TESTS OF SOLAR REFLECTIONS IN THE BUILT ENVIRONMENT OF THE SPIRAL TOWER.

Mixed-Use and Smart Land Resource Management

We believe environmental aspects can be integrated within relatively high-density and high-rise construction through the development of infrastructure systems. With an emphasis on public transportation, these systems are adapted to the pace of urban development, limiting the impact on open spaces and preserving land reserves for future generations.

We select land for our construction projects responsibly, focusing on large city centers with limited biodiversity value.

Mixed-use is one of the main principles defining the new urbanism movement that promotes the mix of land uses in the same lot or complex (residential, commercial, public institutions, light industry, etc.). This approach was created with the goal of reducing the impact on natural resources and biodiversity.

Mixed-use development is also a way to cope with a growing population and the accompanying road congestion.

A mixed-use complex allows its end users to have close access to most of their daily needs.

The Azrieli Center in Tel Aviv includes a complex of three skyscrapers, housing a variety of businesses such as corporate offices, a shopping center, a fitness club and a hotel. The future Spiral Tower is set to serve as a residential area with commercial spaces, hotels and office space which will be constructed alongside. A short walking distance away is the Sarona Tower.

The complex will bring residents closer to employment, commercial locations and cultural centers, with most destinations only a short walk or bike ride away. In addition, mixed-use space creates a lively environment during all hours of the day and a significant source of leisure and employment, benefiting the local economy.

Once construction is completed, over 100,000 people are expected to pass through the complex on a daily basis.



Property Improvements in Existing Projects

We value the importance of developing and enhancing existing projects, by **using land resources efficiently and maximizing the use of building rights**, and by improving the structure and services provided to our tenants, customers and the general public due in part to issues such as increasing demand and socio-demographic development.

For example, in the Azrieli Rishonim project (LEED SILVER certified), nine additional floors were constructed and received a LEED v4 GOLD standard. Improvement projects were undertaken in four additional properties located in Jerusalem, Acre, Hod Hasharon and Ramla.



Developing a Platform for Long-term Housing Rentals

The Israeli rental market relies almost entirely on individual investors and is usually characterized by short-term contracts (up to one year). The growing demand for rentals is the result of the increased cost of housing throughout the country.

We believe that a long-term apartment leasing model is a business opportunity that is not yet realized in the Israeli residential markets. Long-term leases are particularly attractive to tenants since we provide quality facilities and central locations, as well as high-level management and maintenance services.

In 2020, Azrieli properties included 70 rental units in Modi'in and currently, 700 additional rental units are in the planning stages (Azrieli Town, Spiral Tower, Modi'in and Abraham Hostel).

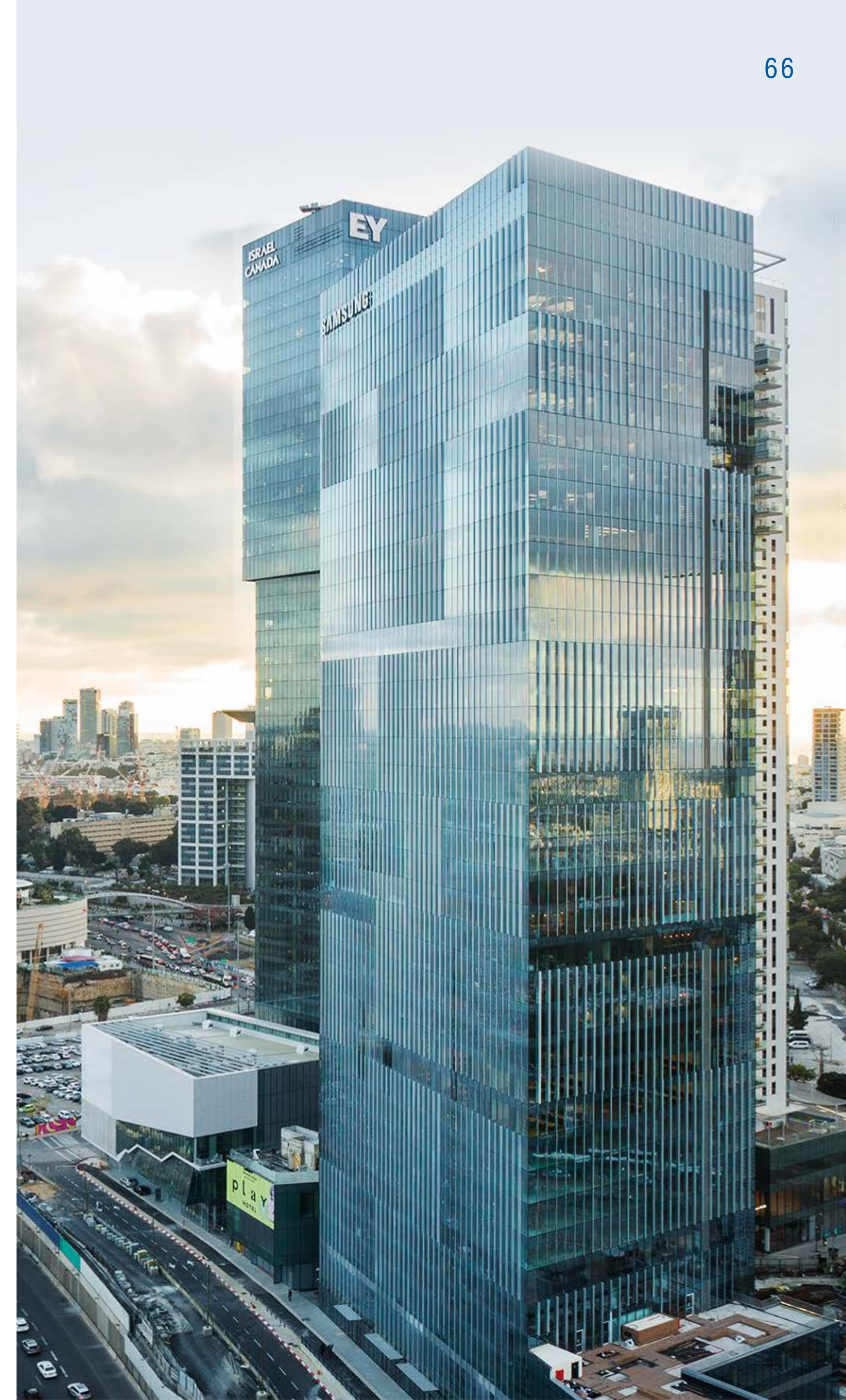
Azrieli TOWN Tower

The Azrieli Town project consists of office and commercial space and an underground parking lot, as well as a residential tower, the construction of which is expected to be completed by 2023. At its center, a spacious urban park will be built to serve the tower's residents, tenants and visitors. As a joint initiative with the Tel Aviv Municipality, and in accordance with its criteria, 21 families will be selected to occupy the tower's affordable rental units for a limited period.



The office and commercial tower is LEED Gold certified. The residential tower will be constructed in accordance with the Israeli standard for green construction, ensuring the highest quality of construction and execution, while significantly lowering energy consumption, water usage and operating costs.

Residents and tenants will enjoy proximity to main transportation routes in the Tel Aviv metropolitan area, as well as to the light rail station currently under construction. In addition, Emek Bracha Bridge will pass near the project, connecting east and central Tel Aviv.



Building Sustainably

SUSTAINABILITY
IN PLANNING

AZRIELI
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Sustainable Mobility

The majority of our malls and shopping centers are located in major cities across Israel near main highways that allow for easy access and open-air or covered parking lots.

Offices, shopping centers and malls are optimally designed to meet the needs of the local population, with convenient access to a wide and varied mix of shops, entertainment and food complexes, functional and comfortable office spaces, and ample parking (above or below ground) with micromobility options for visitors and tenants.

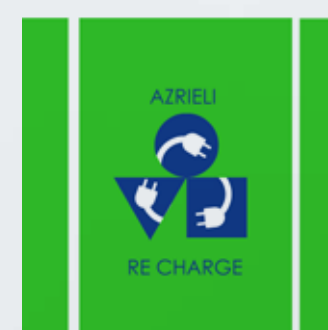
Electric Vehicle (EV) Charging Stations

10% of planned parking spots in new projects will be adapted for EV charging stations. In addition, approximately 80% of our buildings' parking lots will allow for the installation of EV charging stations (subject to local demand and technological development).

Moreover, our aim is to gradually transition 100% of the Group's fleet to hybrid vehicles.

EV parking spots will be marked in green in an effort to raise awareness of the issue among visitors and tenants. Though our EV initiative only launched in 2020, 130 charging stations are already in place in several of our parking lots around the country.

A recent collaboration between the Azrieli Group and Tesla, an electric vehicles manufacturer, brought Tesla's first fast charging station (the supercharger) to the Azrieli Center in Tel Aviv. This is the first supercharger in Israel and was launched just days after Tesla vehicles were introduced to the Israeli market. Superchargers provide up to 250 kW of charging power, considered the highest in Israel as most local stations offer much slower rates as of December 31, 2020.



Use of Environmentally Friendly Materials

Collaboration with the Technion – Israel Institute Of Technology

First implemented in the Sarona Tower, The Azrieli Group is the first in the country to use B-1000 concrete in the construction of a high-rise tower. The use of strong concrete allows for a reduction in columns' diameters by approximately 15%, thus increasing available floor space in the building. Construction using concrete B-1000 is performed in accordance with international standards and pursuant to an academic study, in collaboration with the Technion in Haifa.



Image: Concrete B-1000 experiment at the Technion University in Haifa.

Construction Waste Management

The Company actively manages construction waste in a variety of ways: source separation (iron and other metals, concrete, wood, etc.), onsite reuse of building materials, maximizing the volumes of material transferred for recycling at end facilities, and more.

In every green building standard, reference is also made to construction waste and the proper management of all project material inputs and outputs. Effective construction waste management is essential to minimizing the environmental impact associated with the production, transportation, maintenance and disposal of such waste.

The supervising contractor at each project is responsible for defining the site's waste management plan, and all project subcontractors are obliged to know and follow the plan as specified.

Future Targets

- Share of recycled waste will account for approximately 30% of the total waste weight generated on site.
- 100% of our contractor agreements will include clauses related to proper management of construction waste on site.
- All disposal, sorting and recycling sites to which construction waste is transferred will be approved by the Ministry of Environmental Protection and a by a green building consultant, with the assurance that the amount of waste that arrives can be treated in full by said sites.



Opportunities for Innovation

From time to time, the Group seeks investment/contribution opportunities in the realms of real estate, innovation and value creation benefiting environmental sustainability, all while adhering to both cost-effectiveness and the Group's vision. For example:

- Scouting for and investing in innovative technological ventures, which promote, among others, green development and construction through the use of cost-effective, time-saving and energy-efficient technologies.
- Implementing innovative technologies in our properties.
- Exploring PropTech innovation/acceleration programs and promoting pneumatic waste collection systems, which automate the sorting of waste.



Sustainable Operation

SUSTAINABLE OPERATION

ENVIRONMENTAL
OPERATION

AZRIELI
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Environmental Operation

Our commitment to the environment in Israel and sustainable development in general has led to conscious organizational and operational changes in all our properties. Our goal is to become a national model, and the Environmental Initiative at the Azrieli Towers – our flagship project for waste management – takes us one step closer.



The Azrieli Environmental Initiative



AZRIELI Environment Project
פרויקט סביבה עזריאלי

The Challenge

Israel's regulatory framework has not yet become fully developed in the area of waste management systems in multi-use commercial centers. As a consequence, the vast majority of solid waste is unfortunately still disposed of in landfills that consume large expanses of land, adversely affecting the environment and human health while also leading to a significant loss of raw materials.

In 2019, the amount of solid waste in Tel Aviv's Azrieli Center alone amounted to an annual 2,562 tons, with recycled waste accounting for only about 10% of this total waste (mainly cardboard boxes, paper, a small amount of glass bottles for deposit, and electronic waste).

We took it upon ourselves to reduce the amount of waste sent to landfill and turn the Azrieli Center into a pioneer of waste management and recycling.

Our goal: reduce the amount of waste transferred to landfill by at least 50% in the next three years, while increasing the rate of recycling, energy conversion and more.

SUSTAINABLE OPERATION

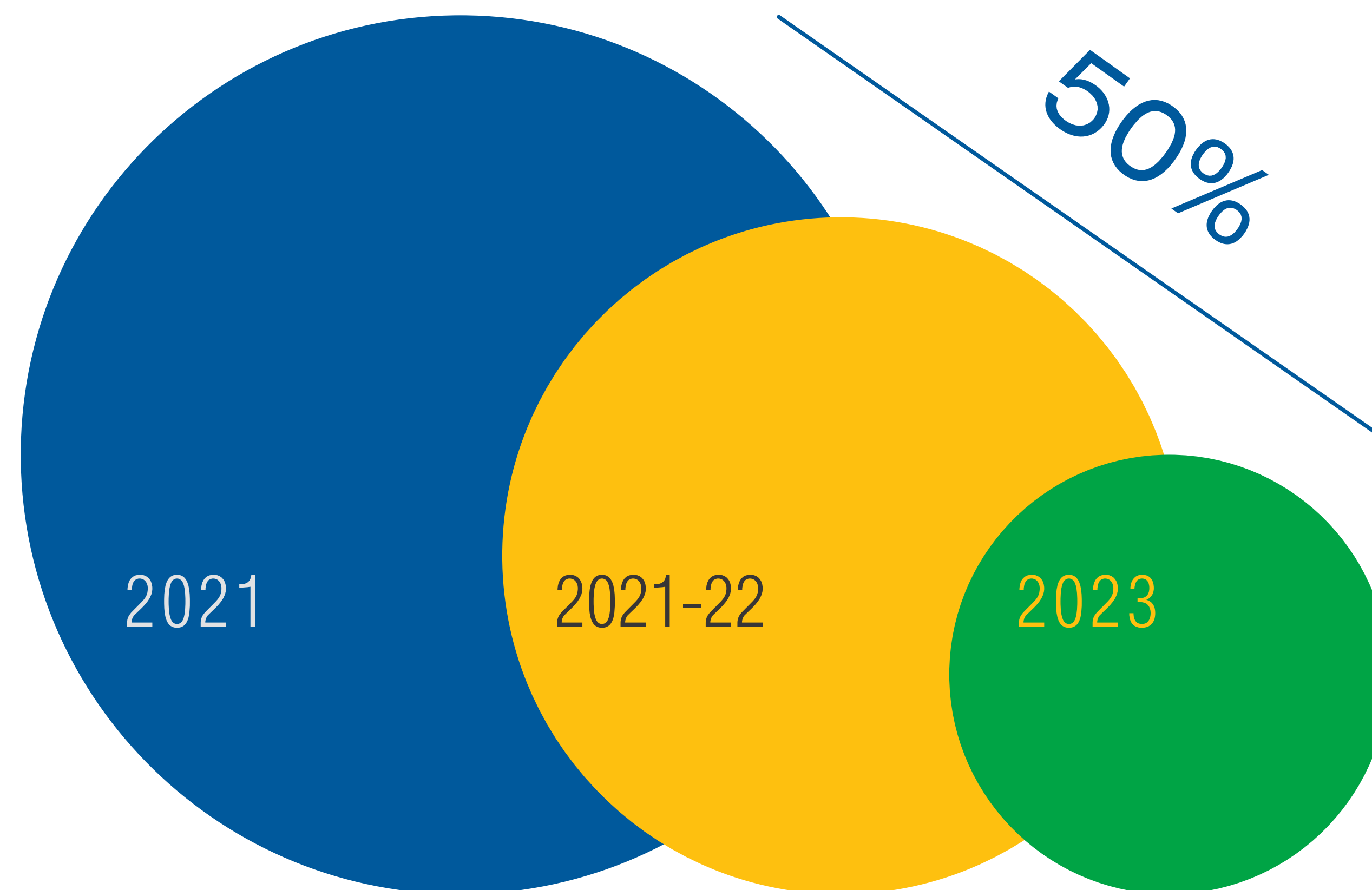
THE AZRIELI ENVIRONMENTAL
INITIATIVE

AZRIELI
GROUP

During the years 2021-2022, 10 additional properties will take part in this initiative.

By year-end 2023, 18 properties will have implemented this initiative.

As part of our sustainability approach, we work in full transparency, openly and honestly disclosing all steps taken in implementing this initiative, in an effort to lead and encourage other organizations to follow in our wake. We conduct learning tours in order to share the information with commercial entities, environmental organizations, etc.



SUSTAINABLE OPERATION

THE AZRIELI ENVIRONMENTAL
INITIATIVE

AZRIELI
GROUP

About the Pilot

Launched in 2020 at the Azrieli Center in Tel Aviv, the pilot is supervised by the Azrieli Group's Director of Sustainability and Environment, in close cooperation with Azrieli Center's management team, the Group's architect and the Group's engineer, and dozens of other company employees. The pilot operates in joint effort with the "Social Green" initiative (for more details on this collaboration, see the chapter "Social and Communal Responsibility").

Preliminary Assessments

One of the challenges that such projects entail is the involvement of a large and diverse number of stakeholders: mall visitors, restaurant and store workers, cleaning crews, suppliers, management collectors, office workers and more. In addition, we encountered some logistic complexities along the chain of waste generation and disposal, as well as a lack of regulator transparency regarding waste treatment and recycling, leading to general public distrust.

In the past two years we have conducted comprehensive waste surveys on five of our properties, which included in-depth analyses of the types of waste at the Azrieli Center, distinguishing between different streams of waste.

We held dozens of visits and observations in the malls, offices and waste collection areas. We held dozens of interviews with a variety of key experts in the field, and many more with diners, food service workers and cleaning crews. We also conducted an extensive literature review and an economic analysis of all the mall's food vendors.

DIVISION OF TYPES OF WASTE

(percent of total weight)

3% PLASTIC BAGS

4% LANDFILL

6% CARDBOARD

5% PLASTIC & GLASS BOTTLES

6% DISPOSABLE TABLEWARE

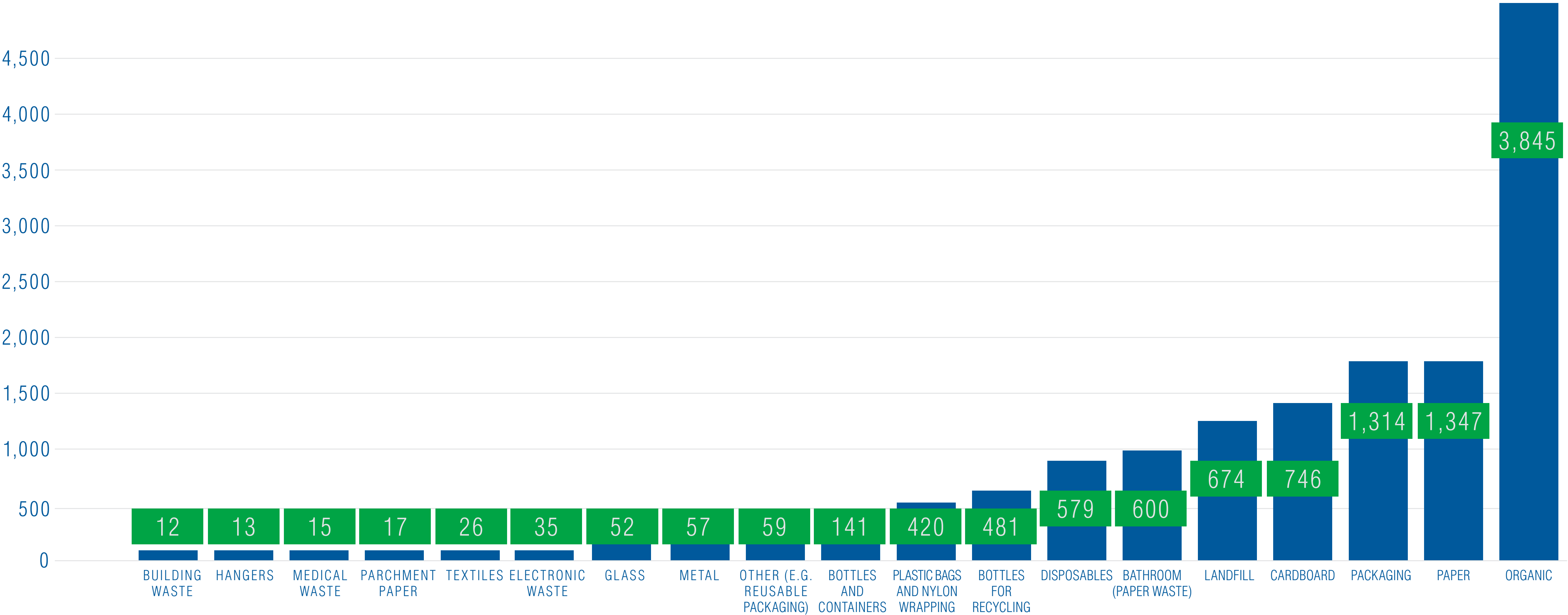
7% RESTROOMS

15% PAPER

15% PACKAGING

39% ORGANIC

DISTRIBUTION OF WASTE TYPES (weight in kg per average day)
From the results of the waste surveys across five properties:
The round tower, the triangular tower and square tower of Azrieli center, the Beer Sheva Mall, and the Holon Mall



SUSTAINABLE OPERATION

THE AZRIELI ENVIRONMENTAL
INITIATIVE

AZRIELI
GROUP

Scope Of The Pilot

We were able to successfully provide solutions for most of the different waste streams identified: organic, packaging (plastic and metals), paper, shrink wraps and plastic, bottles for deposit, cardboard, restrooms, etc. For example, an organic waste disposer, capable of treating 50kg of organic waste per hour (0.5-1.0 tons per day), was placed in the waste collection room of the round tower. The machine digests the food residue through biological-mechanical decomposition. The byproduct is reclaimed water that meets the required standards in Israel.

It is now possible to separate electronic waste and paper in all offices in the Tel Aviv Azrieli Center, and we will later promote the separation of other waste streams (e.g., packaging, bottles for deposit, and organic). Per Israeli law, electronic waste from properties is sent to government-approved entities for disposal and treatment. In addition, to facilitate the process for our tenants and prevent cases of contamination, we have established a system for disposing used oil. We are also testing ecological pilots in restrooms (including smart faucets and advanced urinals) to better conserve paper and water.

We established a system for source separation and conveyance to appropriate end-solutions. Conveyance is conducted in cooperation with the Tel Aviv Municipality and through disposal agreements with licensed contractors like TMIR Manufacturers Recycling Corporation in Israel Ltd. (plastic packaging), Amnir Recycling Industries Ltd. (paper and cardboard), Negev Ecology Group (plastic), and others. In addition, we completed a total overhaul of our logistics system. We expanded the pilot to include organic waste separation by all food providers at the mall and by the Shufersal supermarket operating on premise. We installed cameras to help enforce the new guidelines, set up a ramp for the waste compactor, and placed containers and separation bins in the mall and offices, in addition to other facilitating measures. We plan on conducting waste surveys in which patrol units and security personnel inspect the waste separation process to analyze the quality of separation and the success of the initiative.

We ensure that all separated waste is diverted from landfills and arrives at authorized recycling plants approved by experts, for the purpose of recycling or appropriate treatment.

Our Partners

With the help of our tenants we are able to maintain source separation of certain waste streams - organic material (food scraps), plastic, cardboard, bottles for deposit and electronics. **As of year-end 2021, 80% of our mall tenants participate in the plastic and cardboard recycling project.** 32% of our tenants participated in the organic waste recycling pilot. We help our tenants - offices, shops and food providers - receive a “Green Label” from the Tel Aviv Municipality, which certifies that they promote green procurement, waste separation, biophilia, etc.

We strive to increase the number of tenants (in the mall and offices in Azrieli Center) who actively participate in our initiative and expect that approximately 70% of Azrieli Center tenants will participate in our recycling initiative by 2023.

Communicating Environmental Policies - Responsible Marketing

The pilot's success depends on significant behavioral changes from all parties involved.

To this end, we developed a method that combines Behavioral Economics and Design Thinking in a unique way.

By thinking outside the box and conducting in-depth research, we began to examine the project from the perspective and needs of our end users, involving a variety of stakeholders and preparing the field for implementation.

An integral part of this new evaluation is analyzing our “backyard” – the service corridors and waste collection rooms – which now receive substantial resources.

We launched an awareness campaign that promoted the initiative with dedicated signs in all service corridors in five different languages (Hebrew, English, Arabic, Russian and Amharic).

Communication and Enforcement Systems

We established a system for communication, training, enforcement, control, and infrastructure management along our entire “waste campaign,” with the understanding that source separation only succeeds with the cooperation of end users - office workers, cleaning crews, mall visitors, etc.

Promoting Research and Development

We believe that collaborating with academic institutions and startups active in this field will help us advance our goals and review new opportunities in this area as they present themselves.

Our Plan

We aim to create an operational-economic model for waste management that reduces landfill waste in multi-use commercial centers in Israel and around the world. The model is based on environmental economic research examining the internal and external costs of a waste separation system for raw materials and their conveyance to recycling, energy conversion or non-landfill treatment and recovery. Our initiative will be presented in a document submitted to the regulator detailing optimal operational practices and the appropriate incentives for commercial entities. In the future we will be able to replicate this model for additional properties, in an effort to ensure cost-effective, advanced and eco-friendly waste management.



Resource Management

Water Management

This report accounts for 100% of the office and retail area available for rent in Israel.

	FYE2019	FYE2020
Retail space in Israel (sq m)	349,100	352,000
Office space in Israel (sq m)	547,500	628,000
Total leasable space (sq m)	1,219,000	1,331,000
% of total space reported in this report	73.5%	73.6%

Israel suffers from a shortage of natural water sources. Much of the country's water comes from desalinating seawater from the Mediterranean. Therefore, we strive to continuously improve water efficiency and set annual goals to reduce the potable water consumption in our assets. A number of properties make use of advanced control systems and water meters, and we aim to introduce these systems in additional properties. Water is already recycled and reused in several properties.

We will continue to regularly manage our properties' water consumption and promote efficient water use while complying with international standards.



SUSTAINABLE
OPERATION

RESOURCE
MANAGEMENT

AZRIELI
GROUP

2019

2020

OFFICES

511,600

351,125

RETAIL

327,089

197,508

WATER CONSUMPTION
PER SECTOR (m3)

RENTED
SPACE

0.94

0.56

WATER CONSUMPTION
INTENSITY RENTED (m3/m2)

*Tenants in eight of our properties are connected directly to local water corporations, so their water consumption is not detailed in this report.

In 2020, the normalized water consumption (water intensity – cubic meter of water per square meter of rented space) decreased by 40% compared to 2019. A similar improvement was observed when reviewing offices and retail separately. The decrease is due mainly to our limited operations during COVID-19 restrictions.

Energy Management

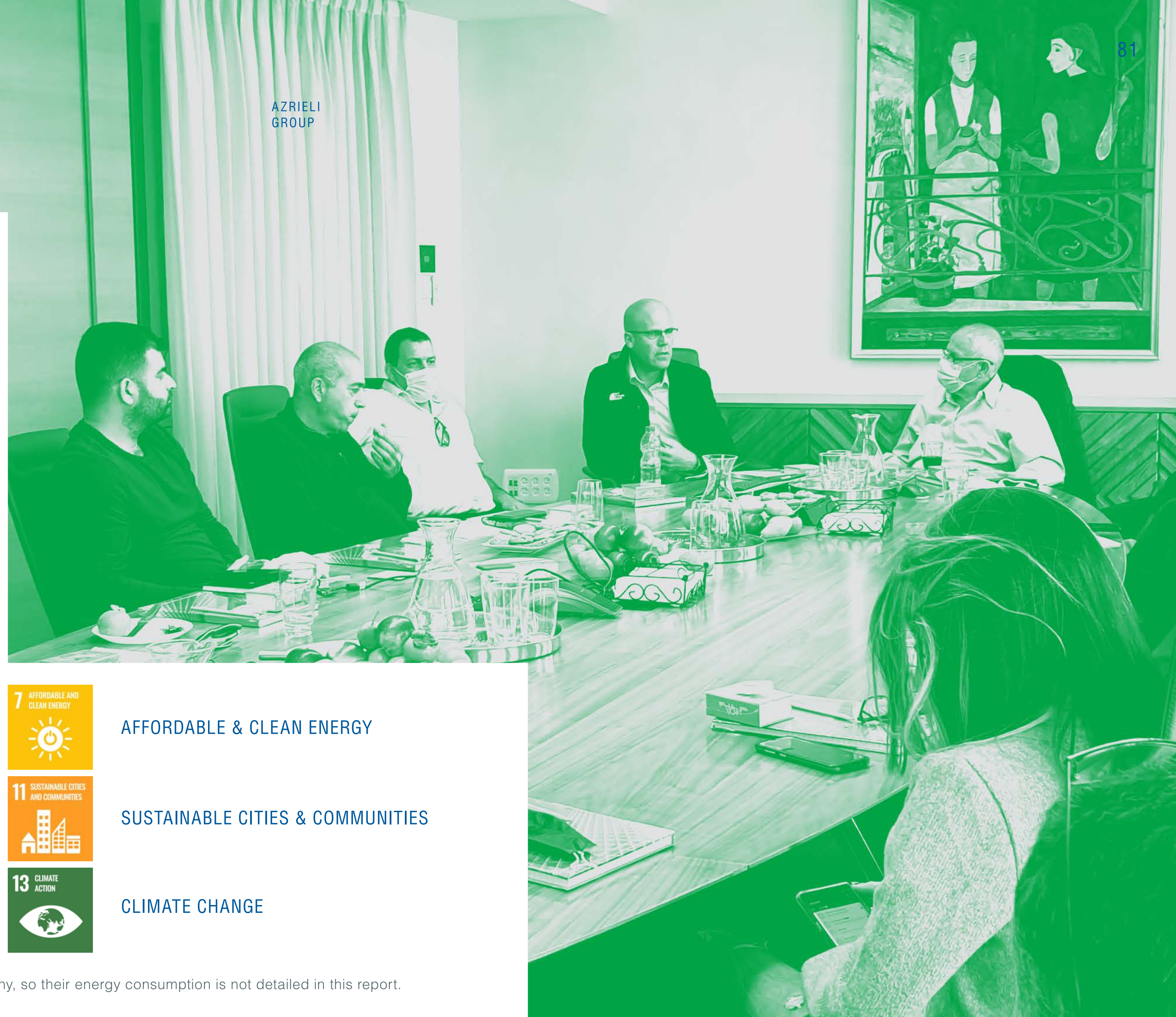
We promote a variety of projects aimed at lowering energy consumption in our properties and prioritize the reduction of greenhouse gas emissions in our buildings' operations.

Air conditioning systems were replaced with more energy-efficient units, LED light fixtures were installed, structure control systems are set seasonally (summer/winter), and speed regulators were installed for motors in our towers.

In addition, we introduced energy-saving, state-of-the-art technologies such as motion sensors and smart electricity meters that report electricity consumption to tenants in real time.

Moreover, we seek to bring about a real change in perception and practical application through electricity saving competitions between the various sites. Each mall performs self-monitoring of its electricity consumption. Air-conditioning systems are the main energy consumer at each property (approximately 40% of total consumption).

In 2020, the normalized energy consumption (Energy Intensity) declined by 27% when compared to 2019 due to decreased activity during COVID-19 restrictions. A similar improvement was also observed when reviewing offices and retail separately ⁴.



AFFORDABLE & CLEAN ENERGY



SUSTAINABLE CITIES & COMMUNITIES



CLIMATE CHANGE

⁴ Tenants in four of our properties are connected directly to the Israel Electric Company, so their energy consumption is not detailed in this report.

SUSTAINABLE OPERATION

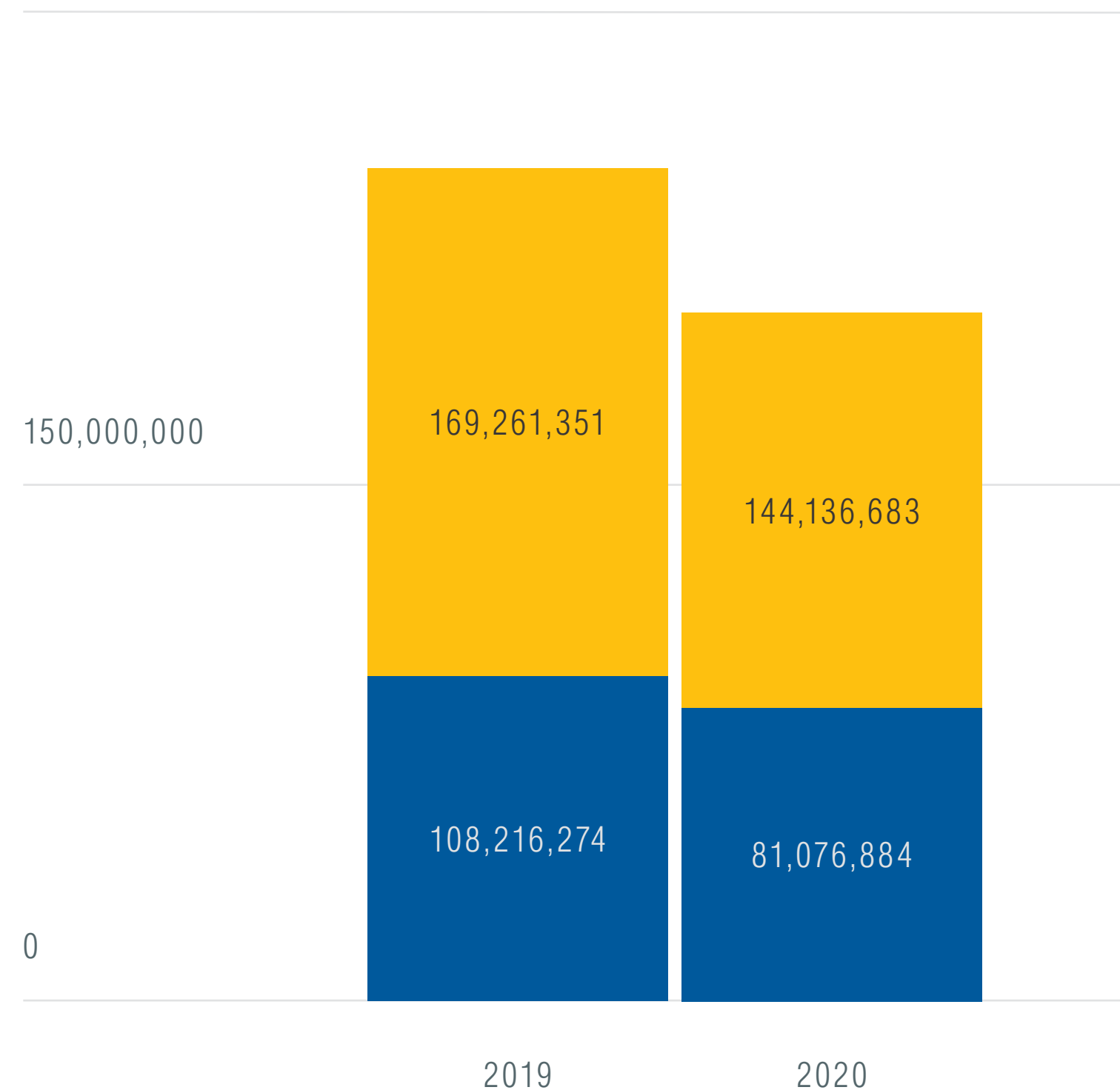
RESOURCE
MANAGEMENT

AZRIELI
GROUP

ENERGY CONSUMPTION PER SECTOR (KWh)

Retail Offices

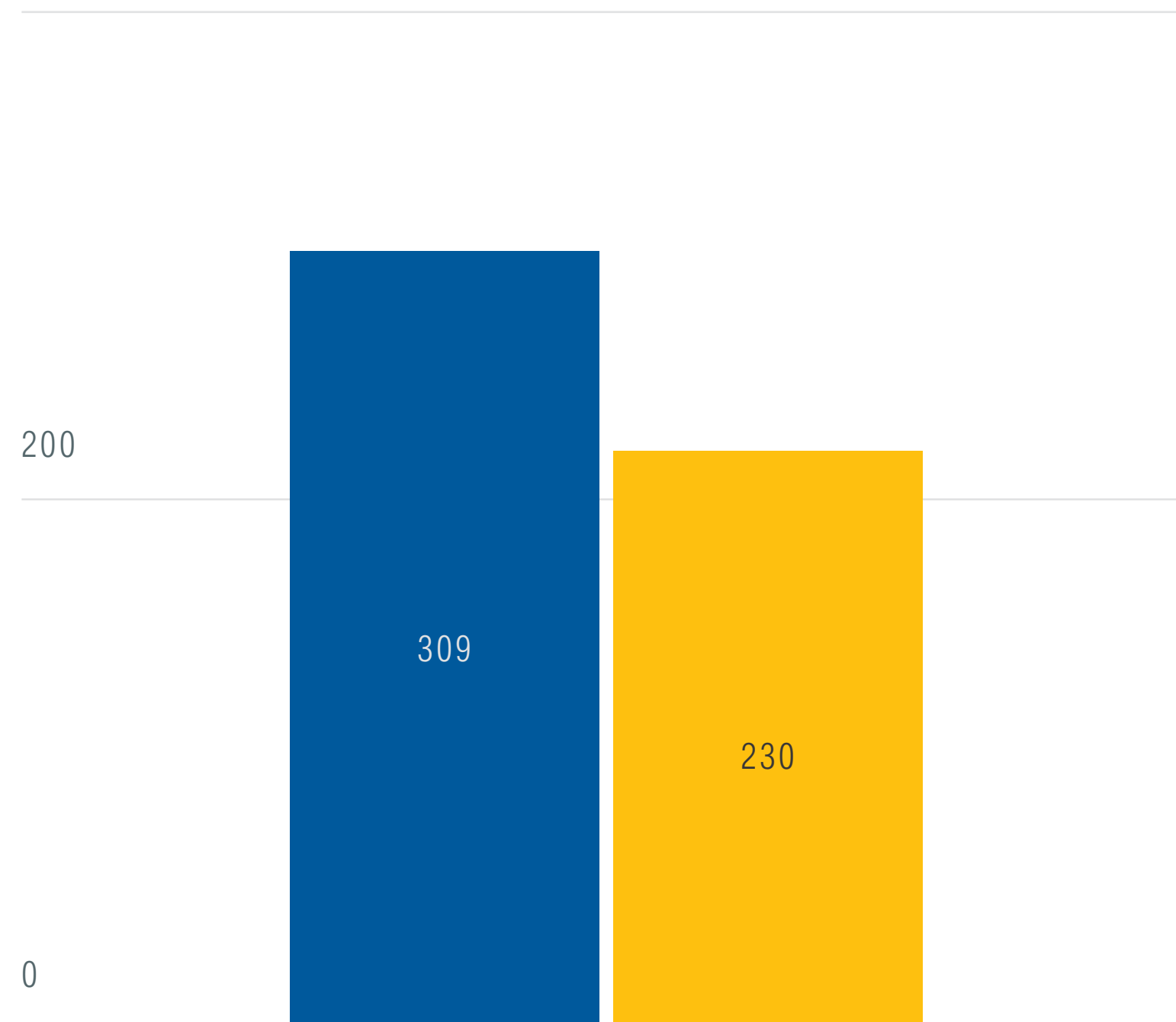
300,000,000



ENERGY INTENSITY (Kwh/M²)

2019 2020

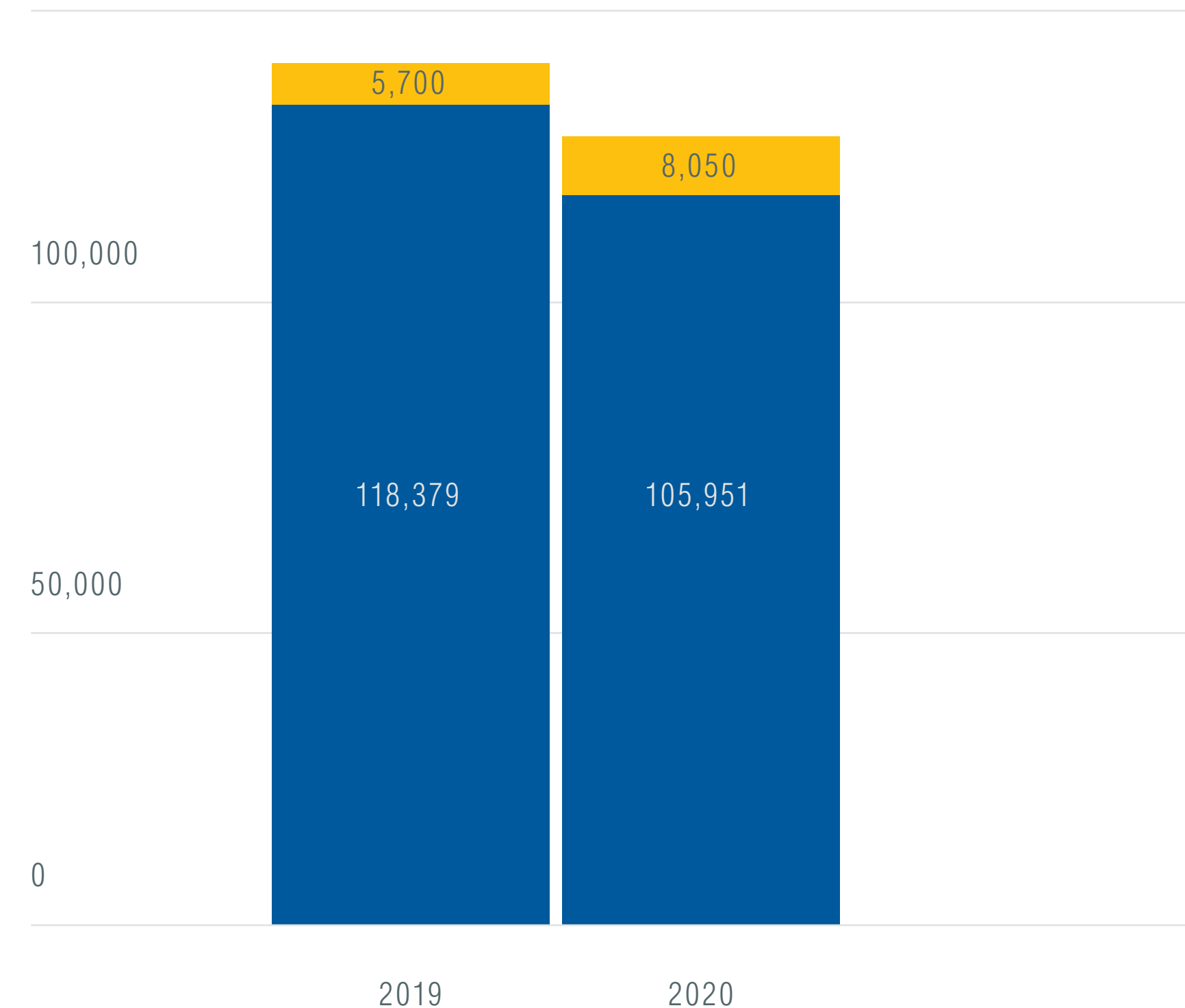
400



FUEL CONSUMPTION (Liters)

2019 2020

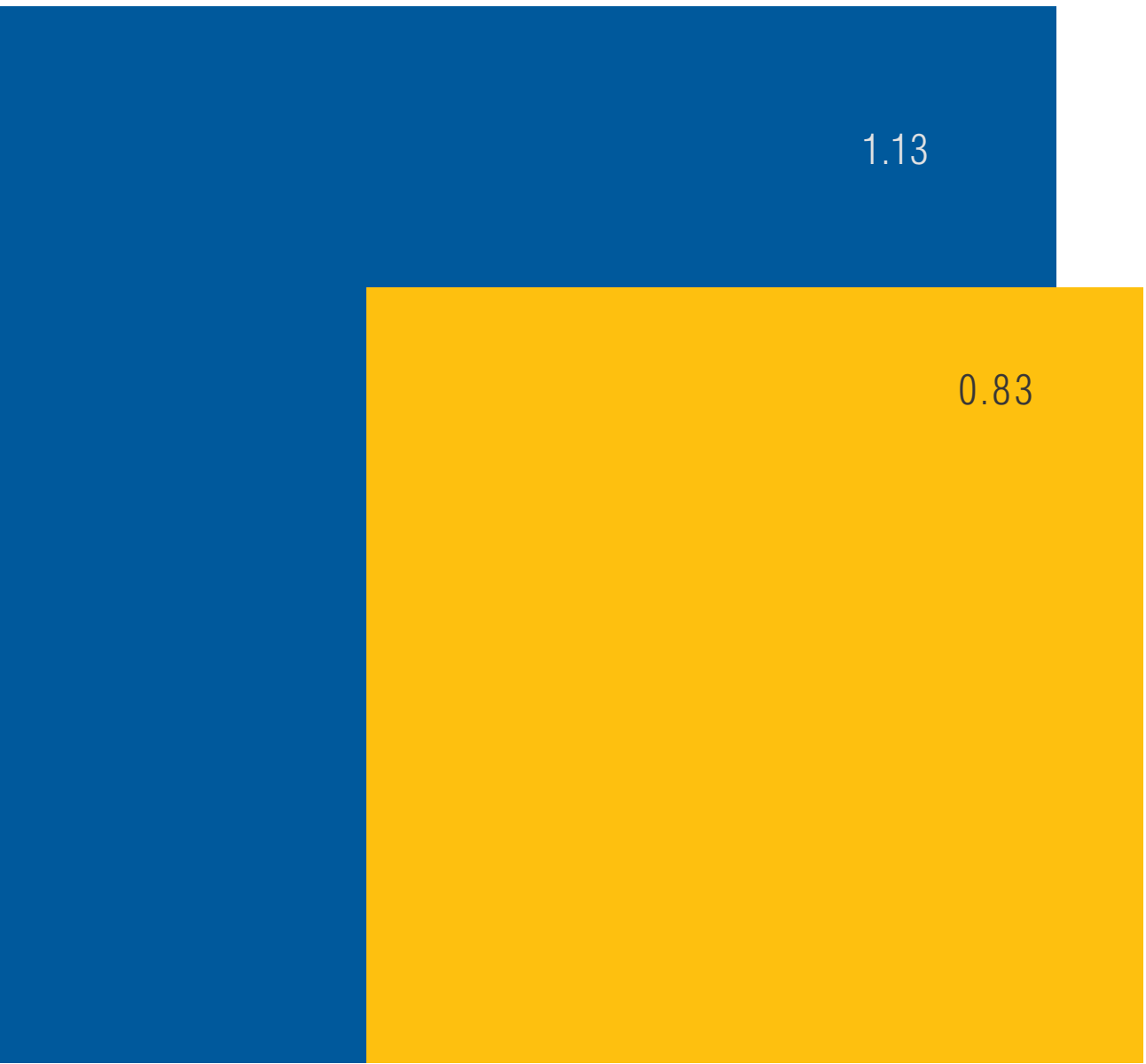
150,000



* The decrease in 2020 is due mainly to our limited operations during Covid-19 restrictions

TOTAL ENERGY
CONSUMPTION (GJ)

ENERGY INTENSITY
(GJ/M²)



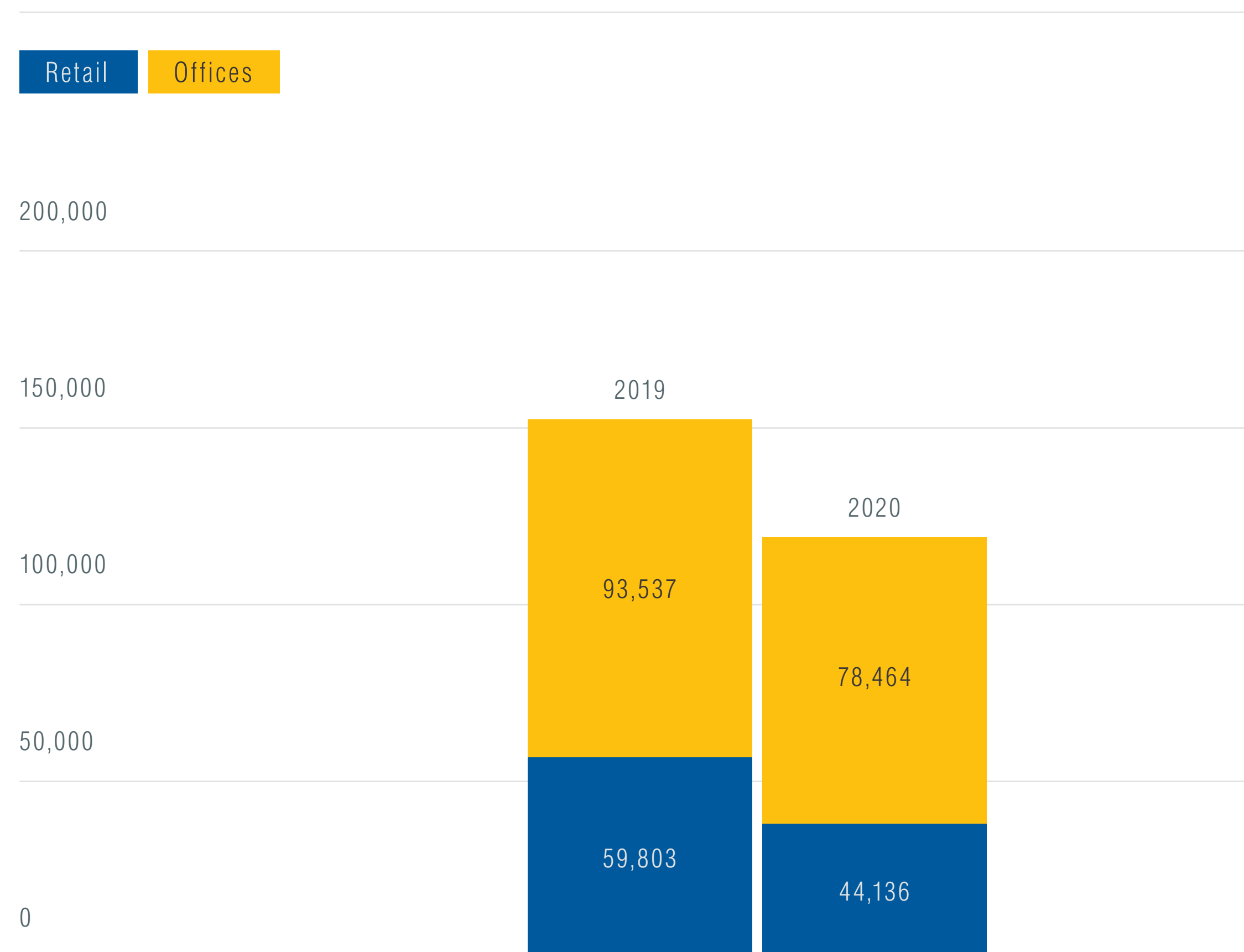
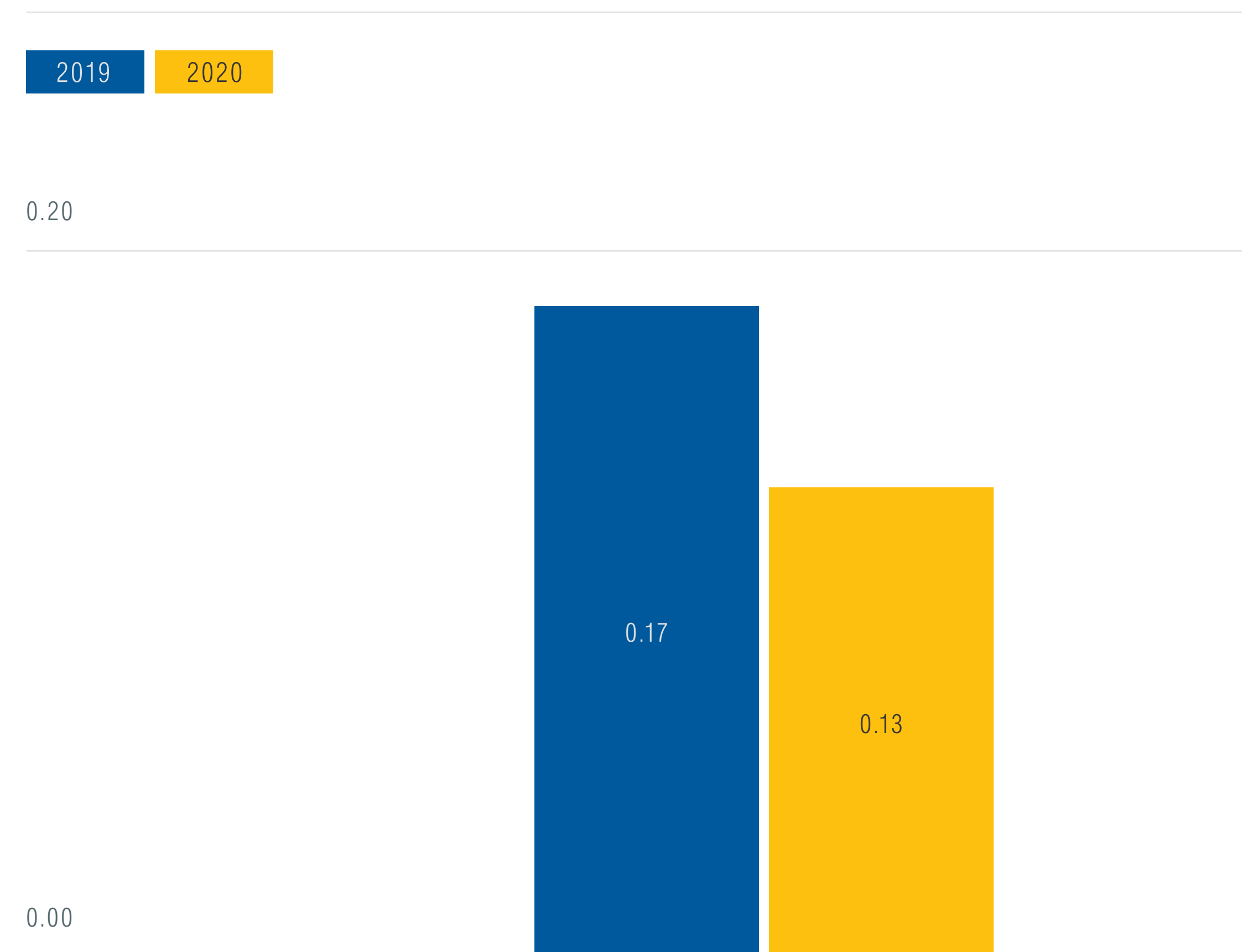
* The decrease in 2020 is due mainly to our limited operations during Covid-19 restrictions

Greenhouse Gas Emissions

We applied various efficiency measures to reduce greenhouse gases (GHGs) emitted from our properties' operation and maintenance.

GHG emissions are measured as Scope 1 (direct emissions associated with fuel consumption) and Scope 2 (indirect emissions resulting from the consumption of electricity) in all our office and commercial properties in Israel, in full accordance with GHG Protocol and Israel's Ministry of Environmental Protection.

In 2020, the normalized GHG emissions per square meter of rented space declined by 24% compared to 2019. A similar improvement was also observed when reviewing offices and retail separately.

GHG EMISSIONS PER SECTOR (CO₂EQ)GHG EMISSIONS INTENSITY (CO₂EQ/M²)

* The decrease in 2020 is due mainly to our limited operations during Covid-19 restrictions.

SUSTAINABLE OPERATION

RESOURCE MANAGEMENT

Employee Environmental Training and Development

We have established a training program for our environmental initiative. Moreover, all our employees and managers undergo annual training on environmental issues.

In 2021, we offered a sustainability workshop and tour of our waste initiative to 10 of the Group's property managers and 20 of our property maintenance and operations managers. In addition, 12 senior executives participated in a sustainability workshop.

Future Targets

We will continue to actively ensure the sustainable planning and maintenance of our properties and integrate technologies that reduce resource consumption and promote recycling.

7 properties (office and commercial buildings) will undergo a certification process for the LEED O&M standard. Between 2022 and 2025, we aim to obtain LEED O&M certification for 18 of our older properties.

Responsible Procurement - Supplier Preference

- We aim to integrate the use of eco-friendly products by the commercial cleaning companies working at our properties. A pilot was launched in Azrieli Herzliya for the use of eco-friendly cleaning products and the use of a filling station for refilling products, thereby saving the long-distance conveyance of materials and eliminating unnecessary packaging.
- We are currently in the process of examining an ethical code for our suppliers.

SUSTAINABLE OPERATION

HEALTH
AND SAFETY

AZRIELI
GROUP

Health and Safety

Maintaining the Safety of Our Tenants and Customers

We invest considerable effort and resources in the safety of our tenants, customers and the surrounding community, and established an entire department dedicated to safeguarding our people. This concern is reflected in our health and safety policies and procedures. We concentrate our efforts to prevent serious safety incidents and implement consistent health and safety principles throughout the organization.

Occupational Health and Safety Management Program

We established a holistic, comprehensive and systemically structured program, which includes our health and safety policy, a description of the Azrieli Group's occupational health and safety system, risk management, a health and safety training program, safety tests and reviews, evaluations, safety measures, certifications and more.



SUSTAINABLE OPERATION

HEALTH
AND SAFETY

AZRIEL
GROUP

Safety

We appointed a security manager to supervise all Group activities, with an aim of monitoring, improving and uniformly implementing safety procedures and protocols throughout the Group, so as to meet the Group's highest standards.

Procedures are implemented and enforced with the help of a wide team of professionals, including the VP of Properties, Property Safety Trustees (Maintenance and Operations Managers at each property), and Operations Managers.

The safety trustees and the teams responsible for maintenance participate in annual workshops and training programs. We also ensure that our staff undergoes regular safety training and that all Group properties and grounds meet the required and accepted standards.

Safety Training

We believe that raising awareness and understanding is key to preventing accidents and maintaining the health and safety of our tenants, employees, customers and contractors. The Group's annual employee health and safety training program includes, among other subjects, training on the use of dedicated equipment, general safety, work at height, analysis of work risks, traffic safety, first aid, response to emergencies and more.

In 2020, approximately 700 hours of safety training were completed by approximately 80 staff members in all our properties.

Emergency Operations and Drills

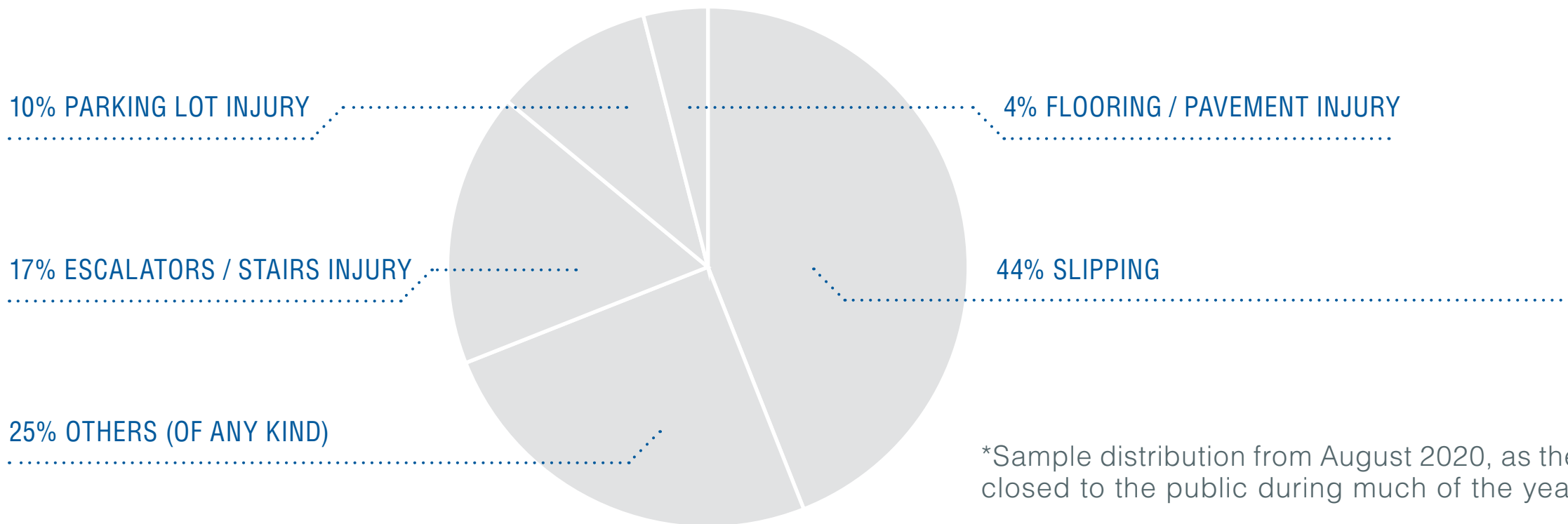
In accordance with our security plan, we conduct regular emergency drills: fire, earthquake, missile attack and crowd evacuation, flooding and terrorist attack. Dedicated emergency teams (maintenance and security managers, chief operations managers, security officers, cleaning crew managers) are trained to act in case of emergency should one occur.

An emergency supply room is equipped with all the necessary supplies required in an emergency (including crowd guidance equipment). In addition, we conduct frequent periodic inspections of the various equipment and systems: electrical systems, fire alarms, gas detection systems, stairs, elevators, etc. There are generators in case of power failures as required by law, as well as two emergency staircases.

Hazardous Materials Safety

We ensure the safe operation and handling of hazardous materials. Chemicals used in our cooling towers are kept on spill control pallets. In the Acre Mall and the nearby offices, considerable protective measures have been taken to prevent seepage of ammonia gas emissions from the nearby Unilever plant. In general, we prefer to avoid the use of hazardous materials, yet some of our tenants who make use of hazardous materials do so in accordance with the relevant laws and in line with all safety procedures.

Safety Incidents in Company Properties*



*Sample distribution from August 2020, as the properties were closed to the public during much of the year.

Promoting Road Safety

We seek to protect our employees as they commute to and from work. To that aim, we defined procedures for using Company vehicles, and employees are required to undergo training when receiving a Company vehicle and to complete a medical fitness to drive statement.

Safety Incidents

We document and analyze every safety incident and hazard, conduct field safety reviews, and monitor aspects such as supplier safety conduct, construction work and building maintenance, etc.

The Group's malls recorded a relatively low number of safety incidents considering the overall lower number of daily visitors at the height of COVID-19.



SUSTAINABLE OPERATION

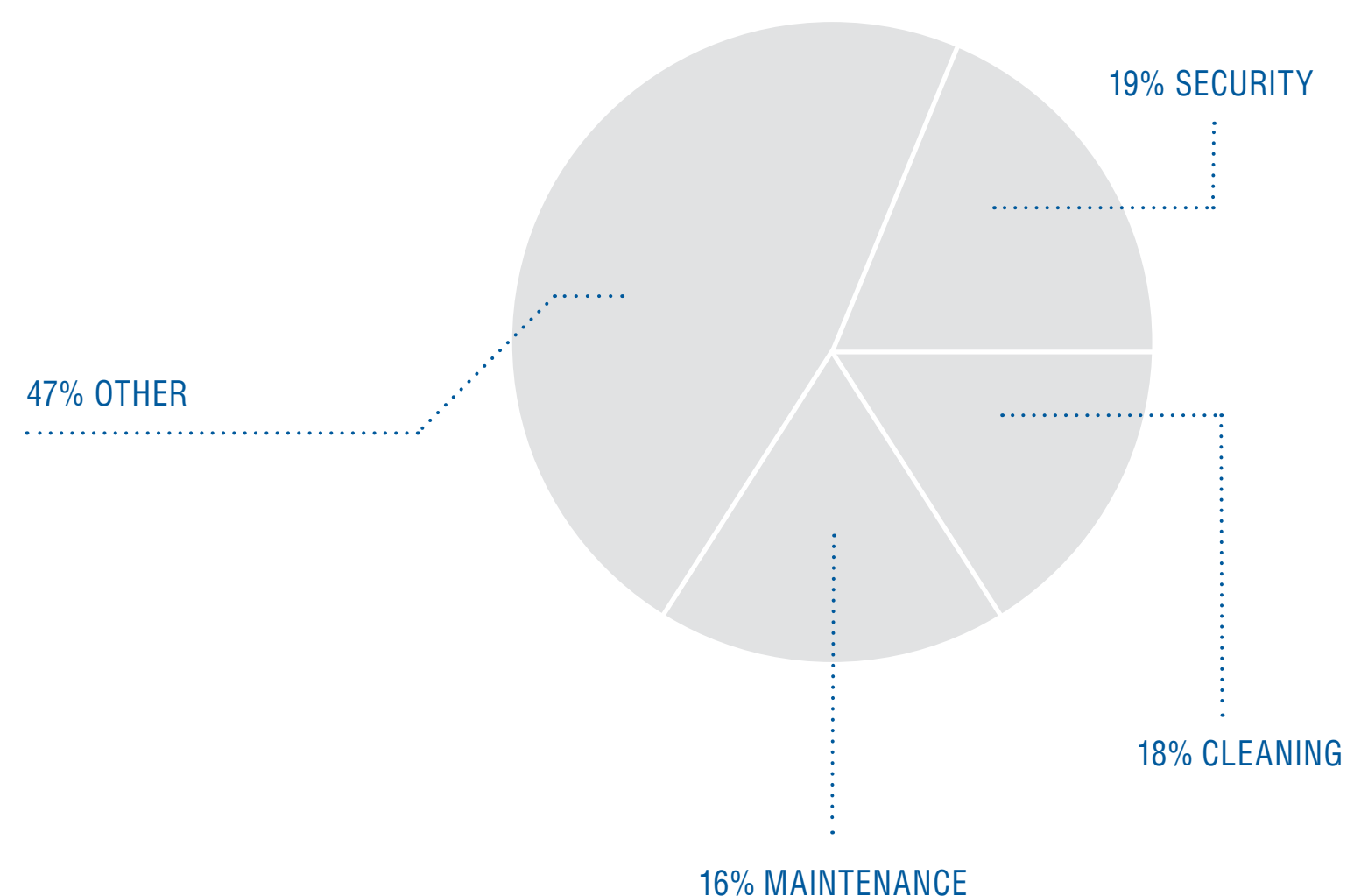
HEALTH
AND SAFETY

AZRIELI
GROUP

Resources

Safety considerations begin at the early stages of the structures' planning and design. Many resources are invested to implement safe construction and maintenance. Investing in the quality of our assets, including their safety and comfort, is also reflected in the operating costs involved in these areas.

Sample distribution of operating costs in one of the Group's properties



Regulation and Control

Regulation, supervision and control processes are conducted on an ongoing basis by internal and external entities, such as police and fire department inspections.

- We conduct an annual hazard/risk survey, in which we monitor our safety measures and procedures in an effort to maintain and improve them.
- An annual internal audit is conducted by our safety officer. This officer later submits a report on defects and risks, which the Group assesses and remedies.
- In 2020, an external audit was conducted in the Tel Aviv Azrieli Center.
- A certified engineer inspects all fuse boxes in our properties every five years.
- As part of improvement or renovation projects at an existing property, an operating contractor is responsible for construction safety.

Contractors

Our safety policies and procedures also apply to our contractors and subcontractors. We make sure of this through a number of measures:

- All contractors are required to adhere to the Group's rigorous standards.
- Any construction work undertaken by our tenants must first be authorized by the site's management. Once

construction plans are received, they are reviewed by a team that includes tenant representatives, a contractor, an architect, a property manager, a maintenance manager, a security officer and a cleaning supervisor. These parties discuss a variety of issues, including safety elements.

- Every contractor seeking to work with the Group must be licensed for the specific task and present all necessary permits and approvals.
- Our contractors are required to undergo training on various safety issues, such as hazardous construction and work at height, work on rooftops, working with heat sources or welding, electrical safety and more. In addition, safety courses are held on a regular basis.
- We review all construction plans to ensure that the contractor is familiar with the plans and that the tenant/contractor holds the proper work insurance. The maintenance manager, security officer and representative of the property management company (manager/deputy manager) supervise the construction activity to ensure that work is conducted safely and effectively throughout the project.

SUSTAINABLE OPERATION

HEALTH
AND SAFETY

AZRIEL
GROUP



A DECREASE OF 10%

in work-related incidents.

Future Targets



ENSURING THE CONTINUED EMPLOYMENT

of professionals with the skills and qualifications required to perform the work, making use of personal protective gear required for work, monitoring and reporting any accident or safety incident on site, conducting root cause investigations for any accidents with casualties, and implementing the safety committee's decisions and approved recommendations.



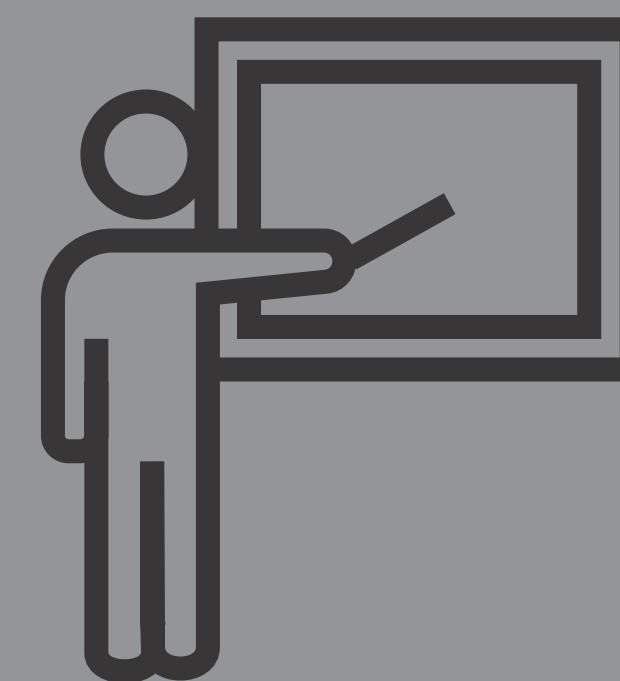
PROVIDING GENERAL SAFETY INSTRUCTIONS

and job-focused safety training as part of new employee orientation.



RISK ANALYSIS

performing at least 80% of JSA processes (Job Safety Analysis) for each job (or relevant processes) once every three years.



SAFETY TRAINING

for 100% of new employees before entering their positions in accordance with the Group's training program. Training should be administered and documented by the safety officer and by the employee's direct supervisor.

Our Tenants and Customers

OUR TENANTS
AND CUSTOMERS

OUR APPROACH
TO SERVICE

AZRIELI
GROUP



Our Approach To Service



We strive to provide our customers with a unique experience alongside our innovative, convenient and accessible services. Our properties offer an aesthetic and esteemed environment for work and leisure – a pleasant and fun space in which to work, spend time and meet friends.

The knowledge and experience we have accumulated over the years allow us to bring added value to our properties, tenants and the visiting public.

OUR TENANTS AND CUSTOMERS

OUR APPROACH
TO SERVICE

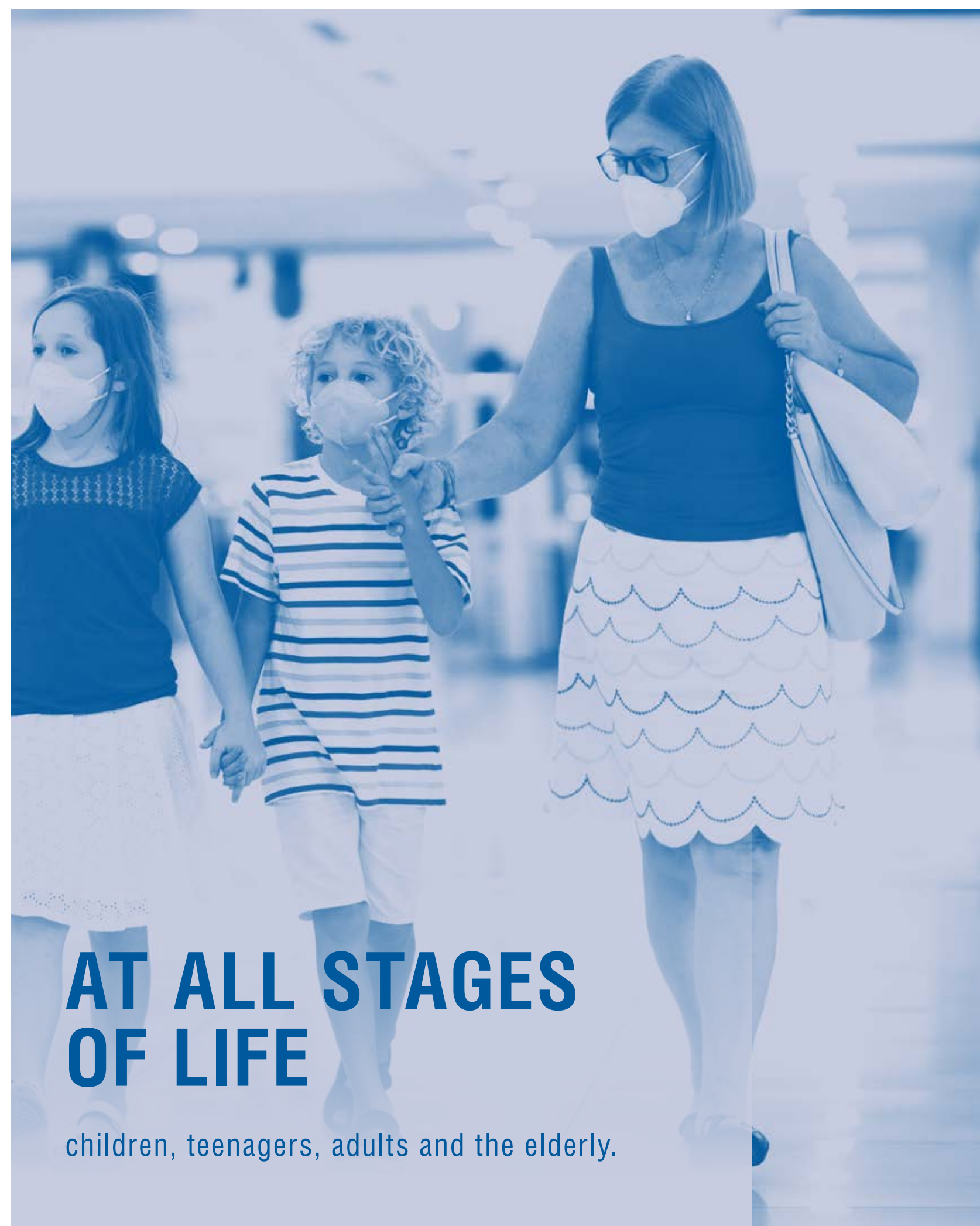
AZRIELI
GROUP

Our Service Values



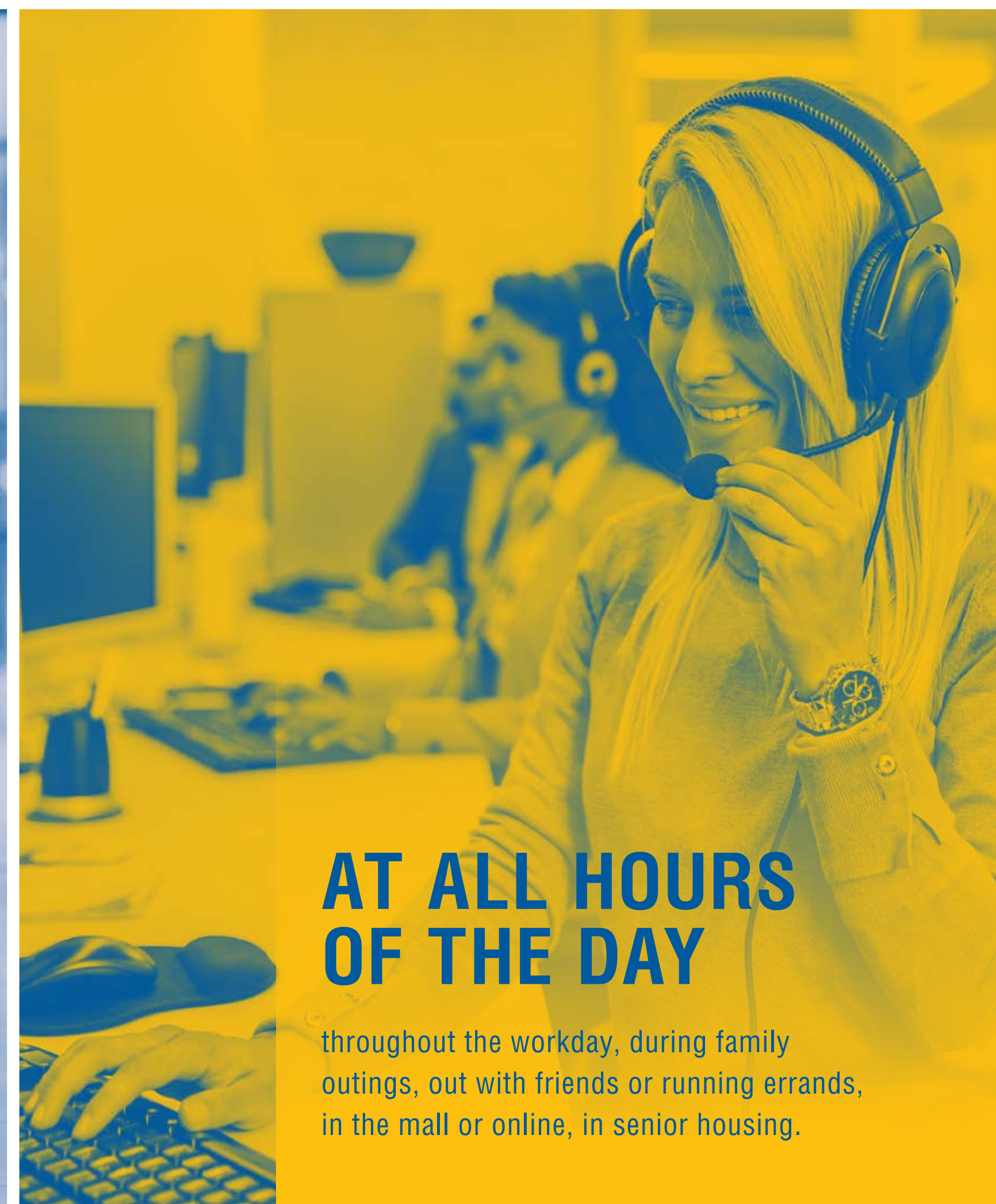
**WE SERVE ALL
POPULATIONS**

businesses and private individuals.



**AT ALL STAGES
OF LIFE**

children, teenagers, adults and the elderly.



**AT ALL HOURS
OF THE DAY**

throughout the workday, during family outings, out with friends or running errands, in the mall or online, in senior housing.



Our Target Market

At the Azrieli Group, our customers include office space tenants, shopping center tenants and visitors, senior housing residents and e-commerce customers.

Committed to Quality, Comfort and Innovation

Strong and consistent occupancy rates at our malls and offices are the best testament to the quality of service and infrastructure we provide.

To ensure an optimal user experience in all the Group's properties, we renovate existing properties (as needed), maintain a diverse and dynamic roster of tenants aligned with the needs of local communities, upgrade internal systems, and implement technological improvements.

OUR TENANTS AND CUSTOMERS

OUR APPROACH
TO SERVICE

Mall Tenants

We proudly own and operate **18 malls and shopping centers** across Israel. Our malls span over **352,000 sq m** and serve approximately **1,840 tenants**. Most of these malls operate under long-term lease agreements.

Among the keys to our success is the diverse and high-quality tenant portfolio in our shopping centers. Our tenants are sound and bring extensive experience in marketing, managing and operating properties. Our commitment to a dynamic retail mix of tenants in the years to come ensures an outstanding and pleasant shopping experience for our visitors.



OUR TENANTS AND CUSTOMERS

OUR APPROACH
TO SERVICE

AZRIELI
GROUP

Office Tenants And Others

The Company owns and manages office properties. We currently own **15 income-producing properties** with over **628,000 sq m** of leasable space and approximately **670 tenants**.

The leased areas are divided into two main categories:

Office Towers – Most of our office properties are towers located in central business complexes and leased, at high occupancy rates, to a diverse mix of tenants, generally for long lease periods. In addition, we own leasable space designated for smaller tenants such as medical offices, HMO clinics, independent service providers, etc.

High-tech Industries Business Parks – Over the years we have become experts at responding to the needs of specialized industries. Purpose built construction provides a

comprehensive and complete solution for tenants, beginning at initial phases like design and work plans and continuing through actual construction. We maintain full cooperation with tenants throughout the process and respond to all their needs for the duration of the leasehold.

Income-producing Real Estate in the U.S. – We also own eight office rental properties outside of Israel, seven of which are in the United States. The properties include a total leasable space of approximately **246,000 sq m** with almost **200 tenants**.

Unlike our properties in Israel, which are managed directly or by our subsidiary management companies, leasable office space in the United States is managed by external local management companies, which are responsible for collecting rent and other property fees from tenants.



Mall Visitors

Our malls and shopping centers provide a diverse shopping experience for **over 60 million visitors per year.**

Malls as Entertainment Venues – We always seek to improve the entertainment and dining experiences in our malls. We do so by diversifying our selection of restaurants and cafes, modernizing design, renovating our food courts, and adding crowd-attracting entertainment options. Furthermore, we aim to create family-centric areas in our malls, including play areas, diaper changing stations and nursing rooms.

Innovation

In recent years we have worked to implement technological improvements and groundbreaking innovations in the shopping mall sector. One such innovation was the development of a unique online application that offers exclusive discounts, coupons, information and other benefits to mall visitors. This online application better enables direct marketing based on customer preferences. We will continue to invest in technologies and services that integrate customer experience with both the digital and physical worlds.

Shopping With Your Best Friends

Since 2019, as part of our effort to enhance the shopper experience, dogs (restrained and cared for by their owners, per the law) have been allowed to enter some of our properties, including the Azrieli Center Mall and the Hod Hasharon and Ramla malls. Soon, we plan on allowing dogs in even more of our malls.

AZRIELI.COM

Active participants in the consumer revolution of recent years, we have developed tools that combine digital retail trends with the ever-popular physical mall shopping experience. One such tool is our website, Azrieli.com – an e-commerce platform that supports and enhances our malls and shopping centers by way of integrated sales. For example, the platform's "Click & Collect" feature enables shoppers to order products online and collect them in one of the Group's malls. **In 2021, Azrieli.com will launch a "Responsible Shopping" platform for our customers, focusing on products that our tenants mark as environmentally and/or socially friendly.**



Improving Communication with Tenants & Customers



We value the importance of an ongoing dialogue with our tenants and customers as a means of continuous improvement.

A2Z Community

Over the next two years, we plan to launch a platform for the Azrieli community of office tenants – the A2Z community

Our vision is to bring the tenants across all our office buildings into a joined community which will be comprised of an estimated 40,000 people. This community will enable our tenants to create value and new relationships with other businesses in our properties while strengthening their sense of belonging to the Azrieli brand. As members of a joint community, we believe we have a value proposition that our tenants can leverage into significant cumulative relationships and know-how which will enhance their businesses and personal goals. Community members will receive various exclusive benefits at our malls, online shopping sites and more. In addition, the community will hold events and activities for its members – conferences, content events, entertainment and leisure experience, and networking opportunities.

Tenant Satisfaction Surveys

We constantly strive to become more efficient and implement a wide variety of improvement measures in our towers. This includes strengthening our channels of communication with tenants and ensuring their satisfaction with the services, management and maintenance we provide.

In order to achieve the LEED O&M for existing properties, we conducted a sample survey of tenants in the triangular building of Tel Aviv's Azrieli Center at year end 2019. The purpose of this survey was to evaluate tenants levels of satisfaction with the building, its management and maintenance, and other parameters.

Improving Methods of Communication Through Digital Platforms

Tenants Portal

We developed a portal in order to facilitate reporting and communication with our tenants. Slated to launch in the next two to three years, the portal will be available online and accessible from any device, smartphone or tablet. The tenants portal will allow tenants to scan and upload approvals and documents, submit reports, and receive automatic alerts, newsletters and general notices. This portal will enable more efficient work processes and allotment of resources.

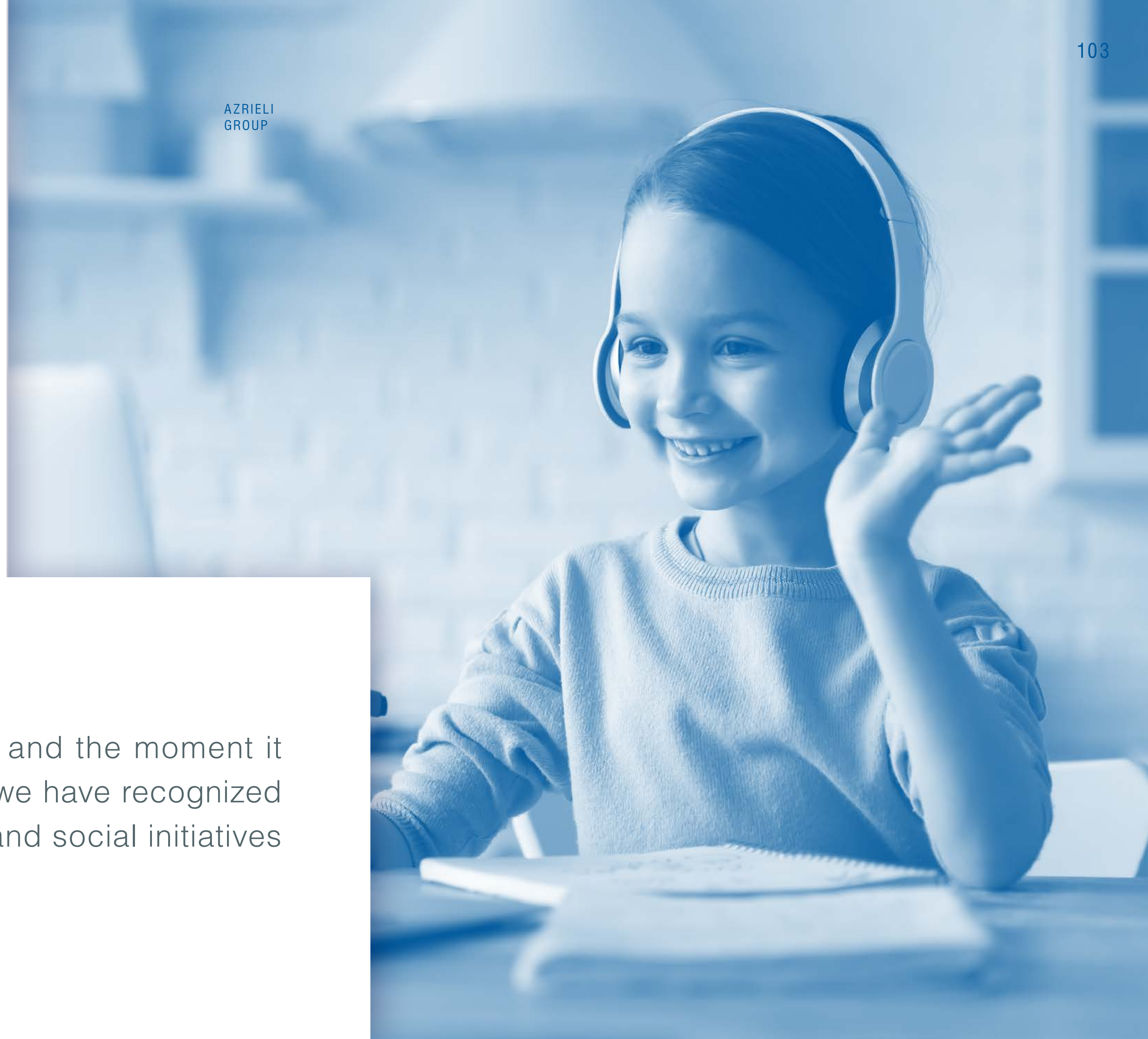
Management System

We are planning to implement the “Visit” management system in most of the Group’s assets over the next several years. The system will enable a fast and digital way to report malfunctions or submit maintenance/cleaning requests. The system will automatically generate and send a report to cleaning/maintenance workers and will send an alert when the issue has been resolved. In some building protocols we ensured that each tenant is provided with the contact information of cleaning, security, maintenance and management personnel in the building.

Social and Communal Responsibility

Community Involvement

Since the day our company was founded and the moment it became a publicly traded institution 2010, we have recognized the importance of promoting educational and social initiatives in our home country of Israel.



SOCIAL AND COMMUNAL RESPONSIBILITY

COMMUNITY INVOLVEMENT

AZRIELI GROUP

We are proud to have been named one of the five most beneficial companies to Israeli society in 2019 by a Tel Aviv University-authored study in collaboration with the Maala Index.

Until May 2020, we acted in accordance with the donation agreement signed between the Company and the Azrieli Foundation (Israel) (R.A.). Pursuant to this arrangement and since the Azrieli Foundation (Israel) (R.A.) was established, the Company contributed an annual amount of up to NIS 14 million, insofar as this did not exceed 1.5% of the Group's profits. In 2019, the Azrieli Foundation (Israel) (R.A.) was awarded this maximum contribution of NIS 14 million (approximately 0.6% of the Group's annual profits).

In 2020, the agreement with the Azrieli Foundation (Israel) (R.A.) expired and the Board of Directors of the Azrieli Group decided to continue to support the community through an in-house Corporate Social Responsibility program which it decided to develop. The Azrieli Group Corporate Social Responsibility Plan in 2020 defines the Group's contribution policy. Despite the challenges of the past year, the company donated approximately NIS 6.4 million (financial and/or in-kind) to the charitable entities throughout 2020 and will continue our community activities for years to come.

As part of our social responsibility policy, in August 2020 the Group's Board of Directors approved an annual contribution budget of **1.5% of the consolidated annual net profit or NIS 20 million, whichever is higher.**

The Azrieli Foundation (Israel) (R.A.)

Established in 2008 by David Azrieli.



The Vision

“To remember the past, heal the present and enhance the future of the Jewish people and humanity as a whole.”

David Azrieli’s vision lives on through the Azrieli Foundation (Israel) (R.A.) – one of Israel’s leading philanthropic organizations.

The Mission

The Foundation’s mission is to promote medical and scientific research, society, welfare, art and culture in Israel, through programs, projects, and grants to organizations that operate in the fields that are consistent with its objectives.

The Foundation focuses on: equal opportunities in education and educational excellence, higher education, Jewish and Israeli education, scientific research, architecture, Holocaust remembrance, assistance to populations with special needs, environmental sustainability, the public health system, welfare and community, art and culture.



SOCIAL AND COMMUNAL RESPONSIBILITY

COMMUNITY INVOLVEMENT

AZRIELI GROUP

Azrieli Foundation (Israel) (R.A.)
Contributions by Focus Area in 2019

This chart represents the Foundation’s total contributions for the year 2019 amounting to approximately NIS 30 million, with the Azrieli Group’s direct contribution constituting approximately 46% of said amount, accounting for NIS 14 million.



Azrieli Foundation (Israel) (R.A.)
Contributions by Focus Area in 2020

This chart represents the Foundation’s total contributions for the year 2020 amounting to approximately NIS 41 million, with the Azrieli Group’s direct contribution constituting approximately 14% of said amount, accounting for NIS 5.8 million.



Contributions to Organizations and Companies

The following is a list of some of the principal organizations that benefit from the Azrieli Foundation (Israel) (R.A.) support:



Tapuach Organization's Appleseeds Academy – Neta Program

Promoting Educational Opportunities

The program aims to encourage technological excellence and social leadership among high school students in 22 localities throughout Israel's geographical and social periphery. Since 2017, the Foundation's support has helped the program expand to additional age groups: 5th-8th grades (Neta Jr.) and young adults over the age of 18. Currently, the program actively supports over 2,000 children and young people each year.



“Or Yarok” Association For Safer Driving (Green Light)

Welfare and Community

The Azrieli Foundation (Israel) (R.A.) has been supporting the Green Light Association's program for Motorized Two-Wheelers Safety since 2016. The program promotes safe two-wheeler riding and works to raise awareness of the dangers posed to riders and pedestrians. The program operates on several levels: community educational multi-age activities among approximately 6,000 teens per year; development of educational road safety programs in collaboration with the Ministry of Education; promotion and development of digital education and training centers; promotion of policies for increased enforcement and safety measures by local authorities; enhancing public awareness and advocacy concerning this issue.



The Shanti House

Welfare and Community

The Shanti House serves as a temporary home and a long-term solution for runaway or homeless youths aged 14 to 21 who are at risk or face immediate danger. The organization provides shelter and assistance to these young people, regardless of religion, race, nationality or gender. Some arrive to the Shanti House independently and others are referred by welfare services. For many teens, this is their last chance for a warm and loving home that saves them from a future on the streets.

Shanti's doors are open 24 hours a day, 365 days a year. Entrance does not require official referral or a waiting period, and there are no stay time limits. In addition, the organization offers a wide array of educational and therapeutic assistance and operates a preventive program for at-risk youth. Two homes are currently in operation: one in Tel Aviv and another in the Negev. Together, they assist over 2,400 teens every year. The Azrieli Foundation (Israel) (R.A.) has been supporting the activities of the Shanti House since 2015.

SOCIAL AND COMMUNAL RESPONSIBILITY

COMMUNITY INVOLVEMENT

AZRIELI GROUP



The Ghetto Fighters’ House – Itzhak Katzenelson Holocaust and Jewish Resistance Heritage Museum

Holocaust Remembrance and Education

The Ghetto Fighters’ House is a museum founded by Holocaust survivors that showcases the bravery, spiritual triumph and ability of Holocaust survivors and fighters of Warsaw Ghetto revolts to rebuild their lives in Israel. The museum’s archives hold photographs, personal objects and art collections from survivors and their immediate descendants, all available for display to visitors. The museum also houses an educational center that imparts knowledge about the events of the Holocaust and provides tools for the development of tolerance, civic responsibility and dialogue between different cultural backgrounds in Israeli society.

The Azrieli Foundation (Israel) (R.A.) has been supporting the Ghetto Fighters’ House since 2012. This support helps make the museum’s educational activities accessible to students from Israel’s social and geographical periphery by subsidizing transportation and admission tickets for schools that cannot fund the cost.



Lasova Organization

Welfare and Community

Lasova is a nonprofit organization that helps the needy with food, shelter, clothing and education. The organization distributes food stamps, collects second-hand clothes, and operates soup kitchens, 11 homeless shelters, two kindergartens for refugee and migrant workers’ children, and 21 youth centers across the country, serving approximately 1,000 at-risk children.

The Azrieli Foundation (Israel) (R.A.) has been supporting the activities of Lasova since 2011.

Every year, the Foundation’s support helps over 2,300 people in need receive food items during the spring (Passover) and autumn (Jewish New Year) holiday seasons.



Tel Aviv Sexual Assault Crisis Center

Welfare and Community

The center provides free assistance to women and men who have experienced sexual assault and need practical and emotional guidance and support. Activities include separate help lines for women, men and the religious sector, support groups, education, lobbying and advocacy.

The organization responds to more than 10,700 hotline inquiries per year, accompanies almost 300 of those who wish to submit a police complaint and conducts approximately 2,800 workshops for teens each year. The Azrieli Foundation (Israel) (R.A.) has been supporting the activities of the Tel Aviv Sexual Assault Crisis Center since 2012.

SOCIAL AND COMMUNAL RESPONSIBILITY

COMMUNITY INVOLVEMENT

AZRIELI GROUP



The Israeli Conservatory of Music, Tel Aviv

Culture

The Israeli Conservatory of Music, Tel Aviv, is one of the oldest and most respected institutions for musical education in the country. The conservatory offers practical and theoretical programs in various musical instruments for children and teens through workshops, master classes and concerts. The Azrieli Foundation (Israel) (R.A.) has been supporting two unique programs at the conservatory – “Tuned Tune” and the “Perlman Music Program” – since 2016.

- The “Tuned Tune” program provides at-risk youth with an equal opportunity for high-quality, professional musical education. Every year, the program hosts approximately 70 children aged 6-19 who are otherwise educated in at-risk children’s homes and have demonstrated an interest in music. Program participants join the conservatory as full-time students and learn to play instruments, sing and explore music theory, auditory training, music history and the development of other skills. Students participate in musical ensembles and are invited to concerts and performances, thus becoming acquainted with various musical genres along with the rest of the conservatory’s students.
- The Perlman Music Program is designed for gifted string musicians, aged 12-19 from around the world, who exhibit exceptional talent. The musicians are carefully selected and invited to participate in an intensive two-and-a-half-week program under the direction of Maestro Itzhak Perlman. Each year, the program hosts over 40 string musicians from around the world, half of whom are Israeli and from various parts of the country.

The New Community Involvement Program

Environment and Community Project

Our properties throughout the country serve as centers of activity for various diverse communities. Our activities in property-adjacent community centers allow for the creation of significant collaborations with local communities, catering to their well-being and specific needs.

This project was formulated during 2020-2021 and will be implemented throughout the course of 2022 with a focus on environmental issues. The aim is to create a strong and lasting bond between communities surrounding the Group's properties and to support those properties' operation.

Each property will initiate a dedicated and unique project, which must meet various criteria, such as compliance with the Group's values, connection to the population served by the property, employee involvement in the project, and more.

Once an idea is formulated, the proposal will be presented to the Environment and Community Committee for approval and will receive funding – from the budget of the Group's Corporate Responsibility Plan – according to its scale of activity.

In addition, our employees participate in volunteer activities benefiting the community, both as part of the Group's Volunteer Day and as individual volunteer hours. For example, the collaboration with 'A Different Lesson,' in which employees sponsor students and teach them about the business world and the operations of the Azrieli Group. At the end of the year, students are invited to our headquarters and properties for an exclusive tour.

Implementing our Environment and Community Project will spur significant increases in overall volunteer hours and resources designated to communities and the environment.



Strategic Partnership With “Yarok Chevrati”

“Yarok Chevrati” is a socio-environmental initiative that enables people with various disabilities to take part in the workplace. Our partnership with this initiative is part of the Azrieli Center environmental pilot, more details of which can be found in the chapter “Sustainable Operation.” This pilot itself falls under the Group’s Environment and Community Project.

This collaboration places “Yarok Chevrati” employees at the forefront of the successful integration of the first-of-its-kind project in Israel. It promotes accessibility, raises awareness of environmental and social issues, and helps employees realize their potential in the labor market.

The “Yarok Chevrati” team provides us with recycling services and contributes to the efficient operation of this intricate pilot. The team collects and sorts waste from our offices and the mall and transfers it to the designated recycling bins.

Eddie Lukash, member of the “Yarok Chevrati” team at the Azrieli Center:

“I hope this pilot will be offered everywhere so that everyone can see the importance of recycling. My job gives me a reason to wake up in the morning.”



Our Employees: The Human Advantage

OUR EMPLOYEES THE HUMAN ADVANTAGE

EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP



Employees and Their Work Environment

Our employees are the key to our success.
We strive to develop their skills and abilities in support of organizational aims and objectives while maintaining a pleasant, safe and empowering work environment, one that enables equal opportunities and fosters excellence.
The Azrieli Group employs 361 workers, as of 31.12.20.

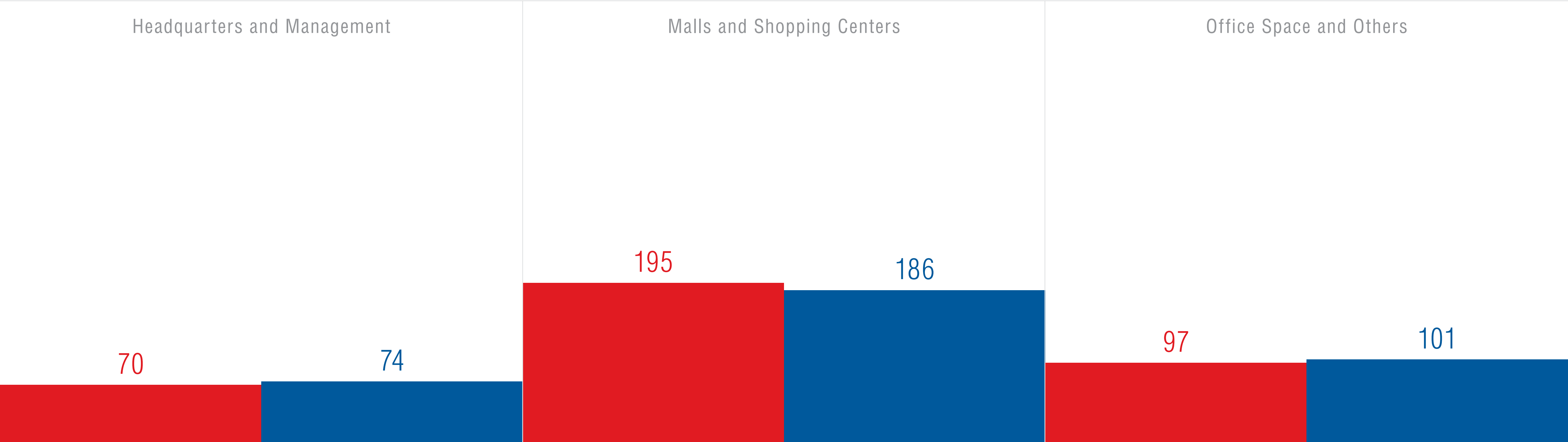


WOW CHECK OUT
THIS VIEW!

DISTRIBUTION OF EMPLOYEES BY
OPERATIONS SEGMENT*
(Number of Employees)

*As of year-end 2020. In addition, one employee from management is allocated to the U.S. income-producing real estate segment, and one employee is allocated to the senior housing segment.

20192020



OUR EMPLOYEES THE HUMAN ADVANTAGE

EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP

Employee Wellbeing

We invest in our employees' wellbeing and are committed to providing them with a respectful, enriching, and pleasant work environment. It is important to us to join them in celebrating their significant life events throughout the year, so we give them gifts for births, weddings, bar/bat mitzvah celebrations, kindergarten graduations, birthdays, holidays and retirements.

Grandparents also receive a gift in honor of the birth of their grandchildren, as do parents whose children got married. In order to sustain company pride and employees' sense of belonging, we make sure to hold orientation days for new employees throughout the year, in which newcomers become better acquainted with members of management and are exposed to the various business activities in the group. We make sure to celebrate with our veteran employees and hold a yearly forum for all employees to acknowledge those who have reached 10, 20 and 30 years of tenure in the Group, where they are presented certificates of appreciation and gift vouchers from "Azrieli Giftcard" on stage.

For our employees who go above and beyond expectations, we encourage our managers to offer rewards and bonuses to demonstrate their appreciation. In addition, once a year we convene a committee that selects the Azrieli Group's most outstanding employees based on recommendations submitted. They receive certificates of appreciation for their

contributions and gift vouchers from "Azrieli Giftcard," and are honored at a special reception attended by all members of the Group.

Assistance to Employees

We make sure to help and support the wellbeing of our employees by assisting those in need (financial, medical, mourning of a loved one, etc.). In 2020, we allocated funds for workers in distress.

The Azrieli Group offers psychological support and counseling to all our employees and their families, such as psychotherapy, parental guidance, couples therapy, financial advising, and more. Each employee/family is entitled to four psychology sessions yearly, and ten additional sessions at a subsidized rate.

Supporting Employees Throughout the Pandemic

With the outbreak of the coronavirus pandemic in Israel and around the world, the Azrieli Group acted in accordance with the guidelines of the government and the Ministry of Health. During the crisis, the Group had to place some of our employees on furlough. For the entire period of the crisis and still to this day, we have made sure to create a safe and secure work environment for our employees.

Because we strictly adhere to the guidelines, we have experienced very few cases of the virus among our employees, and those who have tested positive have received support and guidance.

For our employees who had to work from home, we authorized flexible working hours and provided access at home to the systems and infrastructure needed for normal and undisturbed work, including customized equipment. We made active efforts to create a clean and safe work environment for our employees who continued working on our properties. We assisted our employees who were furloughed to prevent further economic harm by providing economic subsidies, and assisted and accompanied them in dealing with the authorities on issues like submitting payments to Social Security.

We also provided psychological support to our employees throughout the period as well. The group's leaders gave a series of lectures dedicated to managers discussing remote work, crisis management, and guidance and tools for maintaining ongoing and continuous communication with their employees. We delivered an online lecture to the entire organization on the challenges of parenting throughout the crisis, sharing practical tools and solutions for the struggles many were facing. We pampered our employees by sending packages at home during the holidays, in addition to the gift vouchers that are distributed yearly.

OUR EMPLOYEES
THE HUMAN ADVANTAGE

EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP

Compensation and Promotion policy

We make efforts to recognize and develop our in-house talent, which is why a full 26% of our recruitment is done within the Company as employees are promoted to more senior positions.

The vast majority of employees of the Company with at least one year of seniority are eligible to receive a 13th month annual wage supplement.

We do not believe in part-time work, so most of the positions offered in our Group are full-time. In addition, all employment contracts in the Azrieli Group are personalized.

Study Fund and Pension Fund

The majority of our employees are eligible for an advanced study fund, a medium-term savings plan in which the employer and the employee allocate a monthly payment to an investment plan which yields and grants tax benefits. At the Azrieli Group we allocate a generous provision of 7.5% starting from the employee's first day of work.

In addition, and as part of our efforts to improve employment terms, we granted employees a significant benefit in their pension fund management fees. The benefit came into effect in September 2019 and is valid for 5 years.

The fact that these and other employment terms apply to the vast majority of employees attests to our deep appreciation of their contribution and dedication.

The terms of employment also include pension insurance (pension fund or executive insurance, or a combination of the two) which includes provident components (on the part of employee and employer) as well as severance pay.

OUR EMPLOYEES THE HUMAN ADVANTAGE

EMPLOYEES AND
WORK ENVIRONMENT

AZRIEL
GROUP

Scholarship Program for Employees' Families

We believe that human capital development and investment in education constitute the principles of leadership, excellence and professionalism, which are among our core values. Therefore, we established a scholarship fund available to employees and their children or grandchildren, as well as to our retirees and their children or grandchildren. This includes retirees who have passed away.

Scholarships are granted for academic studies, professional training, and enrichment and personal development (e.g., cooking courses and photography courses).

Every scholarship application is reviewed by the scholarship committee, which makes its decision based on the employee's seniority, the recommendation of the employee's direct supervisor, the employee's annual performance evaluation, and the employee's compliance with the Group's values.

As part of this program, 36 scholarships are awarded each year, up to an amount equal to a university's tuition for a maximum period of three years.

Scholarships distributed as part of this program amounted to approximately NIS 658,000 in 2020.



OUR EMPLOYEES
THE HUMAN ADVANTAGE

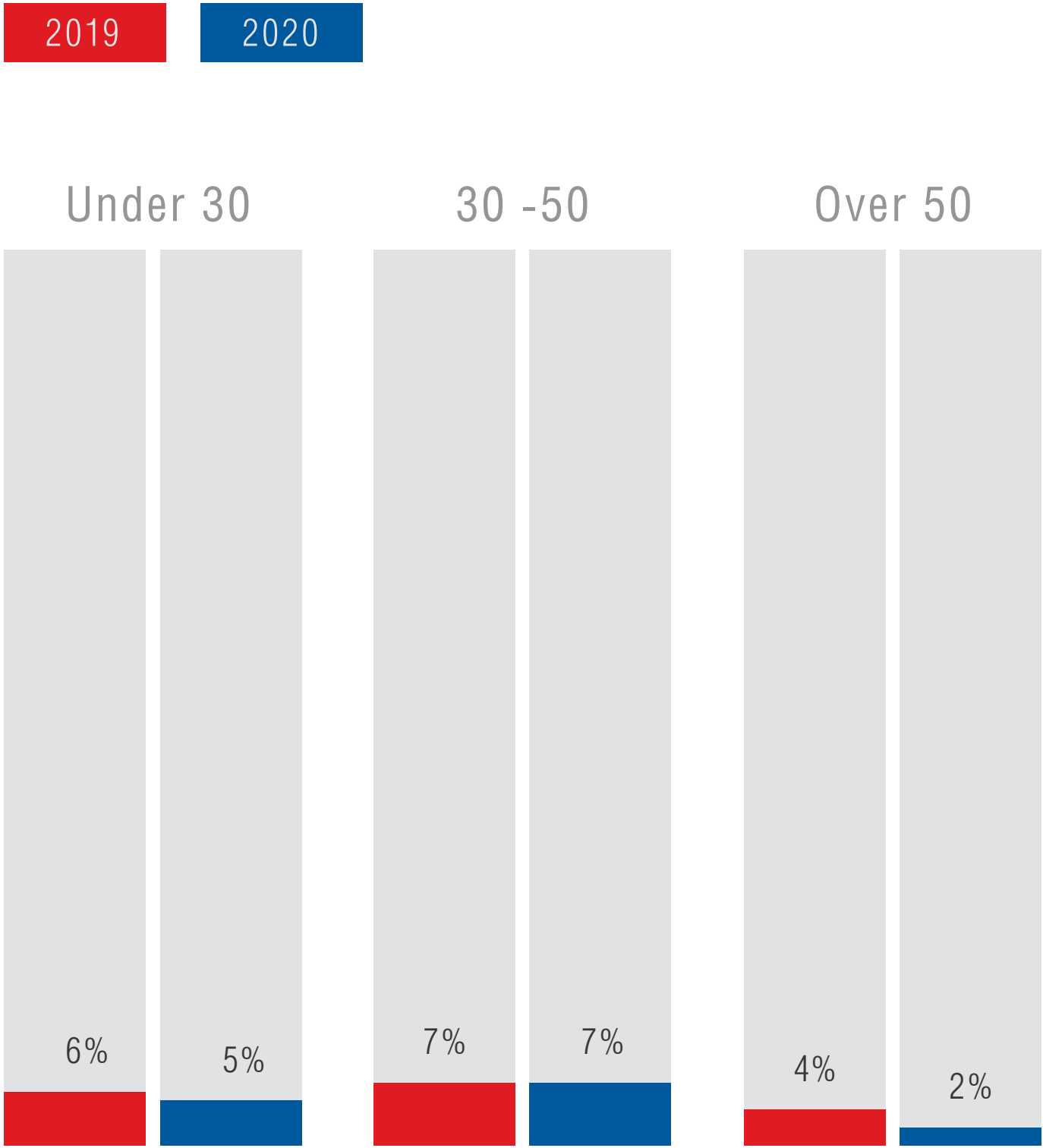
EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP

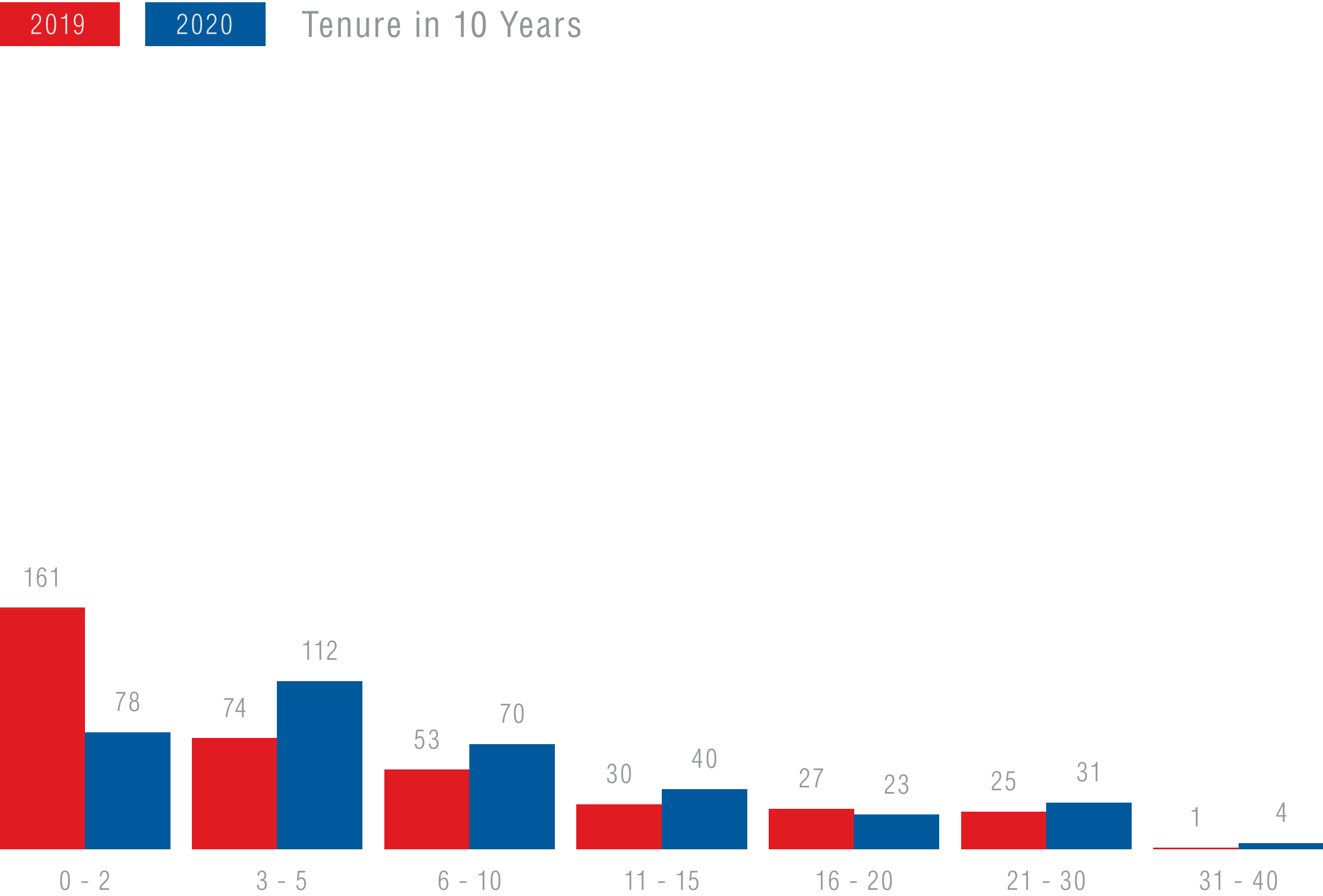
Seniority and Employee Turnover

The average tenure of our employees is 6.8 years.

EMPLOYEE TURNOVER RATE
(by Age)



EMPLOYEE TENURE RATE
(by Number of Employees)





Training & Development

Training and Instruction for Employees and Managers

Approximate amount based on tax gross-up estimates.

To ensure the proper training of our employees, we conduct regular training and instruction according to specialization and need.

In 2019, 6,764 training hours were accrued with an average of 16.8 training hours per employee.

In 2020, 2,888 training hours were accrued with an average of 11.8 training hours per employee (some training courses were cancelled or postponed due to the COVID-19 outbreak).

We hold annual refresher courses for Company position holders and employees, in accordance with the Group's internal enforcement plan, which includes subject areas like capital markets and securities, planning &

construction and real estate, labor law, environmental sustainability, safety and accessibility, prevention of sexual harassment, consumer protection laws and other subjects as deemed necessary.

Our employees and managers are kept informed on areas related to their respective fields of operations through conventions, seminars, and professional training programs.

One such training program was our "Executive Development Program," which included six half-day sessions for 23 managers and featured lectures from senior executives in the Israeli economy. In the end, six sessions became eight due to high participant engagement and interest.

OUR EMPLOYEES THE HUMAN ADVANTAGE

EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP

Dialogue With Our Employees

We strive to constantly maintain an open dialogue with our employees based on respect and inclusion. The Group's CEO, division managers and HR manager visit each of our properties throughout the year. We also encourage feedback through our twice-yearly roundtables where they can share any issues or concerns with our CEO and human resources manager.

Employee Feedback and Evaluation

As of 2019, the Azrieli Group began conducting evaluation and feedback processes for all of our employees to help strengthen the relationship between employees and their direct managers, increase satisfaction, motivation and trust, and provide tools for personal and professional development. As part of the annual feedback process, we address their concerns during management meetings and the properties' CEOs forum.

In 2019, 92% of employees received regular performance evaluations.

In 2020, 84% of employees received regular performance evaluations, as some employees were out on furlough during the COVID-19 lockdowns.

EMPLOYEE PORTAL

We developed an organizational portal that is set to launch during 2022. The portal is designed to improve intra-organizational communication and includes a variety of accessible content: employee development and the evaluation process, employee training opportunities (professional skills, enrichment, remote work), recruitment opportunities at the Azrieli Group, new employee orientation, procedures, Code of Ethics, goals and values, sexual harassment policies, the Group's scholarship program, the Group's Corporate Responsibility Program, and more.

The portal will serve as a resource for education and a platform for internal communication, increasing the synergy between headquarters and the field and strengthening the organizational pride of our employees.

WORKPLACE DIVERSITY AND EQUAL OPPORTUNITY

We believe that diversity and equality are key pillars of a pleasant and productive work environment, a healthy organizational culture, a plurality of opinions and a sustainable and creative organization. Therefore, we are committed to non-discrimination, fairness and equality, and devote our best efforts to implementing policies that promote and encourage decision-making based on pertinent considerations, regardless of religious affiliations, ethnicity, gender, age, political opinion, sexual orientation, disability of any kind or other characteristic. As we strive for equal opportunities and fairness in employment, we discourage the employment of first-degree relatives of Group workers. Moreover, all aspects of employment, including promotions, wages and mobility are determined solely on the basis of qualification, performance, skills and relevant experience.

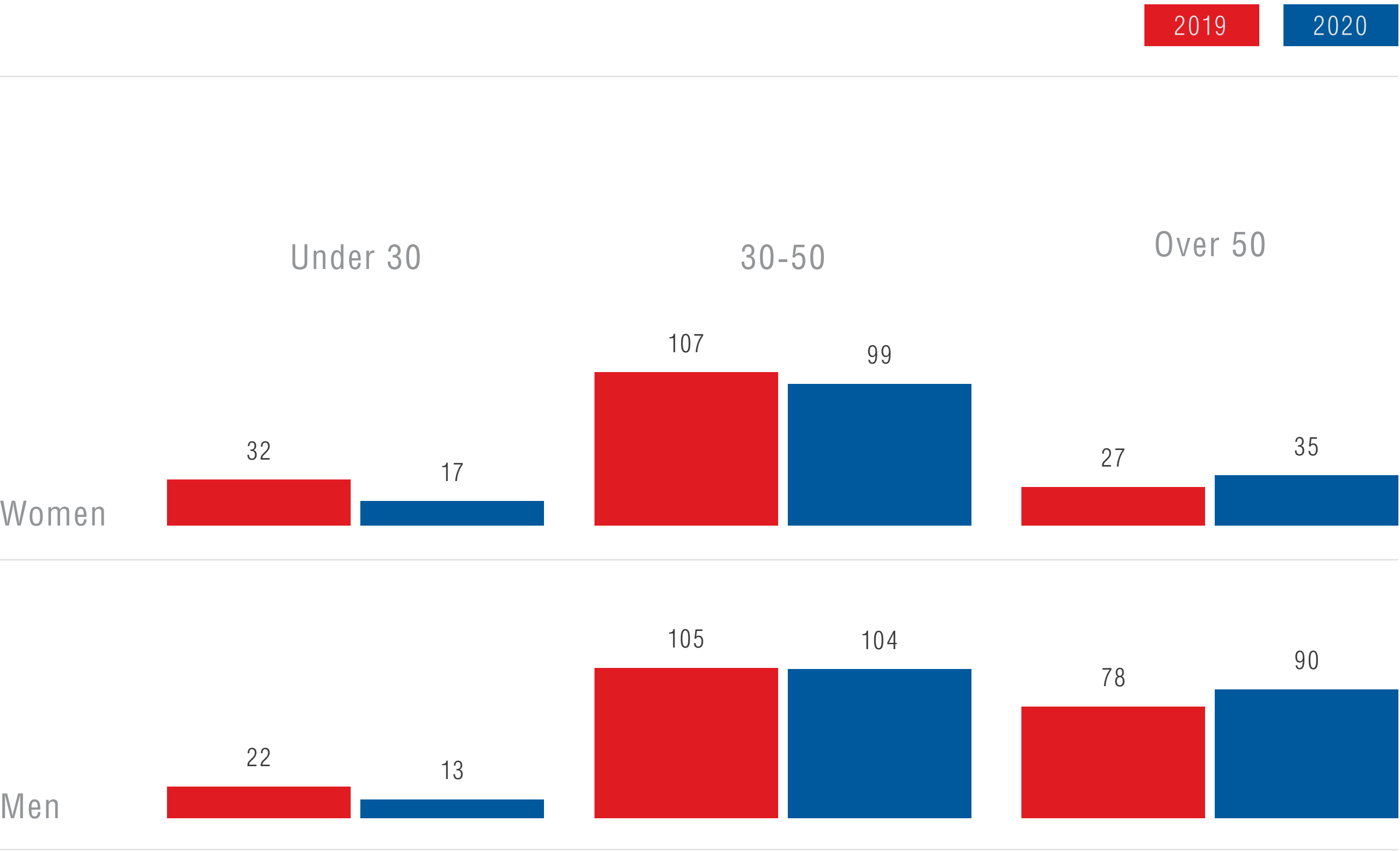
Age Diversity

We encourage age diversity among our employees, recognizing the value of intergenerational interaction. The mix of perspectives contributes to creativity, resilience and an enhanced ability to respond to business challenges.

We currently employ 13 people over the retirement age, constituting 3.6% of the Company’s employees.

We maintain ongoing contact with our retirees throughout the year, including the distribution of holiday gift vouchers. In addition, they are eligible to participate in our scholarship program. In 2021, six scholarships were awarded to children of deceased retired employees.

EMPLOYEE AGE BREAKDOWN





Gender Diversity and Equality

We are committed to equality and are proud to report that there is no gender pay gap at the Azrieli Group.

We are proud that 4 out of the 13 senior executive management positions in the company are women, **three of whom were promoted from within the organization.**

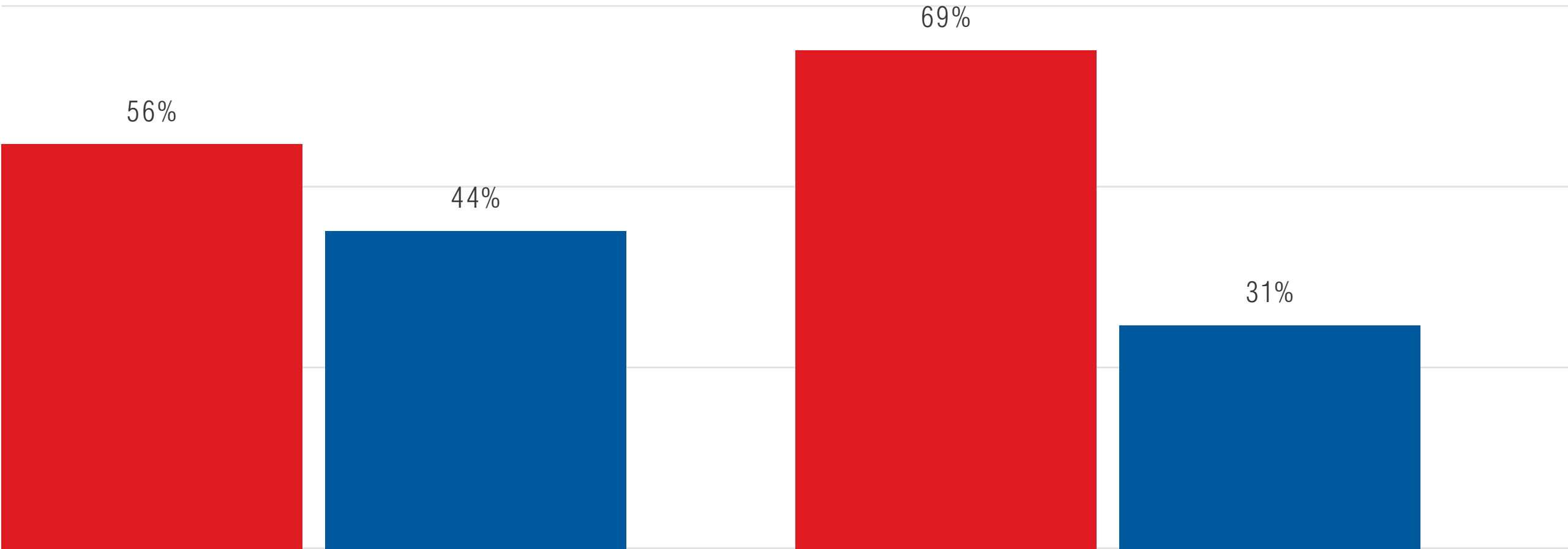
We aim to increase the presence of women in leadership positions to 40% by 2025.

SHARE OF WOMEN
IN THE WORKPLACE

Men Women

TOTAL WORKFORCE

SENIOR MANAGEMENT



OUR EMPLOYEES
THE HUMAN ADVANTAGE

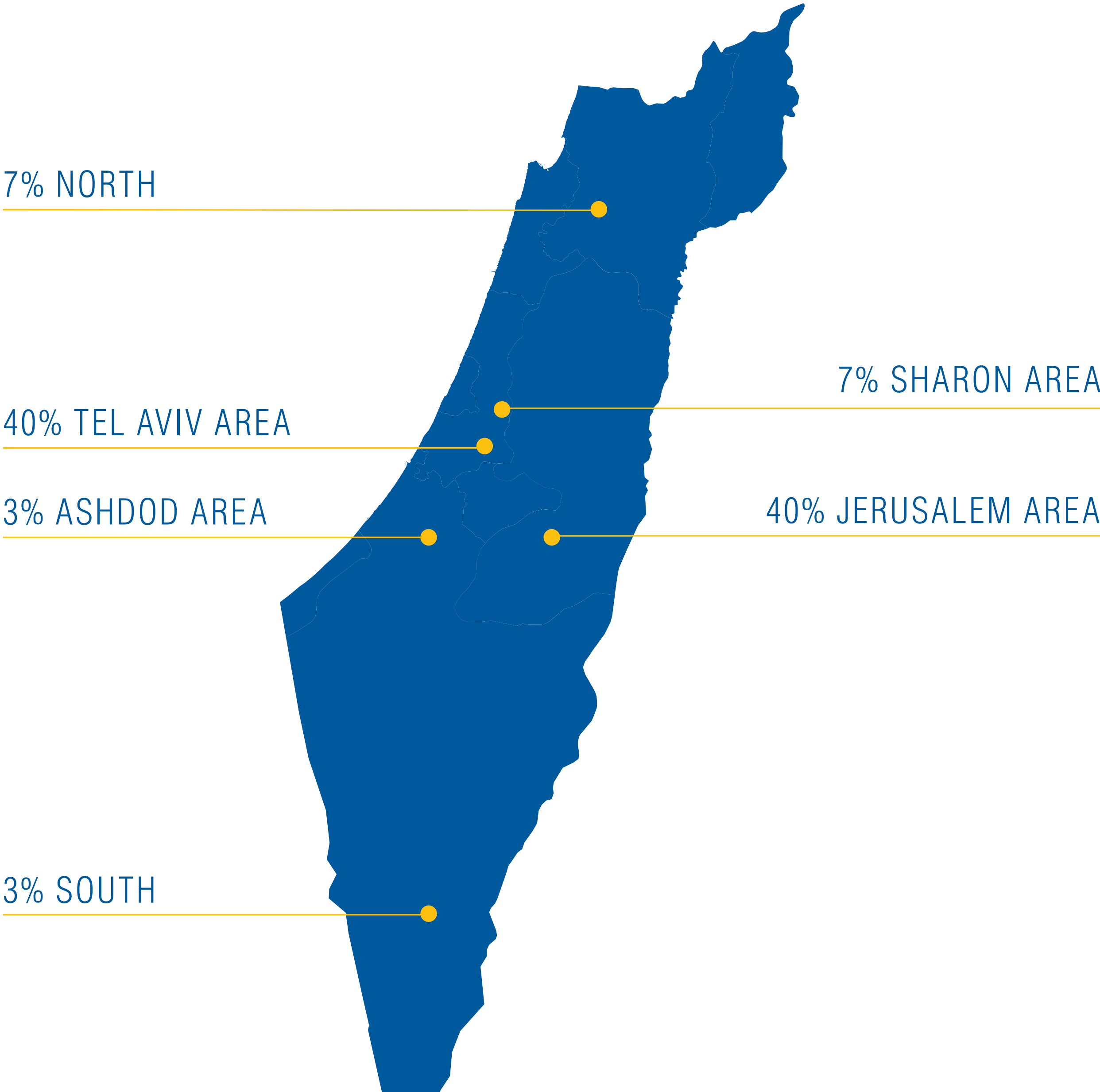
EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP

Geographic Diversity

The Group’s employees hail from different geographical backgrounds, creating a rich tapestry of cultural backgrounds.

There were no significant changes in employee geographic segmentation in 2020 compared to the previous year.



OUR EMPLOYEES
THE HUMAN ADVANTAGE

EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP

Inclusion of Minority Populations

As part of our strategy for equality, we promote the inclusion of members of Israel’s minority and disadvantaged groups and do not prevent employment due to any disability.

We collaborate with various recruiting companies and encourage applications from a diverse pool of candidates for employment. We work closely with several placement consultants from various non-profit organizations to promote diversity, and we employ workers with special needs through a third party as part of our strategic partnership with “Yarok Chevrat” (for more information please refer to our environmental pilot in the chapter “Social And Communal Responsibility”).

Employee Health and Safety

Our top priority is to ensure the physical and mental health of our employees and their safety within the workplace. We believe that promoting health and well-being increases productivity and helps maintain an overall happy and healthy lifestyle.

Our employees are entitled to paid sick leave from the first day of illness (beyond the letter of the law), subject to medical approval. Furthermore, every employee is eligible for basic health insurance coverage, which provides a variety of quality medical services and ensures peace of mind for our employees that their needs will be served regardless of financial constraints. In addition, the

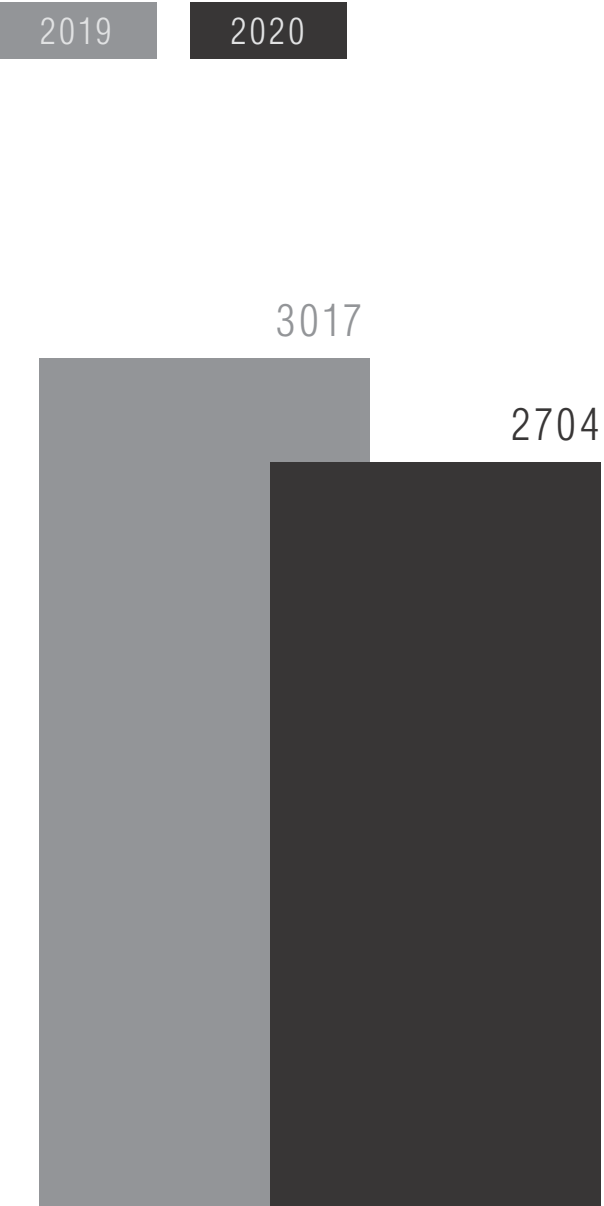
Azrieli Group reached an agreement to cover monthly stipends, as a substitute for salaries, for select employees who are unable to work due to illness or accidents.

We also organize running groups and sports teams who meet on a regular basis and participate in various competitions and sporting events. In addition, the Azrieli Group offers its employees significant discounts on subscriptions at gyms around the country.

Every year, ahead of flu season, workers who wish to receive the flu vaccine are invited to do so.

In case of serious illness and hospitalization, in addition to paid sick leave, employees receive a sweet care package with wishes for a speedy recovery. In some cases, we will also provide employees with special assistance, such as financial aid, additional sick days, food deliveries to their homes, and more.

Sick Days Usage



OUR EMPLOYEES THE HUMAN ADVANTAGE

EMPLOYEES AND
WORK ENVIRONMENT

AZRIELI
GROUP

Future Targets

We will continue our efforts to maintain a safe and diverse work environment while promoting training, development and employee well-being.

Over the next five years, we will focus on defining Key Performance Indicators in areas of employment diversity and training:

- DEI organizational culture – Establishing ongoing recruitment mechanisms with the aims of recruiting diverse populations, creating a supportive culture, and developing inclusive leadership among the Group's management, all in order to reach an inclusivity rate of 10% among our employees.
- Gender equality – Recruitment, promotion and advancement of women for management positions, with the aim of increasing the presence of women in Group leadership positions to 40%.
- Employee wellbeing and dialogue – Throughout 2021 and 2022 we will offer our retiring employees dedicated workshops for financial and emotional guidance and support through the retirement process. We will launch the employee portal and initiate semi-annual roundtables with the Group's CEO. Roundtables serve to enhance communication between executive management and Company employees.

Responsible Management



Corporate Governance Policy

The Azrieli Group places important emphasis on all aspects of proper corporate governance. The Group's comprehensive CSR (Corporate Social Responsibility) policy has been in effect for many years. This CSR policy is implemented in a manner that ensures the proper, orderly and efficient functioning of the company as well as compliance with all relevant legal provisions. Through this framework, we initiate various processes in the real estate market and in ESG-related fields.

*For further details regarding the information presented in this chapter, please refer to the Group's consolidated financial reports (chapter on corporate governance).

The Azrieli Group Board of Directors

Board of Directors: Purpose and Role

The Group's Board of Directors operates within the scope of authority conferred by the Companies Law and in accordance with binding regulations. The Board determines the Group's business strategy, including all issues of corporate responsibility.

The Role of the Board of Directors in Matters of Corporate Responsibility

The Board convenes once a year to discuss sustainability and corporate responsibility.

In 2020 the Group adopted a corporate responsibility plan that defines the Group's commitment to social and business responsibility, the building and development of Israel, and environmental sustainability. The Company's Board approved an annual budgetary framework of up to 1.5% of the consolidated annual net profit or NIS 20 million, whichever is higher, for the purpose of implementing the plan (for more information please refer to the chapter "Social and Communal Responsibility"). The Board of Directors is also responsible for selecting an

Internal Enforcement Officer, a position held by the Group's Vice President – Legal Adviser and Group Secretary, Adv. Nirit Zeevi, who supervises internal enforcement and submits her reviews to the Board's Enforcement Committee at every year's end. The committee holds a series of discussions regarding required adjustments to the enforcement plan and its procedures.

In addition, the Enforcement Officer submits proposals for annual work plans in coordination with both the Chairperson of the Board and the Group's CEO. As stated above, the Enforcement Committee of the Group's Board of Directors maintains this involvement in discussions and decisions regarding the internal enforcement plan's implementation and oversight.

Board Committees

The Board appoints various committees that act according to our core values and contribute to all aspects of corporate responsibility, and in accordance with the provisions of the law and regulatory changes applicable to the company.

Enforcement Committee - A committee dedicated to internal enforcement in the Group, which convenes to discuss required adjustments to the enforcement plan and procedures in accordance with the Company's unique structure and business activity.

Audit Committee - The audit committee is responsible for the Group's internal audit. The committee's roles include reviewing and monitoring the implementation of the internal auditor's work plan, reviewing transactions with controlling shareholders, and formulating arrangements for handling employee complaints.

Statements Review Committee (FSRC)

A committee convenes once every quarter for the purpose of reviewing the Company's financial statements and formulating a recommendation to the Board of Directors regarding their approval. It should be noted that the Company's external auditor attends all FSRC meetings.

Compensation Committee

The committee conducts discussions on the terms of employment and the compensations granted to the Company's senior officers and stakeholders. The committee is obligated to act in accordance with the law.

Members of the Board of Directors

The Company's Board of Directors consists of nine members drawn from a broad spectrum of expertise. The Board includes: 4 women, 5 men, 2 external directors, 3 independent directors, 4 directors with accounting and financial expertise, 4 directors with professional expertise.

Independent directors (including "external directors" as defined by the Companies Law) account for 56% of our Board (five out of nine). During 2020, the Board of Directors convened 13 times, with a **96% participation rate**.

Board of Directors Gender Diversity

Out of nine Board members, four are women, accounting for 44% of the Board, with a woman as the Board's Chairperson.

Board of Directors Training

New directors attend a corporate governance training program with follow-up programs for incumbent directors. In addition, once a year we hold a training day for Board members and managers in order to emphasize the importance of internal enforcement in the company, remind them of existing procedures, share updates on new procedures, and review key issues on relevant topics from the past year.



MS. DANNA AZRIELI,
BOARD CHAIRPERSON



MS.
NAOMI AZRIELI



MS.
SHARON AZRIELI



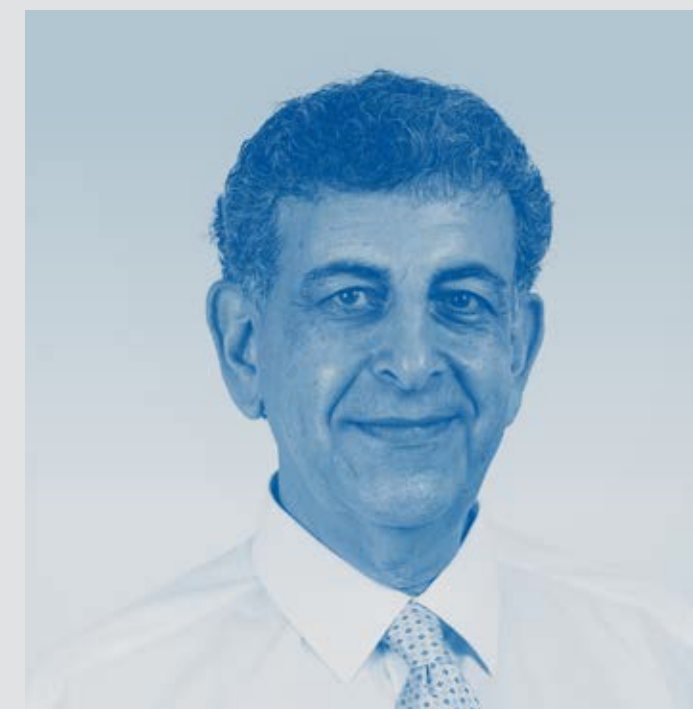
MR.
MENACHEM EINAN



MS. TZIPORA CARMON,
INDEPENDENT DIRECTOR



MR. ORAN DROR,
INDEPENDENT DIRECTOR



MR. EHUD RASSABI,
EXTERNAL DIRECTOR



MR. YOSSEF SHACHAK,
EXTERNAL DIRECTOR



MR. DAN GILLERMAN,
INDEPENDENT DIRECTOR

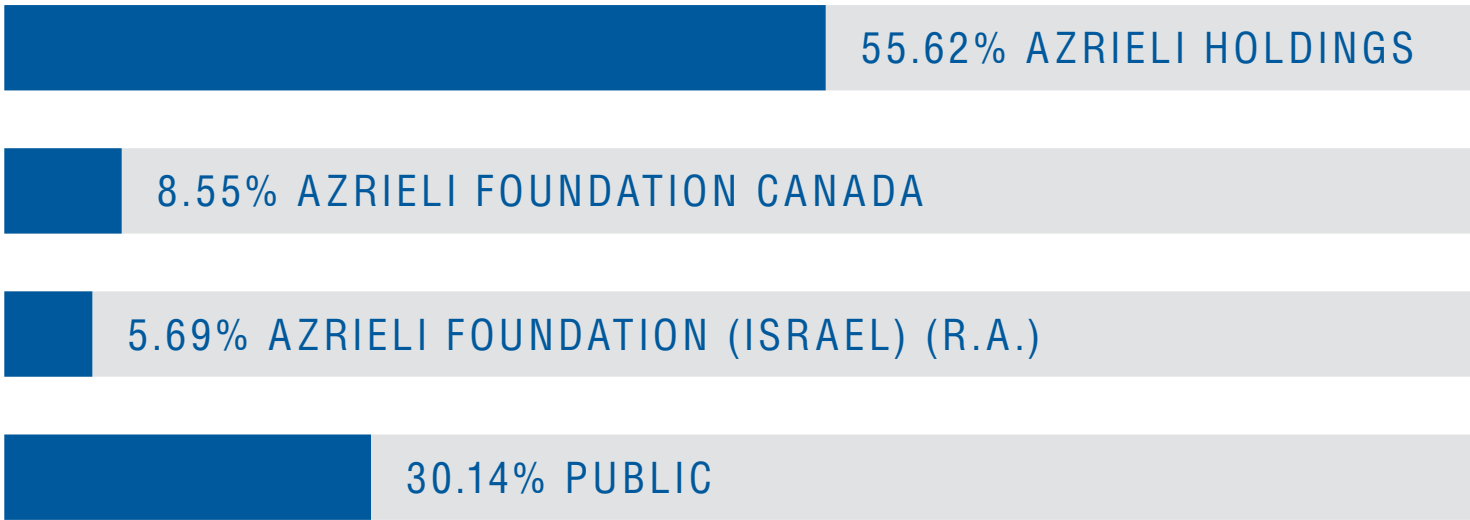
The Effectiveness of Internal Control

The Group’s management, under the supervision of the Board of Directors, is responsible for setting and maintaining the proper internal audit of financial reporting and disclosure for the Corporation. Based on the effectiveness evaluation performed in 2020, the Board of Directors and management of the Corporation concluded that internal auditing is effective (as of December 31, 2020).

Controlling Shareholders
and Voting Rights

As detailed in the group’s public reports, the voting rights of Azrieli Foundation (Israel) (R.A.) are held by Azrieli Holdings.

Voting Rights Allocation



*As of 22.12.2021

Proper Governance

Compensation Policy

We recognize the importance of fair compensation as it relates to the Group’s performance. Thus, the variable component includes a threshold and brackets that fit the Company’s long-term results, ensuring a correlation between the variable component and the Group’s performance.

The Company’s financial statements detail the guiding principles regarding the compensation of senior officers, with an emphasis on the fixed component, the variable component, the threshold, bonus brackets and maximum cap, as described in the Remuneration Policy and approved in the Group’s shareholders’ meeting.

Whistleblower Procedures and Preventing Corruption

We believe in integrity and fairness and condemn all forms of bribery and corruption. The nature of the Group’s activity and the amount of funds we manage put us at risk of fraud and embezzlement – by internal and external factors. To address these threats, we defined a procedure that lays out a systematic framework for reporting and gaining clarity on employee complaints relating to incidents of embezzlement or fraud. The Employee Whistleblower Procedure is intended to establish guidelines for the protection of employees who report law violations, offenses of moral or administrative nature, or acts of corruption.

Our policy is reflected in our work procedures and in our Code of Ethics, which guides our employees on matters of conduct, discipline and work ethic.

As of the date of this report, the Company has had zero documented incidents of corruption.

Conflict of Interest Prevention

We comply with all provisions of the law, in standardization and regulation, regarding the prevention of conflict of interest in the Group’s Board of Directors and in general. Accordingly, we have formulated a dedicated procedure that delimits the activities of the Company’s directors and controlling shareholders. The procedure defines criteria that prevent directors from taking part in certain activities that may constitute conflicts of interest in Israel and abroad. Decisions on whether those transactions are relevant are made within the Company.

Risk Management

The nature of our business exposes the Company to various risks stemming from specific economic factors. Such risks include macroeconomic and financial risks, industry risks, and risks unique to the Group. The Group's Deputy CEO, CFO Ms. Irit Sekler-Pilosof, is responsible for market risk management.

Such risks are inherent in the real estate industry due to constant changes in interest rates, inflation rates and the consumer price index. To mitigate these risks, our teams regularly review market conditions and conduct ongoing cost-benefit analyses.

Our risk management "toolbox" allows us to contend with various scenarios, including possible extreme events. The tools therein constitute relevant solutions that aim to mitigate, prevent, or manage various risks. In addition, the FSRC and the Board of Directors convene at least once a year to discuss the Group's exposure to market risks and the actions taken by the Group's management. When required, they set quantitative criteria and limitations.

Compliance and Legal Mechanisms

In the framework of our activities in different segments, we are subject to various laws and regulations. Among them: The Securities Law and the regulation thereunder, the

Planning and Building Law, the Environmental Protection Law, the Sheltered Housing Law, the Consumer Protection Law, the Economic Competition Law, municipal by-laws in each of the local authorities in which our income-producing properties are located, etc.

Legal Proceedings

As of the date of this report, the Group is not a party to pending material legal proceedings, except as specified in our financial statements.

Claims and Investigations

As of the date of this report, the Company and other bodies in the Group are not involved in any significant legal proceedings, except as specified in the notes to the Group's financial statements for 2020.

Future Targets

The Group will continue to uphold the high standards by which it operates in order to continue activities in a manner based on the principles of uncompromising commitment to legal compliance, transparency and responsible management. The Group will from time to time carry out evaluation and audit processes in order to ensure that it meets these objectives.



Organizational Ethics

Our Approach to Ethics

We wholeheartedly believe that ethical conduct is a way of life. It is a conscious process that extends beyond legal compliance and requires informed decision-making, exercise in judgment and alignment with our vision, values and organizational culture. We take pride in the superior ethical and moral standards of our employees and are aware that this reflects our operational success.

Principles of Practice

The core principles that underlie our activities include leadership, commitment to Israel, responsibility, excellence, professionalism, innovation, customer service, customer experience, integrity and fairness.



Code of Ethics

[Click Here](#)

Our Code of Business Conduct is based on our vision and values, and serves as a compass for the proper conduct that we expect of our managers and employees. The Code of Ethics incorporates the standards, ethics and relationships between the Group and all its stakeholders, with a focus on community contribution and social and environmental responsibility. It is designed to establish and reinforce our values, level of commitment and norms of conduct. For the Group’s Code of Ethics, >>> [click here](#)

Process of Framing and Formulating the Code of Ethics

Our Code of Ethics was first formulated in 2010 and later updated in 2018 as part of the Forum 60 workshop.

“The code serves as a ‘moral compass’ for proper conduct. In cases of ethical dilemmas and in the absence of explicit instructions, we must each ask ourselves: ‘what is the right thing to do, and what is the proper conduct according to the Code we have adopted for ourselves?’”

Eyal Henkin, CEO

From the Code of Ethics:

“The Group encourages a pleasant work environment, proper working relations, respect, mutual trust and understanding, openness and supportive relationships between employees at all levels (between employees and supervisors and between employees and their colleagues), in order to maintain a sense of pride in belonging to the Azrieli Group and uphold its uniqueness.”

Mechanisms and Ethical Reporting Structure

Employees shall report to their supervising manager, the Legal Department or the Internal Enforcement Supervisor, any work practice or action that does not fit the provisions of the Code of Ethics. We encourage our employees to discuss unethical conduct with their supervisor or another appropriate Group staff member. In exceptional cases, reports may be submitted directly to the CEO.

Integrating Ethics in Organizational Culture

The Group’s CFO, Ms. Irit Sekler-Pilosof, is responsible for the integration and implementation of the Code of Ethics through training programs and an open channel for employee inquiries.

Violations of The Code of Ethics

No ethical issues or concerns were raised during the reporting period. All reports are under the responsibility of the Group’s legal advisor.

RESPONSIBLE MANAGEMENT

ORGANIZATIONAL ETHICS

AZRIELI GROUP

Prevention of Sexual Harassment and Workplace Intimidation

Sexual harassment infringes on human dignity, liberty, privacy, and gender equality. We believe that a successful workplace must be safe and supportive for all employees. Harassment and intimidation of any form – sexual or otherwise – are not tolerated by the Group, are detrimental to the organization, and stand in stark contrast to the Group's policies.

The policy and regulations we have established for the prevention of sexual harassment are intended to ensure a pleasant and safe work environment. We strive to provide our employees with a sense of security at work through training and workshops on the subject and by promoting an open door policy.

If an employee wishes to file a complaint, he/she can speak directly to a supervisor or submit a written or verbal report to one of the Company's managers or to the Group's Legal Counsel and Sexual Harassment and Intimidation Prevention Supervisor, Adv. Nirit Zeevi. In case the employee wishes to remain anonymous, his/her identity and details will be kept confidential by all relevant parties.

We established a procedure that protects reporting employees based on the Employee Protection Law, 5757-1997. We encourage our employees to file a complaint in accordance with this procedure, a copy of which appears regularly on the Group's main bulletin board, along with our internal auditor's details. Once a complaint is filed, an immediate investigation is conducted to examine the case and determine its appropriate response. The complaint remains 'open' until it is resolved.

HUMAN RIGHTS

Respect for human rights is among our core values and includes the fair treatment of suppliers and foreign workers employed through third parties. We ensure that all work contracts provide for fair and proper terms of employment. For example, in 100% of our contracts with contractors and service providers, we include a clause obligating the contractor to treat his/her employees well and provide them with all the rights to which they are entitled. The wages of contracted workers include hourly wages, convalescence, pension fund, advanced study fund, social security, health insurance, commute expenses, paid sick leave and vacation days.

Future Targets

Responsible management is a crucial factor for the Azrieli Group throughout the entire value chain. It is important for us that our suppliers and contractors uphold our high ethical and sustainability standards and conduct their businesses in a way that aligns with our values. In the next several years we will work with our suppliers of commercial cleaning services on transitioning to the use of greener products, thus starting a dialogue about sustainability parameters of suppliers' businesses.



Information Security and Privacy

Group Privacy Policy

Our pursuit of excellence is reflected both in strict information and cybersecurity policies and in our efforts to ensure a safe work environment for employees, tenants and customers, while managing a responsible supply chain. We consider protection of the information flow within the Company to be of paramount importance, and are committed to overseeing and enforcing information security and privacy.



Protecting Privacy and Upgrading Infrastructure

We undertook several significant projects in 2020, including an upgrade of our network infrastructure, adapting computing needs to remote work, enhancing information security, initializing the specification and development of an ERP system, improving and managing key business processes, and supporting projects in our Innovation Division.

Software Projects

ERP (Enterprise Resource Planning)

In order to better manage our information, we replaced the vendor of our ERP software. We initiated the specification and development process of a new system – planned for launch in 2022. In addition, we conducted comprehensive data cleansing prior to conversion, as well as an improvement of current work processes, in order to facilitate the integration process of the new system.

Data Security

In an evolving technological world, cyber challenges are more substantial and prevalent than ever. Malware, viruses and information theft are the threats of the new age. We invest great efforts to prevent such attacks.

Regulation

Registration, cleansing and organization of all Group databases under the guidance of the Legal Department.

Information security policy

We formulated and updated information security procedures and implemented them within the Company, and added an information security policy for contracts with suppliers.

Information security training and awareness

Implementation in 2020 reached 70% of all employees.
Penetration tests – We conducted penetration tests and risk surveys on the Company’s network, responded to threats of medium-level risk and above, and performed a review (ongoing) of all information security updates.

Structure analysis – We completed mapping and addressed high-level information security risks in 7 properties.

Customer Privacy

As of the date of this report, no customer privacy complaints have been submitted.

Future Targets

We will continue the implementation process of the ERP system and the tenant and employee portals, and will promote the specification and integration of innovation projects. We will establish tools for the operations department and continue to implement the VISITT system in office properties. We will implement additional products to enhance information security and we will complete the mapping of security risks in our properties.

We will continue to develop software to streamline organizational processes and increase the number of training hours on the subjects of information security and privacy, while raising awareness of potential threats and risks. We will continue to perform penetration tests on our websites and applications and conduct the same necessary measures in the Azrieli.com and Palace senior housing networks.

We will develop digital tools for the operations department, including mapping the consumption of electricity, water and HVAC, through computerized reports and improved processes (separation of public electricity consumption from tenant electricity consumption). We will establish tools for evaluating and monitoring objectives, management and operation of all our properties. We will also develop a system for managing inventory and procurement, and the VISITT system for tenant management throughout the Group's properties.

A Commitment to Accessibility

We invest considerable efforts and resources to provide an equal, respectful and professional service to all. Customers with disabilities are equally entitled to enjoy full access to our properties and services. Thus, **100% of the Group's properties are accessible.**

We strive to promote accessibility under the guidance of a qualified accessibility consultant.

In accordance with the Equal Rights For Persons With Disabilities Law, 5758-1998, and the regulations enacted thereof, we conducted a comprehensive review of all service units, in order to ensure compliance with the necessary standards and to examine whether accessibility is possible for each and every person. We modify structures, services and policies as

required by law. **We will continue to improve accessibility for our customers in all our properties and services.**

As part of our accessibility review, we appointed an accessibility coordinator who has undergone appropriate training at "Negishut Israel" and is regularly updated on accessibility issues.

The following issues are addressed on an ongoing basis: building accessibility, service accessibility, computing accessibility and implementing accessible systems. For example, we integrated the RightHear system in the Group's shopping centers, enabling visually impaired people to orient themselves inside a mall. Furthermore, all parking payment stations in the Group's shopping centers and malls now display a telephone number for accessible service.

Training

As part of our operating plan, accessibility training is provided to all employees. We value our customers' freedom of movement. Therefore, we make sure to provide our security teams with the tools and skills that enable them to offer accessible service, through rules of proper conduct, instruction in the operation and maintenance of aids and accessories, and the implementation of relevant procedures.

Websites' Accessibility

We recognize the importance of ensuring that our websites are equally accessible to all users, including people with disabilities. As such, and in accordance with local laws, we aim to create a service experience tailored to the unique requirements of our customers, and make the website as user-friendly and accessible as possible.

Our websites make use of accessibility software services that are operated through a dedicated accessibility server and enable our sites to comply with the provisions of Israeli Standard 5568 and the Global Network Consortium (W3C) – Web Content Accessibility Guidelines (WCAG) 2.0 at level AA conformance.

As part of the accessibility modifications made on our website, it is now possible to navigate with the keyboard, turn off on-screen blinking, flashing and animation, change font size, adjust contrast for color blindness, etc.

Accessible Customer Service on the Azrieli.com Website

Our service representatives can be contacted through a variety of channels: chat, email or a contact form submitted through our website. If a customer wishes to contact one of our representatives by phone, a phone conversation can be scheduled. In addition, we welcome our users' feedback regarding any required accessibility adjustments via the accessibility menu on our site.

ABOUT THIS REPORT

CORPORATE RESPONSIBILITY
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About This Report

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About This Report

AWESOME!

This report was prepared with the assistance of Good Vision – a Corporate Responsibility Consulting Firm, a member of the Fahn Kanne & Co. Grant Thornton Group, a GRI Organizational Stakeholder and a member of the SASB Consultant Content Program.



The report was prepared in accordance with the Sustainability Report Standards (SRS) of the Global Reporting Initiative (GRI) “Core” option, and under the SASB (Sustainability Accounting Standards Board) guidelines, along with references to issues appearing in two additional real-estate standards – GRESB standard (The Global ESG Benchmark for Real Assets) and EPRA standard (European Public Real Estate Association).

This report focuses on domestic, income yielding activities across the Group’s malls, retail centers and office spaces, which constitute 71% of the Group’s operations (as of December 31, 2020). We plan to expand the scope of our reporting to additional segments of operation in future reports.

For the purpose of formulating and writing the report, we conducted interviews with the Group’s VPs, Chairman of the Board, managers and employees. We also conducted visits to Company premises, a review of documents and data in the Group’s various segments, internet research, benchmarking, a review of international standards, and more.

The Azrieli Group intends to issue a Corporate Responsibility Report on the Group’s activities in a continuous and transparent manner once every two years.

For further information about this report and its contents, please contact:

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We would like to thank all those who invested their time in the data collection, analysis, writing and visual development of this report, including Adv. Nirit Zeevi (VP, Legal Advisor and Azrieli Group Secretary), Moran Goder (Director of Investor Relations at Azrieli Group) and Liad Klang (Corporate Responsibility Consultant at Good Vision).

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Legal Disclaimer

This report is issued by the Azrieli Group Ltd. (hereinafter: the Company or the Group) solely for the purpose of presenting the subject of corporate responsibility as it relates to its operations. This is the Group's first Corporate Responsibility Report and as such does not account for the entirety of issues addressed by the Group.

The report includes a number of issues deemed relevant by the Group, yet the inclusion of any specific detail in this report or the exclusion of others does not indicate whether such details are material or immaterial, and does not suffice as any kind of representation on behalf of the Group with regard

to the entirety of its operations. It should be emphasized that the report is based on business data pertinent to Group operations and does not substitute any data in the financial reports published by the Company and/or its subsidiaries.

Accordingly, with regard to financial data or data concerning the scope of operations, profitability, projections and so forth, only data detailed in the financial reports may be considered binding, and in any case of discrepancy, data detailed in the financial reports shall prevail. This document does not constitute a representation or explicit or implicit undertaking, and the accuracy, integrity or verity of the information or any

opinions included herein are not to be based upon. Neither the Group nor any of its employees or representatives will be held liable (whether due to negligence or any other reason) for any loss ensuing in any way from the use of this document or its contents or any other manner concerning this document.

Forward-looking reports regarding the Group's operations and their outcomes are subject to risk and uncertainty. Actual results may materially differ from those forecasted. Therefore, the content of this report is not to be relied upon for future projections.

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GRI STANDARD TITLE/TOPIC	DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE IN TEXT
Organization Profile	102-1	Name of the organization	About the Group
	102-2	Activities, brands, products, and services	About the Group
	102-3	Location of headquarters	About the Group
	102-4	Location of operations	About the Group
	102-5	Ownership and legal form	Responsible Management
	102-6	Markets served	Our Tenants and Customers
	102-7	Scale of the organization	About the Group
	102-8	Information on employees and other workers	Our Employees: The Human Advantage
	102-9	Supply chain	Building Sustainably + Sustainable Operation
	102-10	Significant changes to the organization and its supply chain	Sustainable Operation
	102-11	Precautionary Principle or approach	Responsible Management
	102-12	External initiatives	About the Group
	102-13	Membership of associations	About the Group
Strategy	102-14	Statement from senior decision-maker	A Message From the Chairwoman of the Board
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Responsible Management
Governance	102-18	Governance structure	Responsible Management
	102-40	List of stakeholder groups	Our Approach to Sustainability
	102-41	Collective bargaining agreements	Our Employees: The Human Advantage
Stakeholder Engagement	102-42	Identifying and selecting stakeholders	Our Approach to Sustainability
	102-43	Approach to stakeholder engagement	Our Approach to Sustainability
	102-44	Key topics and concerns raised	Our Approach to Sustainability
	102-45	Entities included in the consolidated financial statements	About the Group
	102-46	Defining report content and topic boundaries	Our Approach to Sustainability
	102-47	List of material topics	Our Approach to Sustainability
	102-48	Restatements of information	None

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GRI STANDARD TITLE/TOPIC	DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE IN TEXT
Reporting Practice	102-49	Changes in reporting	None
	102-50	Reporting period	About This Report
	102-51	Date of most recent report	About This Report
	102-52	Reporting cycle	About This Report
	102-53	Contact point for questions regarding the report	About This Report
	102-54	Claims of reporting in accordance with the GRI Standards	About This Report
	102-55	GRI content index	About This Report
	102-56	External assurance	None
Management Approach (required for each material aspect)	103-1	Explanation of the material topic and its boundary	Our Approach to Sustainability
	103-2	The management approach and its components	About the Group
	103-3	Evaluation of the management approach	Building Sustainably
Economic Performance	201-1	Direct economic value generated and distributed	About the Group
Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	Building Sustainably
Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	Our Employees: The Human Advantage
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our Employees: The Human Advantage
Market Presence	202-2	Proportion of senior management hired from the local community	Our Employees: The Human Advantage
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Social and Communal Responsibility

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GRI STANDARD TITLE/TOPIC	DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE IN TEXT
Anti-corruption	205-1	Operations assessed for risks related to corruption	Responsible Management
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Responsible Management
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Responsible Management
Anticompetitive Behavior	206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	Responsible Management
Materials	301-2	Recycled input materials used	Sustainable Operation
Materials	301-3	Reclaimed products and their packaging materials	Sustainable Operation
Energy	302-1	Energy consumption within the organization	Sustainable Operation
Energy	302-3	Energy intensity	Sustainable Operation
Energy	302-4	Reduction of energy consumption	Sustainable Operation
Water	303-1	Water withdrawal by source	Sustainable Operation
Water	303-2	Water sources significantly affected by withdrawal of water	Sustainable Operation
Water	303-3	Water recycled and reused	Building Sustainably + Sustainable Operation
Biodiversity	304-1	Operational sites owned, leased or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Building Sustainably + Sustainable Operation

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GRI STANDARD TITLE/TOPIC	DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE IN TEXT
Emissions	305-1	Direct (Scope 1) GHG emissions	Sustainable Operation
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Sustainable Operation
Emissions	305-4	GHG emissions intensity	Sustainable Operation
Emissions	305-5	Reduction of GHG emissions	Sustainable Operation
Effluents and Waste	306-1	Water discharge by quality and destination	Sustainable Operation
Effluents and Waste	306-2	Waste by type and disposal method	Sustainable Operation
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Sustainable Operation *Negligible fines were issued in 2019-2020.
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Operation
Employment	401-1	New employee hires and employee turnover	Our Employees: The Human Advantage
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Employees: The Human Advantage
Employment	403-1	Worker representation in formal joint management-worker health and safety committees	Sustainable Operation
Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	Sustainable Operation

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GRI STANDARD TITLE/TOPIC	DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE IN TEXT
Training and Education	404-1	Average hours of training per year per employee	Our Employees: The Human Advantage
Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Our Employees: The Human Advantage
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	Our Employees: The Human Advantage
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our Employees: The Human Advantage
Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	Our Employees: The Human Advantage
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Responsible Management
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable Operation
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social and Communal Responsibility
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Sustainable Operation
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Responsible Management
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Tenants and Customers
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Responsible Management

SASB (SUSTAINABILITY
DISCLOSURE TOPICS &
ACCOUNTING) METRICS

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE IN TEXT
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-130a.1	Sustainable Operation
	(1)Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Quantitative	Gigajoules (GJ), Percentage (%)	IF-RE-130a.2	Sustainable Operation
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	IF-RE-130a.3	Sustainable Operation
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-130a.4	Building Sustainably + Sustainable Operation
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion & Analysis	n/a	IF-RE-130a.5	Building Sustainably + Sustainable Operation

SASB (SUSTAINABILITY
DISCLOSURE TOPICS &
ACCOUNTING) METRICS

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE IN TEXT
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-140a.1	Sustainable Operation
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sub-sector	Quantitative	Thousand cubic meters (m3), percentage (%)	IF-RE-140a.2	Sustainable Operation
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	IF-RE-140a.3	Sustainable Operation
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion & Analysis	n/a	IF-RE-140a.4	Sustainable Operation

SASB (SUSTAINABILITY
DISCLOSURE TOPICS &
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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE IN TEXT
Management of Tenant Sustainability Impacts	1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	Percentage (%) by floor area, square feet (ft2)	IF-RE-410a.1	Our Tenants and Customers
	Percentage of tenants that are separately metered or sub metered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-410a.2	Sustainable Operation
	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion & Analysis	n/a	IF-RE-410a.3	Our Tenants and Customers
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector	Quantitative	Square feet (ft2)	IF-RE-450a.1	N/A
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risk	Discussion & Analysis	n/a	IF-RE 450a.2	Building Sustainably + Sustainable Operation

SASB (SUSTAINABILITY
DISCLOSURE TOPICS &
ACCOUNTING) METRICS

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ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	REFERENCE IN TEXT
Number of assets by property subsector	Quantitative	Number	IF-RE-000.A	About the Group
Leasable floor area, by property subsector	Quantitative	Square feet (ft2)	IF-RE-000.B	About the Group
Percentage of indirectly managed assets, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-000.C	About the Group
Average occupancy rate, by property subsector	Quantitative	Percentage (%)	IF-RE-000.D	About the Group

THANK YOU!

