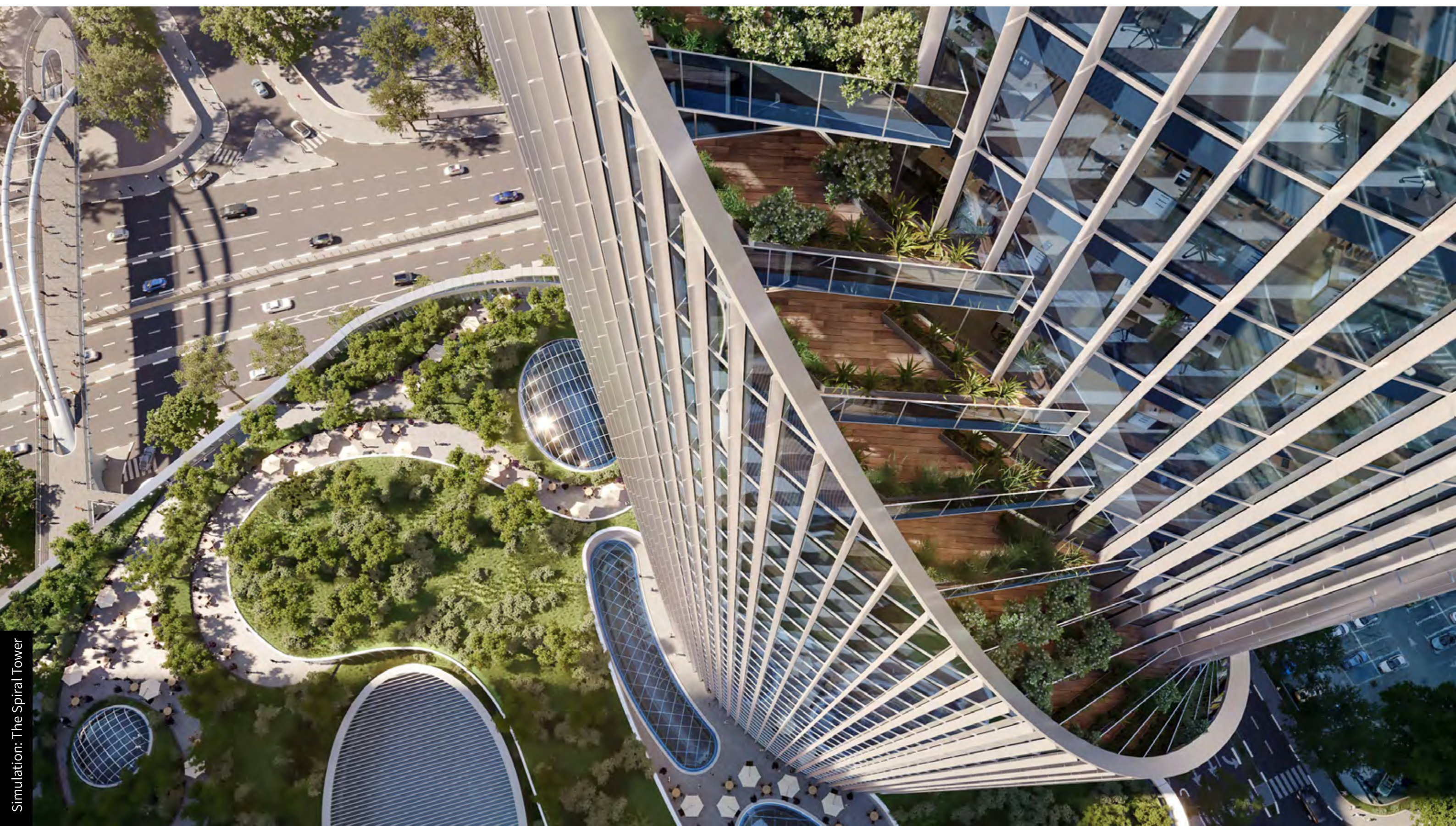




AZRIELI
GROUP

ESG REPORT 2023-2024



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Tel Aviv's main business center



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



Dear Stakeholders,

At the Azrieli Group, ESG is a core part of our business strategy, guiding how we operate and grow. As leaders in Israel's real estate sector, we recognize our responsibility to reduce our environmental impact and respond to a changing world with sustainable business practices. These values are embedded in every part of our business—from the way we design, build, and manage our properties to how we engage with the communities around us.

The past year required us to respond and adapt in the face of new challenges. In the wake of October 7, we understood the critical role that businesses play—not only in ensuring economic continuity, but in strengthening social resilience and providing stability during uncertain times. Just 48 hours after the attack, we reopened our malls and properties. It wasn't an easy decision, but it was a statement of strength



ESG is a strategy for growth, resilience, and responsible leadership. At the Azrieli Group, we believe that businesses have a responsibility to create value beyond profit—strengthening the economy, supporting communities, and building for the future. We remain committed to leading by example and driving meaningful change across our business, our properties, and the communities we serve.

Danna Azrieli
Chairwoman of the Board



and determination. **Building Israel is not just about constructing malls and towers—it's about driving economic activity, supporting businesses and communities, and creating spaces where people feel secure and connected.**

Sustainability remains central to our business strategy. The Spiral Tower, now under construction, reflects this commitment. When completed, it will be the tallest tower in the world to use a recycled façade and the largest project globally to incorporate recycled aluminum—reducing embodied carbon by 36%. Our LEED-certified offices and shopping malls are among the most sustainable in the country and we are also making progress in reducing our overall environmental footprint through a structured greenhouse gas (GHG) reduction plan. This includes increasing the use of renewable energy, improving energy efficiency, reducing water consumption, and minimizing waste across our properties. Our tenants are a key part of this effort—we're working with them to integrate sustainability into their operations, encouraging greater participation in recycling and waste reduction initiatives.

Our Environment Project brings this strategy to life. Active in 19 properties across the country, the project has reduced landfill waste by over 3,000 tons—equivalent to the annual waste generated by Azrieli Center Tel Aviv and Azrieli Sarona combined. This program also creates meaningful employment opportunities, with 50 people with disabilities now employed through the initiative—up from just four employees in 2020. Expanding tenant participation is a key next step as we work toward broader environmental impact.

The social side of ESG is just as important as the environmental. Our properties welcome millions of visitors each year, and we strive to create a positive impact through initiatives focused on sustainability, mental health, pluralism, and unity. We have supported over 150 small businesses from the South and North by hosting them in our malls, helping them recover from the war and connect with new customers.

Accessibility and inclusion are central to our vision. Even before October 7, over 1.5 million people in Israel were living with physical and emotional disabilities. Since the war, that number has grown significantly, with thousands of wounded soldiers and civilians undergoing rehabilitation. This reality has made our commitment to



accessibility even more urgent. We partnered with Etgarim to increase awareness and identify barriers to accessibility in our properties – going beyond the standard. In 2025, we will expand this effort, working to improve physical accessibility and encourage our tenants to create more inclusive spaces.

ESG is a strategy for growth, resilience, and responsible leadership. At the Azrieli Group, we believe that businesses have a responsibility to create value beyond profit—strengthening the economy, supporting communities, and building for the future. We remain committed to leading by example and driving meaningful change across our business, our properties, and the communities we serve.

Thank you for your continued trust and partnership.

Danna Azrieli
Chairwoman of the Board

A Message from the CEO



I take great pride in stating that for us, corporate responsibility is far more than a concept – we adhere to the principle of "Walk the Talk." From our Board of Directors and executive management to every last employee, we are all committed to this mission

Eyal Henkin
CEO, Azrieli Group



As defined in our corporate vision – Building Israel, Committed to the Environment – we operate with a deep understanding that corporate responsibility is both a way of life and a sustainable business approach. As part of this commitment, we invest significant resources in embedding ESG principles across all areas of our operations, striving to lead Israel's real estate sector in this field.

Cultural change is an ongoing process that requires determination, professionalism, and unwavering commitment. We dedicate substantial efforts to this endeavor – through dedicated work plans, defined budgets, and the appointment of representatives from across the company. At the same time, we foster internal dialogue, making corporate responsibility an integral part of the Group's DNA, with our ESG ambassadors helping transform this vision into reality.

For us, corporate responsibility goes beyond declarations of intent – it is embodied in clear, measurable benchmarks. As leaders in fostering change within Israel's industry, we are dedicated to ensuring that all of our new buildings meet green building certification standards. For instance, the Spiral Tower project is set to become the tallest building in the world with a recycled facade, and is the largest project globally in terms of recycled aluminum usage. Additionally, we are pioneers in implementing the LEED O&M standard for existing buildings, ensuring that our current assets not only meet but exceed the highest green building standards. We are also actively quantifying the Group's environmental impact and have developed a comprehensive plan to reduce greenhouse gas emissions with ambitious targets.

For the first time, this report includes our disclosure of the Group's climate risk management, in accordance with the international TCFD methodology. We recognize climate change as a long-term challenge and view risk management as a profound commitment – one that must guide our actions as we strive to drive meaningful change both within our organization and in the broader community.

Another key aspect of our corporate responsibility is community engagement. We invest heavily in integrating local communities into our properties through various activities that promote social and

environmental values, expanding our sphere of impact. The past year has been particularly challenging. During the war, we took an active role in supporting our employees and providing assistance to affected populations, security forces, and businesses in frontline areas.

Finally, I take great pride in stating that for us, corporate responsibility is far more than a concept – we adhere to the principle of "Walk the Talk." From our Board of Directors and executive management to every last employee, we are all committed to this mission. I firmly believe that corporate responsibility also holds significant business value, strengthening trust and relationships with our stakeholders, enhancing the company's long-term stability, and equipping us to better navigate future challenges. This report serves as an essential tool for measuring our progress, generating internal and external impact, and reflecting both the journey we have undertaken and the challenges that still lie ahead.

I invite you to read, engage, and join us on this journey.

Eyal Henkin
CEO, Azrieli Group*

* Mr. Eyal Henkin served as the Group CEO until April 2025 and subsequently assumed the role of CEO at Green Mountain. Global.



Chapter 1.

ABOUT AZRIELI GROUP

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A Legacy Building a Future - Building the Israeli Story

Azrieli Group is the largest publicly traded real estate company in Israel. We develop and operate office complexes, shopping malls, senior homes, data centers and long-term rental housing.



We are committed to building and developing the State of Israel while upholding the highest standards of social, corporate, and environmental responsibility. The company's core values guide our activities and include: leadership, responsibility, excellence, innovation, customer experience, and integrity. We drive the country's growth by developing and initiating cutting-edge real estate projects.

The Group's founder, David Azrieli, a pioneer in construction and design in Israel, brought with him in the early 1980s the knowledge and expertise he had acquired abroad to transform Israel's economy, commerce, and architecture. **In 1985, he inaugurated the Ayalon Mall in**

Ramat Gan – the country's first enclosed shopping mall – marking the beginning of a revolution in Israel's retail culture.

In the 1990s, he reshaped Tel Aviv's skyline with the development and construction of the Azrieli Center – an iconic landmark consisting of three geometric towers. These buildings have since become an integral part of both Tel Aviv's urban landscape and Israel's architectural identity.

Alongside his success in the business world, David Azrieli dedicated a significant part of his life to advancing the fields of architecture and education, driven by his belief in their power to shape a better society. In doing so, he not only transformed Israel's skyline but also helped

shape its spirit by promoting education, excellence, and opportunities for future generations.

That commitment continues today through his daughter, Danna Azrieli, who has expanded his vision, by investing in ground-breaking environmental and social projects aimed at strengthening the very foundations upon which his legacy was built:

Building the land, protecting the environment, and empowering the community.

1985

The first indoor mall in Israel was built in Ramat Gan. The word "Kenyon" is a combination of "shopping" and "parking" in Hebrew, coined by David Azrieli.



Who We Are

Our Vision

Azrieli Group is an Israeli company that leads and develops innovative, experiential spaces for people at every stage of life. We shape the way people work, shop, and live, while remaining committed to corporate, social, and environmental responsibility.

Creating space for people to connect

Sustainability Vision

Sustainability is an integral part of our business operations, guided by a long-term perspective and a deep commitment to environmental stewardship. Our dedication to sustainability is reflected in our adoption of advanced environmental commitments and in continuously raising the bar for eco-friendly practices.

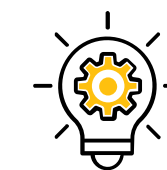
We strive to serve as a model for corporate responsibility toward the environment and the community, to all our stakeholders, including the tenants, visitors, residents, employees and suppliers.



Simulation: The Spiral Tower

Action Plan

We have defined six focal points that help us implement our ESG plans and bring our vision into fruition:



Real Estate
Innovation



Community
and
Stakeholders



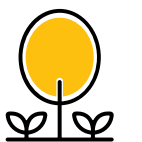
Human
Capital



Corporate
Governance and
Management



Sustainable
Construction
practices



Action for
Sustainability and
Recycling

Our Operating Segments

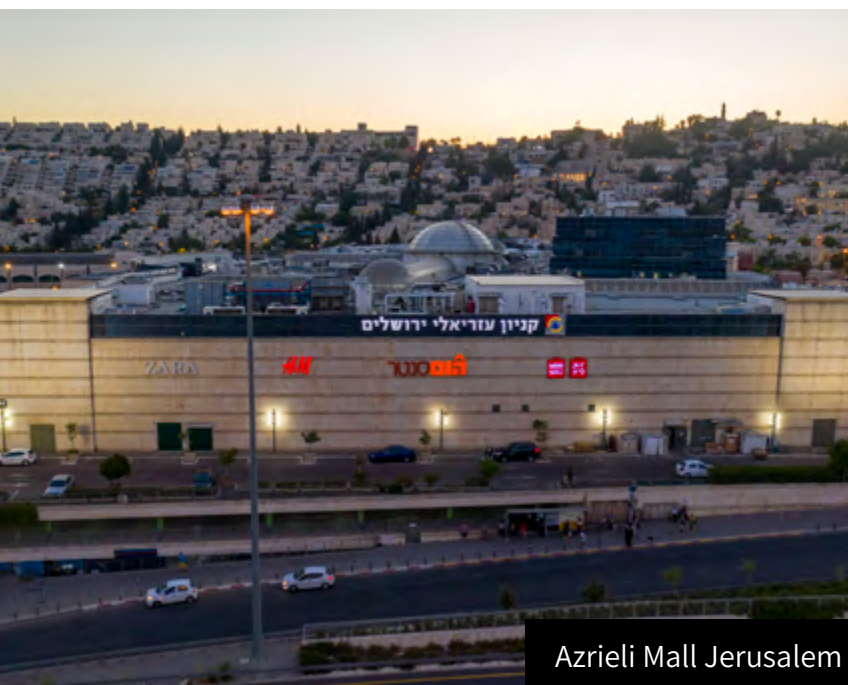
We own income-producing rental properties with a total rental area of approximately 1.5 million square meters,¹ in addition to approximately 0.6 million square meters of projects under development. The average occupancy rate of our properties in Israel stands at about 98%², with 81% of the value of income-producing real estate (including under development) attributed to real estate in Israel.³

~1.5M
square meters

total rental area

~0.6
square meters

of projects under development



Azrieli Mall Jerusalem



Palace Modi'in



Azrieli Modi'in Center, West Complex



Azrieli Business Park Holon

Malls and Retail Centers

We engage in the development, leasing, management and maintenance of 23 malls and retail centers across Israel. Management services are provided by us and/or by special purpose management companies that we own, at the highest standard and with uncompromising professional quality.

Palace Senior Homes

We engage in the development, operation, sale and management of 4 luxury senior homes. The homes are designed for residents who lead an independent life and include the 'Medical' and long-term care units, as part of the services offered to the residents.

Rental Housing Properties

The Group has three income-producing residential rental projects in Israel. This includes a residential tower developed by the company in Azrieli Town in Tel Aviv, comprising approximately 210 rental apartments. In 2023, we won a tender issued by "Dira LeHaskir", the State-owned rental housing company, for the Glil Yam neighborhood in Herzliya, which includes 147 residential units for 20-year rentals. Additionally, the Group began the occupancy of the commercial floors, office, and residential towers in the project Modiin, West Center.

Office Properties and Others

We engage in the development, lease, management and maintenance of 17 office towers, business centers and other uses such as logistic areas. Many of our income-producing properties are in mixed-use projects that integrate retail space and offices. The properties are home to leading local and global companies in diverse lines of business.

¹ Figures are accurate as of December 31, 2024. All rental space data refers to the company's share, excluding the DC areas

² Excluding properties in the initial occupancy stages.

³ Figures are accurate as of December 31, 2024.

Our Operating Segments - Continue



Simulation: Mount Zion Hotel, Jerusalem



West Centre 8, Houston Texas, USA



Green Mountain, Norway, Europe



Green Mountain

We own Green Mountain, a company operating in the Data Centers sector, specializing in the design, construction, and operation of innovative and sustainable server farms with high-level data security.

Green Mountain is a leader in sustainability:

- The company operates its server farms using 100% renewable energy at a low cost and continues to optimize electricity usage.
- The company has achieved carbon neutrality for Scope 1 and Scope 2 in its data centers in Norway and began calculating Scope 3 emissions in 2023.
- The company is involved in groundbreaking projects to utilize the heat emitted from systems designed to cool the server farms.
- Although Norway does not suffer from water shortages, the company continually monitors and improves water usage efficiency.

i Further information can be found in [Green Mountain 2023 sustainability report](#).

Hospitality

The Group is expanding the Mount Zion Hotel in Jerusalem. In 2023, we acquired the Red Rock Hotel in Eilat. We also promote mixed use projects which include hotel spaces. For example, a hotel will be built as part of the Spiral Tower in Tel Aviv, and is expected to include 250 hotel rooms and suites. In 2025, the first hotel in the city of Modiin will open, located near the Azrieli Mall in Modiin. This mixed-use project includes a hotel, rental apartments, offices, and commercial spaces. The construction of the new complex in Modiin (Western Complex) has been completed

Income-Generating Real Estate in the USA

We own eight office properties in the United States.

Data Centers

The company (indirectly) owns 100% of the issued and paid-up share capital of Green Mountain, which operates in Norway, England, and Germany.

Azrieli.com -As of December 23, 2023, the company ceased its e-commerce operations, which were conducted through the Azrieli.com website, operated by the subsidiary Azrieli E-Commerce Ltd.

Azrieli Group by the Numbers⁴

Employees

432

Visitors per month

~5.5M

Mall tenants

1,850

Office tenants

690

Average occupancy rate for properties in Israel⁶

98%

NOI (NIS)

2,113M

NIS 2,133 million in 2023, up 8% from 2022

2,302M

NIS 2,302 million in 2024, up 8.9% from 2023

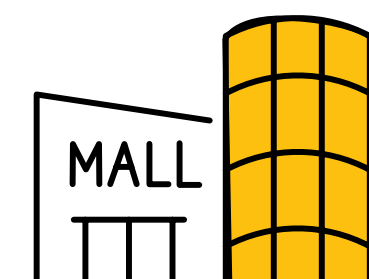
sqm of leasable space

1.5M

and

~0.6M

additional sqm under development



Malls and retail centers

23

(379 thousand sqm)

Office properties

17

(655 thousand sqm)

Data Center company overseas

Senior homes

4

(115 thousand sqm)

Rental housing properties

3

(34 thousand sqm)

Office properties overseas

8

(245 thousand sqm)

Properties under development

9

(645 thousand sqm)

⁵ Figures are accurate as of 31 December 2024.

⁶ Excluding properties in initial occupancy stages.

Azrieli Group – Real Estate Portfolio⁷

We build mixed-use centers in strategic locations with high transport accessibility that will become part of the urban landscape. When choosing the properties' location, consideration is given to access roads and public space, with the purpose of creating the best experience for the properties' tenants and visitors. A special emphasis is placed on mixed use in new construction and in expansions of existing properties, as part of a worldview implementing the vision and values of a property that integrates with its surroundings.

Malls & Shopping Centers

Azrieli Ayalon Mall
Azrieli Hod Hasharon Mall
Azrieli Herzliya Outlet
Azrieli Givatayim Mall
Azrieli Jerusalem Mall
Azrieli Modi'in Mall
Azrieli Tel Aviv Mall
Azrieli Business Park Holon
Azrieli Holon Mall
Azrieli Ramla Mall
Mall Hayam Eilat
Check Post Haifa
Azrieli Ra'anana
Azrieli Haifa Mall
Azrieli Akko Mall
Azrieli Or Yehuda Outlet
Azrieli Hanegev Mall
Azrieli Rishonim Mall
Azrieli Sarona Mall
Palace Modi'in
Palace Lehavim
Azrieli Town
Azrieli Modi'in Center, West Complex

Office & Others in Israel

Azrieli Center Tel Aviv
Azrieli Sarona
Azrieli Business Park Holon
Azrieli Caesarea
Azrieli Herzliya Center
Azrieli Modi'in
Azrieli Petach Tikva
Azrieli Akko
Azrieli Town Building E
Azrieli Jerusalem
Azrieli Givatayim
Azrieli Hanegev
Azrieli Rishonim Center
Azrieli Holon Hamanor
Azrieli Town
Mikve-Israel Tel Aviv
Azrieli Modi'in Center, West Complex

Senior Homes

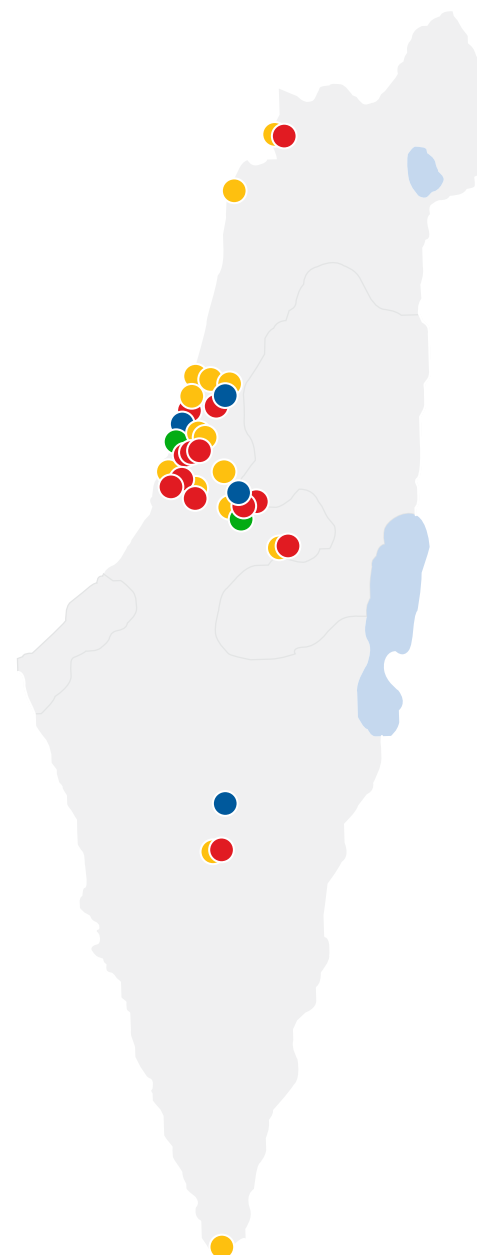
Palace Tel Aviv
Palace Ra'anana
Palace Modi'in
Palace Lehavim

Residential for Rent

Azrieli Town
Azrieli Modi'in
Azrieli Town
Modi'in

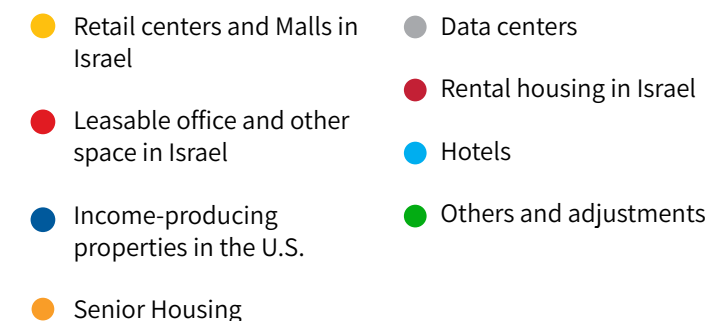
Overseas

Galleria
1 Riverway
3 Riverway
Plaza
8 West
Aspen lake II
San Clemente
Leeds



Percentage of Segment Assets out of Total Assets

31.12.2024



23

malls and retail centers

379 thousand sqm

17

office properties

655 thousand sqm

4

senior homes

**115 thousand sqm
1,141 residential units**

8

office properties overseas

245 thousand sqm

3

rental housing properties

**34 thousand sqm
357 residential units**

Total

1,428 thousand sqm

Azrieli Group Properties with Green Building Certifications – Israeli or International

The percentage of assets certified for green building standards (for construction and/or operation) based on Gross Leasable Area (GLA) is 47%, totaling 659,290 square meters.



LEED - Leadership in Energy and Environmental Design



Israeli Green Building Standard 5281



LEED O&M

5 existing certified properties

3 existing certified properties

14 certified properties in GOLD and PLATINUM ratings

8 properties under planning and construction, aiming for the up-to-date LEED-Platinum rating

2 properties in planning stages



Azrieli Center Tel Aviv



Azrieli Center Tel Aviv

includes the first mall and office tower in Israel to have been certified in Israel in LEED O&M standard.

Memberships of Organizations And Collaborations

Organizations and Collaborations



Israeli Green Building Council

In 2022 we joined the Israeli Green Building Council as a Platinum Member.



EPRA Index

Our share is listed in the EPRA Index, which comprises of publicly listed real estate companies in Europe.

Participation in Corporate Responsibility and Green Building Conferences



In 2023-2024, we took part in various corporate responsibility conferences, including The Marker's 'Impact 2030' conference, events organized by the Israel Green Building Council, the Maala Conference, and more. In these forums, we presented existing and planned projects, highlighting Azrieli's commitment to green building and corporate responsibility.

Awards, Accolades and Ratings



Duns 100

for over 10 years, we at Azrieli Group have been ranked as one of the top two income producing real estate companies in Israel by Duns 100. In 2023-2024 we came in first, ranking at the top of the list.



Globes Brand Index 2023-2024

This is the eighth year in a row that the Group is ranked as one of the top two real estate companies in the real estate sector. Both in the 2023 and 2024 rankings, the Group was ranked first in the real estate category.



Globe's 2023 Credibility Index

We ranked first among the real estate companies in Globe's 2023 Credibility Index.



Organizational Structure

■ **Danna Azrieli**
Chairwoman of the Board

■ **Ron Avidan**
CEO of Azrieli Group⁸

■ **Gideon Avrami**
Deputy CEO and Head
of Income-Producing
Properties

■ **Ariel Goldstein**
CFO

■ **Sharon Arie**
VP Planning, Engineering
and Construction

■ **Adv. Nirit Zeevi**
VP, General Counsel and
Corporate Secretary

■ **Daniel Korn**
Chief Marketing and Digital
Officer

■ **Rachel Mittelman**
Chief Information Officer

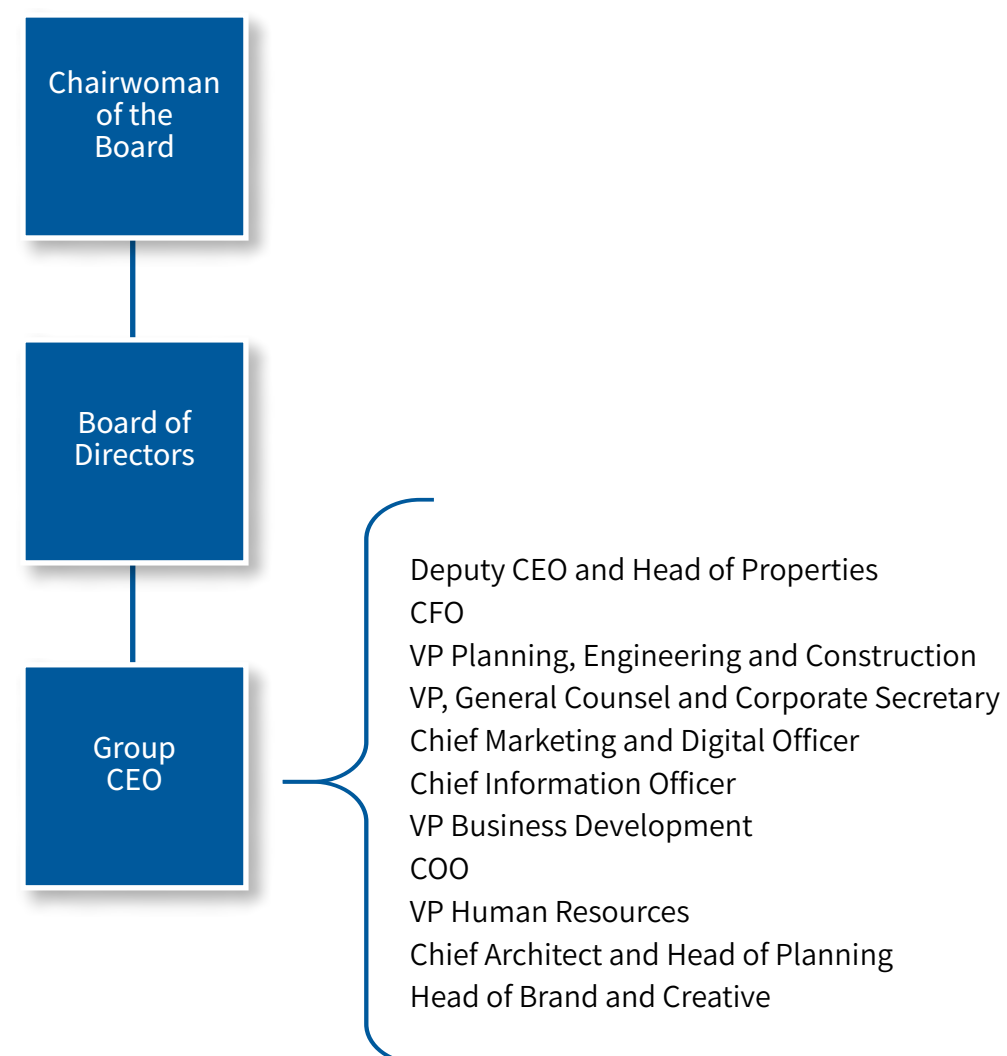
■ **Elad Alon**
VP Business Development

■ **Tamir Amar**
COO

■ **Gabi Boaz-Oved**
Chief Architect and
Head of Planning

■ **Michal Alaluf-Tamir**
VP Human Resources

■ **Ilan Gerbi**
Head of Brand & Creative



Point Azrieli Sarona

⁸ Mr. Ron Avidan began his tenure as CEO of the Group on April 1, 2025, replacing Mr. Eyal Henkin, who had served as the Group's CEO until that date for over seven years.

Our View on Environmental, Social and Corporate Governance (ESG) Responsibility

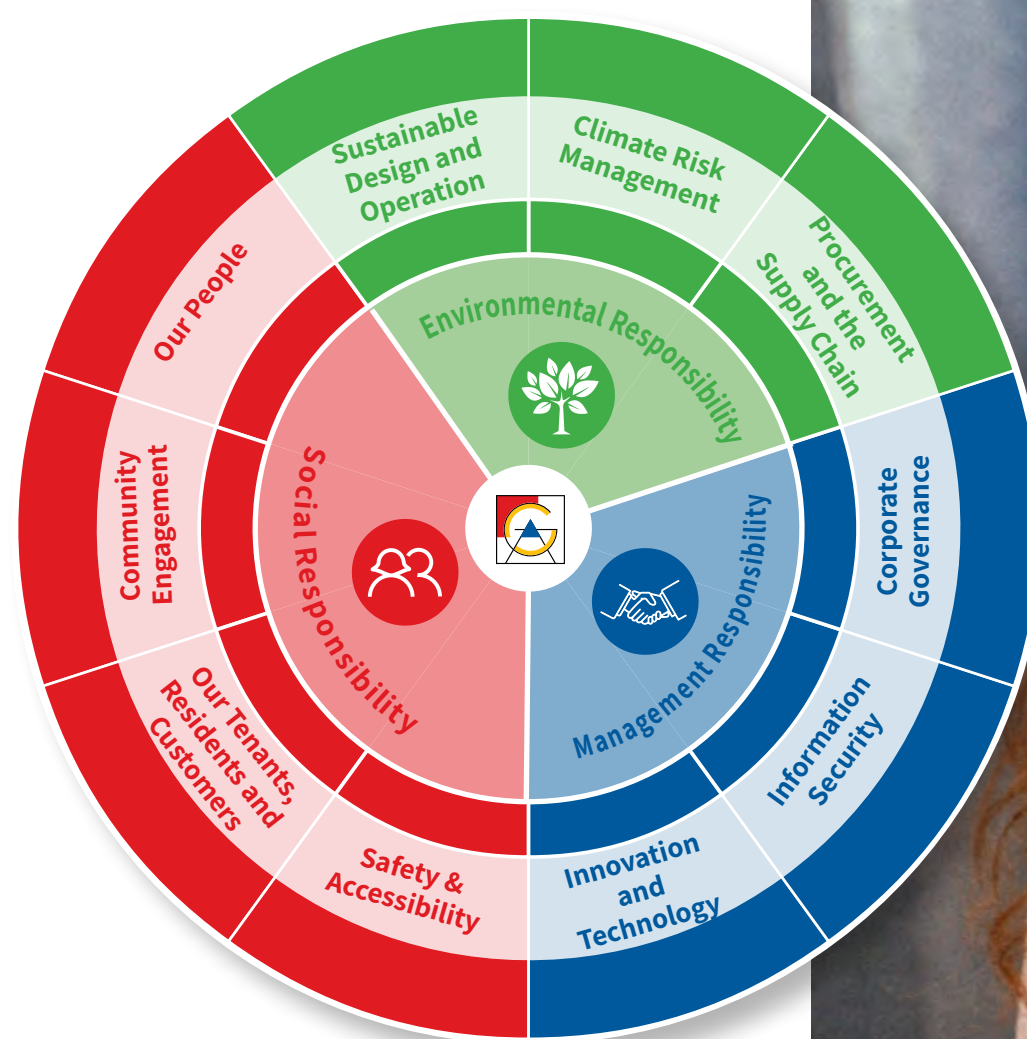
We at Azrieli Group assume the responsibility for sustainable urban planning and management, to maintain the public's wellbeing and allow for preparation for the challenges of population growth in Israel or extreme climate phenomena.

We are committed to the highest standards of corporate, social, and environmental responsibility across all aspects of our business operations. Our ambition is to serve as a model for a company that upholds its responsibility to the environment and the community, both locally and nationally, for all our stakeholders, including tenants, visitors, residents, employees, suppliers, the community, and the environment.

Our commitment to the State of Israel is reflected in our efforts to build and strengthen the Israeli economy, initiate and adopt diverse commitments to fostering a better society, and continuously raise the bar for environmentally responsible practices.

This is the third time we are publishing our biannual ESG report, providing updates on our activities in this field. Our employees can access the report through the corporate portal, while the public and our stakeholders can find it on our [Corporate Responsibility website](#).

Our ESG Management View



ESG Management

ESG Forum

Our ESG Forum convenes biweekly, led by the Group's COO, based on the principle that ESG considerations should be integrated into all aspects of our operations. The forum includes representatives from various departments, including Operations, Construction, Human Resources, Marketing, and Philanthropy. The forum reviews ESG-related activities across departments, monitors progress toward both annual and long-term goals outlined in our work plans, and addresses pressing or significant emerging issues. ESG objectives have been embedded in the work plans of all departments to ensure full alignment between performance and the fulfillment of our vision, with a strong commitment to environmental, social, and corporate governance considerations.

Our Chairwoman of the Board, Danna Azrieli, participates in the ESG Forum meetings on a quarterly basis and is fully engaged in ESG across all its aspects. ESG topics are presented to the Board of Directors in periodic discussions at least once a year, reflecting the company's commitment to sustainability in its operations, assets, community engagement, and environmental initiatives.

In 2024, we launched the "ESG Ambassadors" program, comprising representatives from all headquarters departments and Group assets. These ambassadors undergo training in the field of ESG, alongside the development of skills in social media messaging, with the aim of generating initiatives—both at the local

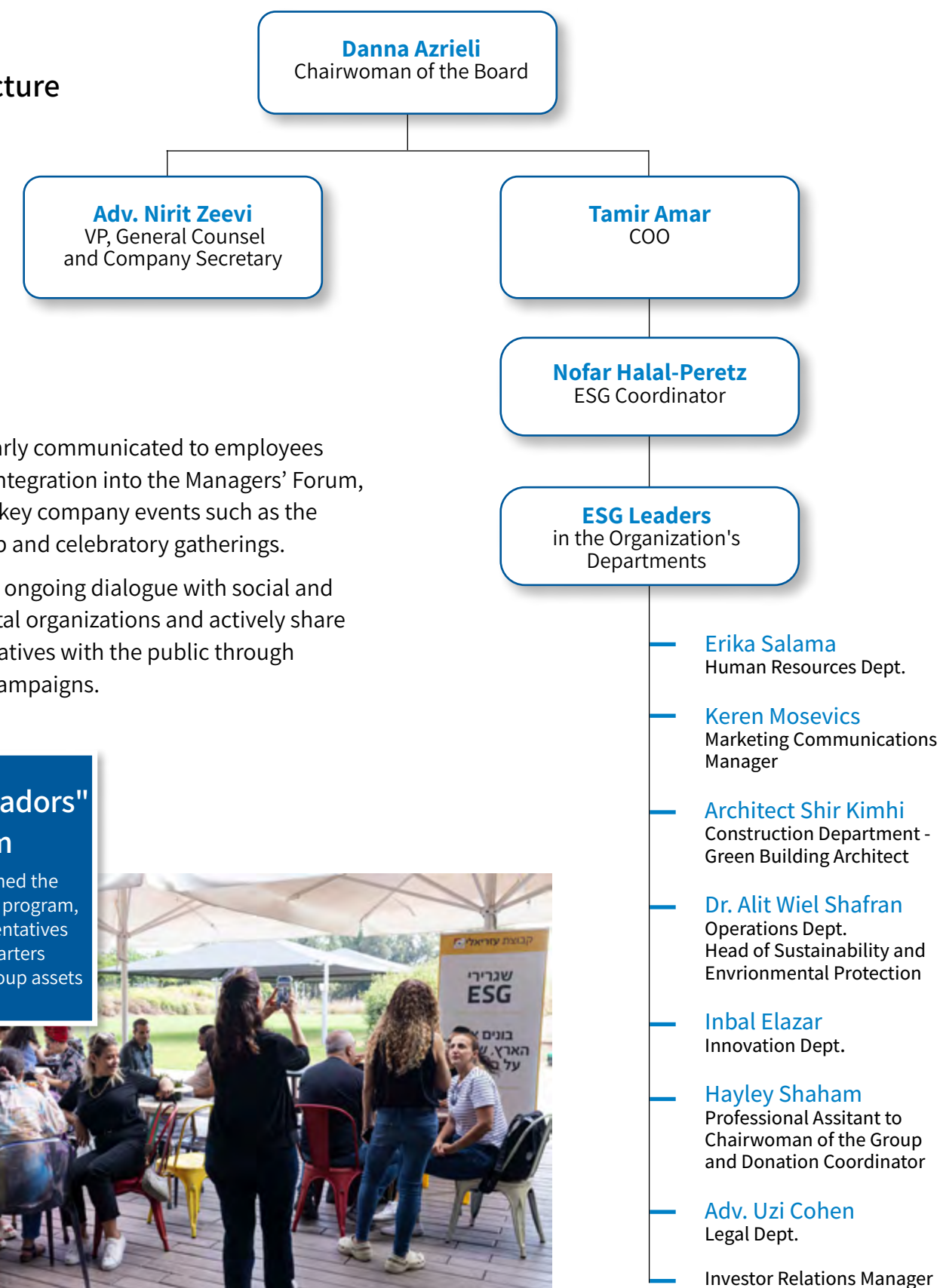
level and at the Group level—to strengthen ESG activities using a bottom-up approach, while also conveying the importance of these activities to the Group.

In 2024, we held three ESG Ambassador Conferences, attended by the Chairwoman and Group CEO, featuring lectures, enrichment workshops, and strategic discussions.

The first conference was held at the Netter Center for Sustainability in Mikve Israel and included an introductory lecture on ESG, presentations from the Group's social and environmental partners, and an interactive workshop. The second conference took place at the Hiriya Recycling Park, featuring lectures and a guided tour of the recycling center. The third conference was held at NaLaga'at Center, an innovative and unique space dedicated to the inclusion of individuals with disabilities. The center fosters meaningful interactions between deaf, blind, and deaf-blind individuals and the wider public. During the event, participants took part in a hands-on workshop on sign language and lip-reading, gaining insights into the daily challenges faced by individuals with hearing impairments in both everyday life and the workforce.

These conferences helped raise awareness, strengthen employee engagement, and drive action. Given the success of this initiative, we will continue embedding the ESG Ambassadors program in 2025, hosting additional conferences and engagement sessions.

ESG Structure



"ESG Ambassadors" program

In 2024, we launched the "ESG Ambassadors" program, comprising representatives from all headquarters departments and Group assets



U.N. Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

The U.N. Sustainable Development Goals (SDGs) were established as a global agenda, such that their achievement by 2030 would lead to the long-term thriving of society and the economy within a stable ecological environment. In accordance with our ESG approach, we have placed an emphasis on several key goals in our decision-making and ongoing operations (more on the activities related to every goal can be found in the relevant chapter):



Goal 5 – Gender Equality

We initiate and act for the promotion of women in the company and for equal pay for men and women. The Equal Pay Report is published annually on the Azrieli Group website and in the financial reports.



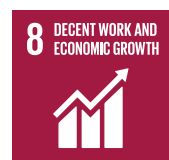
Goal 6 – Clean Water

We have annual goals for water efficiency and savings in every project, as well as ongoing treatment of wastewater, sampling, consideration of water seepage to prevent flooding, and the protection of groundwater.



Goal 7 – Clean Energy

We initiate and promote projects to reduce energy consumption in our properties, such as replacing outdated energy equipment with more advanced and efficient systems, including chillers, pumps, and elevator motors. Additionally, we integrate energy-efficient air conditioning systems, motion sensors, energy-saving lighting, shading systems, and thermal insulation. We are also actively installing solar panels, and as of the time of this report, solar panel systems have been installed in 15 of the group's properties. We aim to influence tenants as well, by offering incentives for electricity savings and encouraging self-monitoring of electricity consumption at various sites.



Goal 8 – Decent Work and Economic Growth

Protecting workers' rights and promoting a safe work environment are core values at our group. We invest substantial resources and efforts to ensure fair employment practices, with a constant focus on the welfare and development of our employees. As Israel's leading real estate company, we are actively working to promote the growth of the local economy. Employing people with disabilities in our environment project is a significant part of our sustainability efforts.



Goal 9 – Industry, Innovation, and Infrastructure

We utilize innovative, first-of-their-kind solutions in Israel and aim to achieve Green Building certification for 100% of the buildings we design, as well as international green operation standards for the buildings we manage. We actively seek to identify and create strategic partnerships with startups to promote innovative technologies in various areas such as sustainability, accessibility, operations, and customer experience.



Goal 11 – Sustainable Cities and Communities

We select land for construction with environmental responsibly, with an emphasis on choosing land in major urban centers and near main traffic routes and public transportation, while also committing to avoid the removal of open spaces to reduce harm to biodiversity. Our properties are characterized by mixed-use developments, combining residential, commercial, public institutions, employment, and light industrial areas within the same complex, partly to minimize environmental impact and prepare for population growth in Israel.



Goal 12 – Responsible Consumption and Production

As a company involved in developing and managing income-generating real estate, we place significant emphasis on responsible use of natural resources, from building materials to sustainable operations of our properties. In our projects, we incorporate materials with a high content of recycled material and those with an EPD (Environmental Product Declaration), which reflects the life-cycle analysis of the material and quantifies the carbon emissions resulting from extraction and manufacturing processes. Additionally, we prioritize the use of locally produced materials to reduce polluting transportation processes. We are also working to reduce landfill waste in our properties through recycling, local treatment, and reuse. We invest significant resources to comply with environmental regulations and even exceed the requirements: every new project includes the appointment of environmental consultants to guide the process from start to finish. Furthermore, we have set a target to reduce landfill waste by 50% in 18 of our properties by 2026, and we encourage our tenants to participate in this effort to reduce landfill waste and increase recycling.



Goal 13 – Climate Action

We are preparing for climate change and considering its implications. Over the past year, we launched an in-depth process for managing climate risks following the TCFD methodology, which is reported in the Environmental Responsibility section of this report. Additionally, we are adopting the world's most stringent green building standards for the sustainable operation of the buildings we manage. We regularly conduct tests, simulations, and projections for projects under development to ensure optimal adaptation to site conditions, weather changes, nearby construction, and expected changes due to climate change.



Goal 17 – Partnerships for the Goals





We advocate for business and cross-sector collaborations and maintain ongoing cooperation with our tenants, clients, social and environmental organizations, and the communities in which we operate. This is to continuously improve our operations and achieve our goals. It is important for us to create partnerships with startup and high-tech companies to promote innovation. Additionally, we work with our colleagues in the real estate sector to share information and engage the business sector in achieving the UN Sustainable Development Goals, identifying significant challenges we face, and understanding the impact created by our activities.


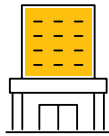


Stakeholders Dialogue

Stakeholder Identification Process

We believe in balanced and fair business conduct that is based on transparency and ongoing communication with our stakeholders. The dialogue serves as an important tool for mapping out existing disparities and conforming our services to the needs that arise from the field. Listed among the stakeholders that have been identified are employees, tenants, visitors, residents of senior homes and residential properties, the community in the vicinity of the properties, social and environmental organizations, local authorities, investors in the Group's securities, suppliers and parties along the chain of supply.

Dialogue with our stakeholders is continuous and ongoing throughout the year – either through their communications or as initiated by us. We strive to constantly improve and advance cooperation and to ensure that it is pleasant, fair and respectful.

Stakeholder	How is Dialogue Conducted?	Chapter
 Employees	Encouraging the employees' development and growth and caring for their wellbeing. Dialogue is conducted through one-on-one meetings, performance reviews, employee feedback, an open-door policy, the employees' portal, leadership development programs, organizational initiatives, and more.	Our People
 Tenants (in offices, malls and retail centers)	We believe in holding a transparent dialogue with our tenants, in particular regarding increasing awareness to reduce their environmental impact. We are planning to expand and deepen the dialogue in order to create a continuous discourse that will improve collaboration and increase the wellbeing and satisfaction of our tenants and residents.	Our Tenants, Residents and Customers
 Visitors	We strive for constant improvement of the shopping experience in our properties, with an emphasis on operation, cleaning, maintenance and increased safety and accessibility. Our customer service is available and accessible, with methods for communicating with HQ management available to the public through social media, our app and our website.	Our Tenants, Residents and Customers
 Residents of senior homes and residential properties	Continuous daily connection and attentive listening to the wishes and needs of the residents in our senior housing, with this dialogue being a material part of running our senior housing chain and residential properties, as well as constant effort to enhance their wellbeing.	Our Tenants, Residents and Customers

Stakeholder	How is Dialogue Conducted?	Chapter
 The community and social and environmental organizations	We have formulated a designated donations program and a designated volunteer work program, together with local organizations, to generate collaborations and promote social issues in each one of our properties. We maintain continuous communication with the organizations we collaborate with and are attentive to their needs at every stage.	Social Responsibility – Community Engagement
 Local authorities	We maintain dialogue with local authorities on land use planning, infrastructures, future plans, changes in laws and regulations that may affect our business and the formulation of a zoning policy and regulations in new areas in Israel. We also collaborate with other relevant regulatory bodies, such as the Israel Fire and Rescue Service, the Homefront Command, and others.	Safety and Accessibility, Environmental Responsibility, Social Responsibility
 Investors	Our dialogue with Israeli and foreign investors occurs on a regular basis, we release financial statements and hold investor conference calls on a quarterly basis, and we convene shareholders meetings on an annual basis. We maintain direct contact with investors, for the sake of ongoing updates on all the matters that are material to the shareholders, ESG issues included.	About Azrieli Group
 Suppliers	The direct dialogue with service providers on a national level is conducted through the Group's HQ staff as well as the property managers. This dialogue is professional and intended, among other things, to ensure the quality of the service we receive from suppliers, and consequently the quality of service we provide to our tenants, residents and visitors in the Group's properties.	Procurement and Supply Chain Responsibility



Chapter
2.

ENVIRONMENTAL RESPONSIBILITY

In this Chapter:

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The Spiral Tower, assembly using recycled aluminum

Azrieli Group's Sustainability Philosophy

A Vision of Sustainability:

Building Israel, Committed to the Environment.

As Israel's leading real estate group, Azrieli Group is committed to building the country while safeguarding the environment, striving to set an example of responsible and sustainable practices.

We believe that environmental preservation is inherently connected to Israeli values and to the vision of the State of Israel.

Thriving as a nation requires recognizing the deep connection between development and the conservation of natural resources. This is why we are committed to sustainable development and operations, embracing the concept of building and expanding while also preserving, nurturing, and ensuring that future generations can grow alongside our natural resources.

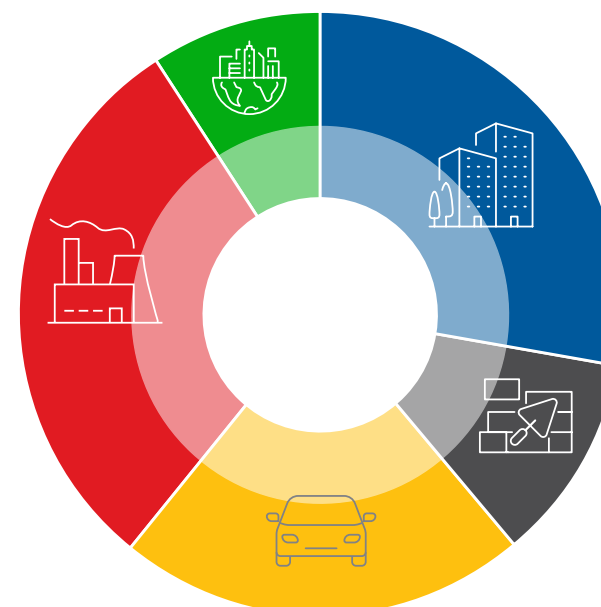
For us, responsible construction and operations are not just professional challenges for our experts but an integral part of Azrieli Group's vision to protect our country for generations to come.

Real Estate and the World – What Are the Environmental Impacts?

The real estate sector is one of the industries with the greatest impact on the environment due to its extensive influence on natural resource consumption, energy and water usage, waste generation, and the reduction of open spaces. The sector is responsible for approximately 40% of global greenhouse gas emissions. Of this, approximately 28% stem from the operational emissions of existing buildings, while approximately 11% originate from embodied carbon emissions related to construction materials used in new buildings.

Global Carbon Emissions Breakdown by Sector:

Construction	28%
Building Materials and Infrastructure	11%
Transportation	22%
Industry	30%
Other	9%



47%
of our properties are
certified for green building
(construction and operations)
based on Gross Leasable Area
(GLA)

“

**The environment is an integral part
of the Group's business vision.**

Danna Azrieli, Chairwoman of the Group

”

Alongside its environmental footprint, the real estate sector is significantly affected by climate change. Rising temperatures, increased frequency of extreme weather events such as floods and storms, and shifts in sea levels pose risks to buildings, infrastructure, and their economic value.

As a leading development company, we recognize our responsibility not only in minimizing our environmental impact but also in adapting to an evolving reality. Climate change presents an opportunity to drive innovation and improvements in the industry, particularly through the adoption of sustainable development practices that uphold high building standards and prioritize long-term responsible planning and operations.

Azrieli Group is committed to the global effort to reduce greenhouse gas emissions. In this section, we outline our strategy, goals, and the concrete actions we have taken to lessen our environmental impact – both in building design and ongoing operations. This is in alignment with key sustainability principles: mitigation, adaptation, and resilience.

Environmental Policy – An Integral Part of Our Operations

Over the past decade, we have integrated sustainability as an inseparable part of our business activities. **We operate with a systemic approach that begins at the planning stage, including a commitment to selecting sites in city centers for 100% of our projects, without reducing open natural spaces and in proximity to public transportation;** constructing high-rise buildings to ensure efficient land use; developing properties with mixed-use functions; and adhering to the strictest green building standards, constantly striving to go above and beyond regulatory requirements.

We are committed to green building across 100% of our assets, out of consideration for future generations and a genuine dedication to responsible and sustainable business conduct. All our projects built since 2013 comply with green building standards, and we are currently working on upgrading all office buildings and part of our retail spaces to meet LEED O&M certification.

From senior management to field teams, we all believe in and are committed to this policy, understanding that it generates significant value for Azrieli Group and our stakeholders.

i More information can be found in the Group's Environmental Policy and [Green Building Policy](#)

Mixed-use Development as a Key to Sustainable Urbanism

Mixed-use development is one of the core principles of modern urbanism. This approach advocates for integrating multiple land uses within the same complex, such as residential, commercial, and employment spaces. The goal is to maximize land utilization for various purposes – thereby reducing the impact on natural resources and biodiversity. Additionally, this approach enables early planning for socio-demographic changes and future demand, such as continuous population growth.

In every project we design, we emphasize the integration of public spaces as an essential part of the building's function. These spaces directly influence how the building is used and support the mixed-use environment within it. Our goal is to create an urban setting that fosters not only the daily operations of the building but also the surrounding community's quality of life.

Our vision is to establish mixed-use developments and optimize land use to create density and high-quality urban spaces. This includes shaded areas (for example, by planting mature trees), high-quality pedestrian-friendly public spaces, designated bicycle paths and parking, seating areas, and communal gathering spaces.

As part of our sustainability vision, we initiate environmental projects that engage the community (more details on this can be found in the Social Responsibility section).

i More details can be found in the Group's [Sustainable Urban Planning and Mixed-Use Strategy](#)

47%

The percentage of properties certified for green building (construction and operations) based on Gross Leasable Area (GLA) stands at 47%, totaling 659,290 square meters.

Environmental Regulation

We comply with environmental regulatory requirements, including the Planning and Building Law and its regulations, Environmental Impact Assessments, the Water Law, Water and Sewage Corporations Regulations, the Business Licensing Law, the Hazardous Materials Law, the Prevention of Hazards Law, the Cleanliness Protection Law, and more.

As of the date of this report, no significant sanctions or fines have been imposed on the company during the reporting period due to legal or regulatory violations related to environmental issues.

Company Policy on Sustainability and Environmental Risk Management

The primary sustainability risks in the real estate sector encompass various issues, including the health and safety of employees, contractors, and tenants; climate change; energy efficiency; and resource usage in buildings. We invest significant resources to ensure compliance with environmental laws applicable to us and to prevent and mitigate sustainability and environmental risks arising from our operations.

We adhere to environmental legal requirements and the regulations of relevant supervisory bodies. To ensure optimal compliance, each project is supported by professional environmental consultants who assist and guide us throughout the entire process.

Environmental Impact Management

We operate through two main channels:

- Design of new construction
- Management and operation of existing buildings

We are committed to green building across

100%

of our assets



The Spiral Tower, assembly using recycled aluminum

Climate Risk Disclosure - TCFD

The Group disclosure on climate risk management is according to the TCFD (Task Force on Climate-Related Financial Disclosures) methodology and its four pillars:

1. Governance
2. Strategy
3. Risk Management
4. Metrics & Targets

Governance

a) Board's Oversight of Climate-related Risks and Opportunities

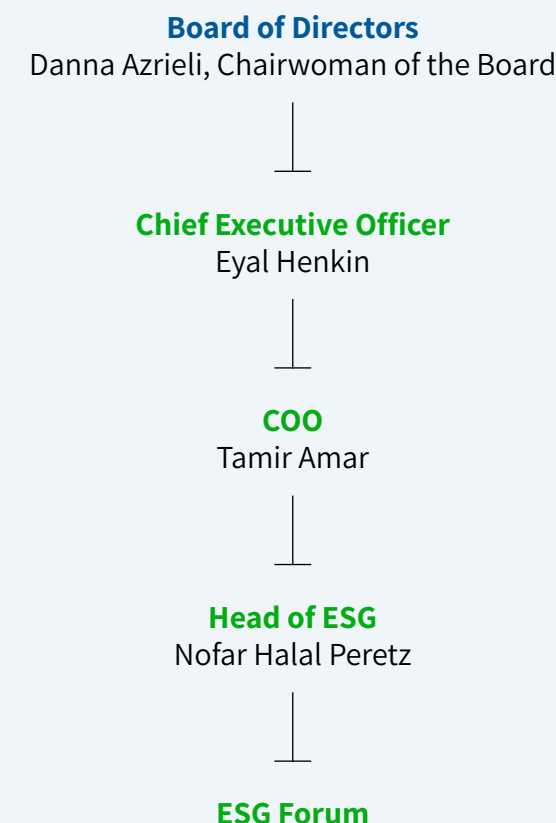
At Azrieli, the governance structure ensures that climate-related risks and opportunities are integrated across all levels of the organization. **Leadership is provided by the Board of Directors, chaired by Danna Azrieli, who actively oversees all ESG initiatives.** This approach aligns with Azrieli's mission to integrate sustainability into its business strategy and operations.

Our COO, serving as the Chief Sustainability Officer, Tamir Amar leads sustainability efforts across the organization, supported by a cross-functional ESG Forum.

Upon completion of the risk management process detailed below, we aim for the Audit Committee and the Financial Statements Review Committee to play key roles in ensuring compliance with ESG regulations.

b) Management's Role in Assessing and Managing Climate-related Risks and Opportunities

The ESG Forum convenes monthly and comprises representatives from key departments such as legal, innovation, operations, development, marketing human resources and finance. It ensures alignment between departmental work plans and the company's overarching ESG strategy by discussing progress on annual and long-term ESG goals, including climate goals, identifying risks and opportunities, and addressing urgent issues.



Environmental display, Azrieli Sarona Tower

ESG Forum: Structure and Function

The ESG Forum, chaired by COO Tamir Amar, is the cornerstone of operational climate governance. It functions as a platform for collaboration, progress monitoring, and decision-making related to ESG initiatives. The forum focuses on:

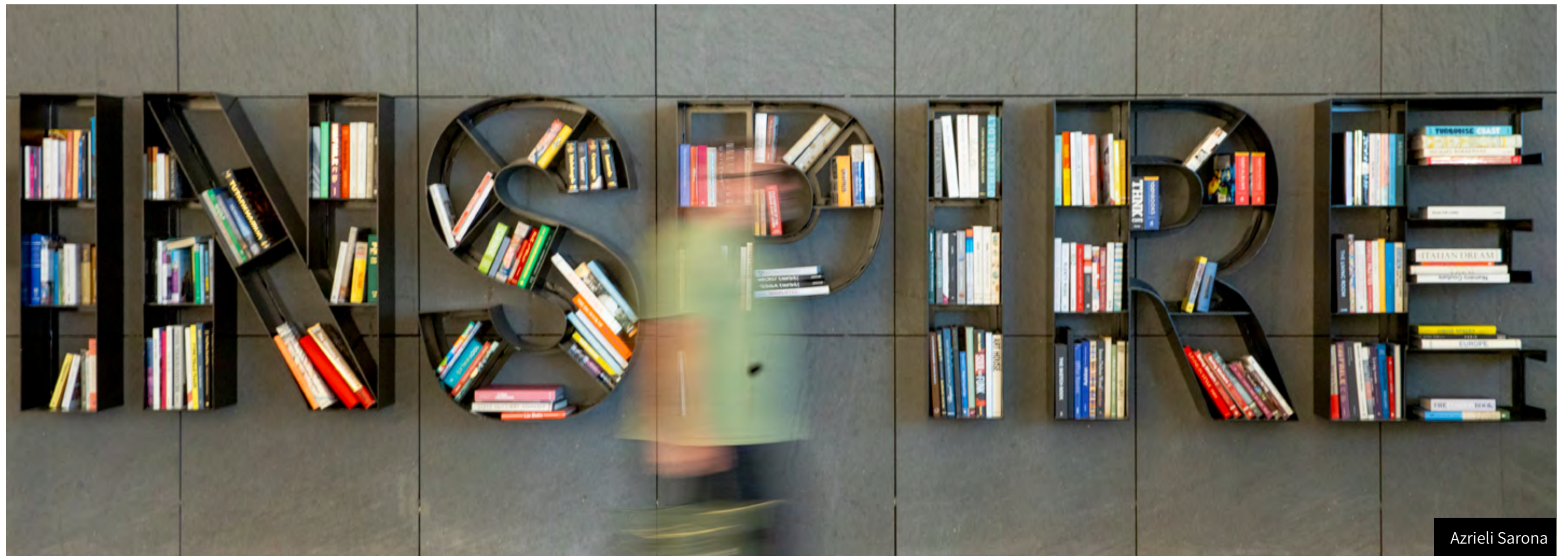
- **Tracking Annual and Long-Term Goals:** The forum reviews progress toward objectives set in the ESG strategy, ensuring alignment with the company's broader business targets.
- **Developing Action Plans:** Recommendations and action plans are developed based on discussions, addressing both immediate and long-term ESG priorities.
- **Cross-Functional Coordination:** Members facilitate the integration of ESG considerations into daily departmental activities, promoting collaboration and consistency.

Key Members of the ESG Forum

- **ESG Manager (Nofar Halal Peretz):** Leads the company's ESG strategy, overseeing implementation, reporting, and stakeholder engagement to drive sustainable impact.
- **Legal Department (Adv. Nirit Zeevi and Uzi Cohen):** Ensure compliance with evolving ESG regulations and provide legal guidance.
- **Innovation Department (Inbal Elazar):** Leads efforts to incorporate innovative practices and technologies that align with sustainability goals.
- **Donation Coordinator (Hayley Shaham):** Manages corporate donations, ensuring effective allocation of funds to social and environmental causes in line with ESG commitments.
- **Operations Department (Dr. Alit Wiel-Shafran):** Oversees environmental protection initiatives and ensures operational alignment with climate-related objectives.
- **Construction Department (Shir Kimhi):** Manages sustainable building practices, carbon reduction and green standard.
- **Human Resources (Erika Salama):** Drives employee engagement and training on ESG-related topics, fostering an organizational culture of sustainability.
- **Marketing (Keren Mosevics):** Responsible for the language and visibility of all ESG activities of the group in alignment with the company's brand and values.

Specific Responsibilities of Key Personnel

- **Danna Azrieli, Chairwoman of the Board:** Plays a hands-on role in overseeing ESG initiatives, ensuring that the forum's outcomes align with strategic priorities. Ms. Azrieli directly reviews the forum's findings and recommendations to integrate them into board-level decisions.
- **Tamir Amar, COO:** Acts as the primary link between the ESG Forum and the Board. Mr. Amar ensures that the forum's insights translate into actionable strategies, oversees the execution of climate-related initiatives, and ensures alignment with regulatory and international best practices.
- **Adv. Nirit Zeevi, VP, General Counsel:** Manages legal and regulatory compliance for ESG initiatives.



Strategy

(a) Our identified climate-related risks and opportunities over our short-, medium- and long-term time horizons

In line with TCFD recommendations, Azrieli conducted a confidential internal exercise analyzing two distinct climate scenarios. This exercise followed best practices by using Representative Concentration Pathways (RCP 4.5 and RCP 8.5) developed by the Intergovernmental Panel on Climate Change (IPCC), which depicted varying trajectories of greenhouse gas concentrations and their corresponding global temperature increases by the end of the century.

- **RCP 4.5 Scenario:**
Assumed moderate global mitigation efforts aimed at limiting the temperature increase to under 2°C above pre-industrial levels, consistent with the Paris Agreement. Although decarbonization measures mitigated some risks, the scenario still anticipated a minimum warming of 1.5°C, leading to residual physical risks such as increased cooling demands and localized flooding.
- **RCP 8.5 Scenario:**
Assumed minimal global decarbonization efforts, resulting in a temperature increase exceeding 4°C. This scenario anticipated more severe and frequent physical impacts, including extreme heatwaves, rising sea levels, and significant operational disruptions.

To complement this analysis, Azrieli evaluated Transition Risk Scenarios to understand the regulatory, market, and technological challenges of global climate action:

- **STEPS (Stated Policies Scenario):** Reflected current and announced global policies, representing a business-as-usual pathway.
- **NZE (Net Zero by 2050 Scenario):** Represented a future aligned with global net-zero goals, requiring rapid implementation of green policies and technologies.

Climate-Related Risks and Time Horizons

Azrieli identified and managed climate-related risks over different time horizons:

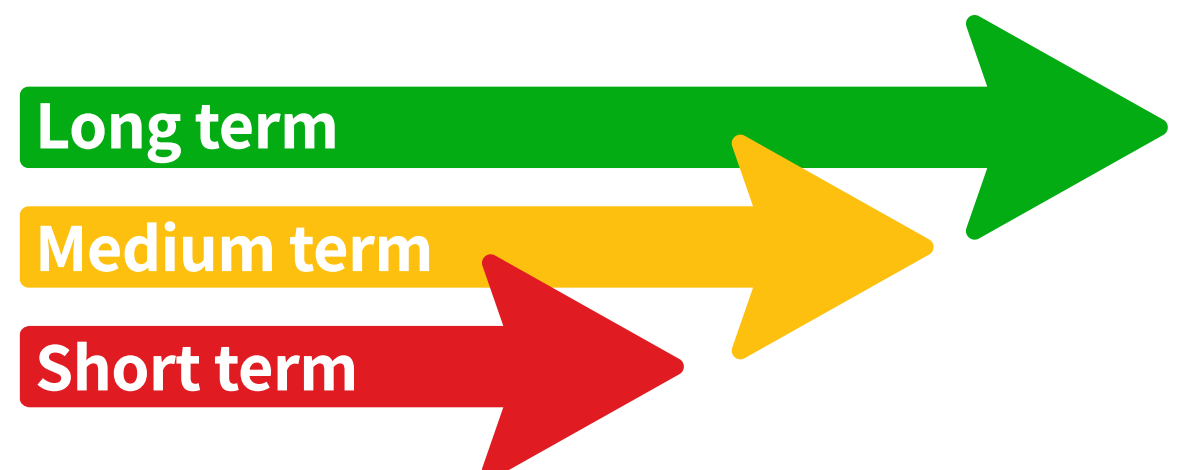
- **Short-term (0–1 years):** Immediate operational adjustments to address acute risks, such as extreme weather events.
- **Medium-term (2–5 years):** Strategic integration of regulatory and market-driven changes into asset and portfolio planning.
- **Long-term (6–30 years):** Alignment with global decarbonization goals through investments in resilient infrastructure.

(b) The impact of climate-related risks and opportunities on our business strategy

In 2024, we conducted a high-level assessment to identify the most significant climate-related risks and opportunities affecting our operations. We defined two primary objectives for our internal scenario analysis:

















1. **Risk and Opportunity Identification:**
Determined the key risks facing Azrieli and identified potential opportunities for growth and innovation within our portfolio.
2. **Scenario-Based Impact Assessment:**
Evaluated how these risks and opportunities would evolve under different climate scenarios.

The following tables outlined the preliminary risks prioritized during the internal scenario analysis:

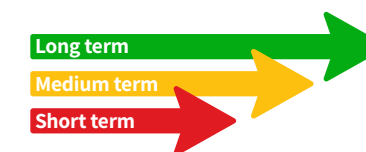




















Transition Risks



Sub-Type	Climate-related risks	Climate-related risk impact	Potential Financial Impact			
			OPEX	CAPEX	Revenue	Asset Value
Policy and Legal	Increased pricing of GHG Emissions	As Israel moves toward compliance with global climate frameworks, including the Paris Agreement, the government has started to implement carbon pricing to curb emissions. Companies operating in Israel, particularly in energy-intensive sectors like real estate, could face higher costs as carbon pricing is introduced.	Short-medium term 			Long term 
	Stricter Energy Efficiency standards	Israel is likely to strengthen energy efficiency standards for buildings, especially as part of its national energy efficiency plan. This would require real estate companies to upgrade properties, increasing costs in the short term but helping reduce operational expenses in the long term.	Medium term 	Short-medium term 	Long term 	Long term 
	Enhanced emissions reporting obligations	In line with global trends, Israel may enforce stricter emissions reporting requirements for businesses, including real estate companies, to ensure compliance with international climate goals. This can involve additional administrative costs and potential penalties for non-compliance.	Short-medium term 			Long term 
Technology	Obsolescence of Building Technology	Technological advancements in green building and energy management can render older building technologies obsolete. Real estate assets in Israel may face devaluation if they fail to upgrade to meet energy efficiency and sustainability criteria.		Medium-Long term 		Long term 
Market	Energy Shortages Due to Supply Constraints and Geopolitical Factors	Israel faces the risk of energy shortages, driven by a combination of high energy demand and insufficient supply capacity, especially in extreme heat events. This risk is compounded by regional geopolitical instability, which could disrupt energy imports or supplies from neighboring countries. The heavy reliance on a limited number of energy sources, coupled with growing demand from expanding urban centers, could lead to power shortages or spikes in energy prices, with Israel already experiencing high energy prices. For a real estate company, this may result in increased operational costs, unreliable power for tenants, and potential damage to the company's reputation if energy shortages affect property performance.		Short-medium term 		Long term 
	Increased cost of raw materials	Political instability and global market fluctuations, have led to increased raw material costs. Israel, which imports much of its building materials, may see significant rises in costs, affecting the construction and maintenance of real estate assets.	Medium term 	Medium term 		
Reputation	Increased stakeholder concern or negative stakeholder feedback	As global awareness of climate risks rises, stakeholders (investors, tenants, and the public) are increasingly demanding sustainable practices. Companies failing to adapt risk negative feedback, which can hurt reputation and market value.			Short-medium term 	Long term 

Physical Risks



Sub-Type	Climate-related risks	Climate-related risk impact	Potential Financial Impact			
			OPEX	CAPEX	Revenue	Asset Value
Acute	Heat waves	Israel already experiences extreme heat, which is expected to intensify due to climate change. This trend not only elevates operational costs (e.g., increased cooling system demands) and diminishes tenant comfort across our real estate assets, but it also poses significant health and safety risks, especially for senior housing residents, a particularly vulnerable population.	Short-medium term 			Long term 
	Rising sea level	Rising sea levels pose a risk to coastal properties in cities like Tel Aviv. Flooding and saltwater intrusion can damage infrastructure and reduce property values.		Short-medium term 	Long term 	Long term 
	Flood risk	Flood risk presents an immediate threat to offshore properties, lakeside assets, and properties with underground parking in Israel, as rapid flooding events may cause significant infrastructure damage and operational disruptions	Short term 	Short term 	Short term 	Short term 
	Wildfires	Rising temperatures and decreased precipitation make Israel more prone to wildfires, particularly in forested areas. This increases the risk to properties located near natural reserves or undeveloped land.		Short-medium term 	Medium term 	Long term 
Chronic	Rising average temperatures	The average temperature in Israel is steadily increasing, leading to higher operational costs for cooling systems in buildings	Short-long term 	Short-medium term 		Long term 
	Decrease in precipitation patterns	Israel is expected to face more frequent droughts and a decline in overall precipitation. This can lead to water scarcity, affecting both property maintenance and tenant operations, particularly in residential properties.	Short-medium term 	Medium-long term 		Long term 

Risk Management

(a) Identifying and Assessing Climate-Related Risks

At Azrieli Group, we are establishing a structured process to identify and assess climate-related risks, integrating these risks into our comprehensive risk management framework. This internal approach ensures that we systematically evaluate risks for their likelihood, impact, and potential financial and reputational consequences.

Internal Risk Mapping and Assessment Process

We are in the process of employing an internal risk mapping methodology to evaluate the materiality of climate-related risks. This process involves:

- **Identification:** Conducting an industry-level risk review that includes benchmarking against peers, engaging with our internal risk owners, monitoring regulatory developments, and reviewing market trends and external publications.
- **Evaluation:** Using a consistent five-point scale to assess both the likelihood of a risk occurring (e.g., frequency of events, probability of occurrence) and the severity of its impact (e.g., financial loss, reputational damage, or operational disruptions).
- **Prioritization:** Calculating an internal Climate Risk Index (CRI) by multiplying the likelihood and impact scores. This enables us to rank risks by significance and ensures that our most critical risks receive the appropriate attention.

(b) Managing Climate-Related Risks - Related Risks

Azrieli's risk management process will focus on mitigating both physical and transition risks through targeted strategies and operational processes. These are reviewed regularly to ensure their alignment with the company's broader sustainability goals.

Transition Risks

- Monitoring emerging regulations and compliance requirements to stay ahead of policy changes.
- Upgrading asset technologies and operations to meet energy efficiency standards and align with green building certifications.

Physical Risks

- Implementing climate resilience measures such as improved cooling systems to mitigate extreme heat impacts and enhanced water-saving technologies to address drought risks.

Looking ahead, we will work on enhancing our climate risk management framework by further integrating scenario analysis into long-term decision-making and refining our adaptation strategies.

(c) Monitoring and Oversight

Azrieli is planning to enhance its internal climate risk management framework by implementing the following measures:

- **Regular Reviews:** Azrieli plans to establish a structured review process to assess climate-related risks periodically, incorporating emerging trends, new data, and stakeholder feedback
- **Governance Structure:** The company aims to strengthen governance by ensuring the ESG Forum regularly reports climate risk findings to the Board and senior management, facilitating more proactive decision-making.

- **Performance Metrics:** Azrieli intends to refine its climate risk performance tracking by developing more comprehensive metrics related to emissions reductions, energy savings, and climate resilience, with plans to report these annually as part of its ESG disclosure process.



Metrics and Targets

For the first year of our disclosure, Azrieli is internally establishing and reporting metrics and targets in alignment with TCFD recommendations and our carbon reduction plan.

Roadmap to full disclosure

Progress to Date

- **Governance & Framework:** In this inaugural year of TCFD disclosure, we have established an internal framework for climate risk management, incorporating dedicated oversight via the ESG Forum and aligning with TCFD recommendations.
- **Risk Identification & Screening:** We have conducted a confidential internal exercise, including scenario workshops to identify key physical and transition risks across our property portfolio.
- **Initial Scenario Analysis:** Climate scenarios have been analyzed to evaluate potential impacts over short, medium-, and long-term horizons. This exercise occurred internally.

Planned Next Steps

- **Enhanced Transition Risk Analysis:** We will refine our transition risk scenario analysis to better capture the financial and operational implications of a low-carbon transition.
- **Expanded Physical Risk Assessments:** Detailed assessments of physical risks—including further quantification of impacts—will be integrated into our decision-making processes.
- **Metrics & Targets Development:** Building on our initial disclosure, Azrieli will internally establish and report metrics and targets in alignment with TCFD recommendations.



The Spiral Tower, assembly using recycled aluminum

Sustainable Design

In the design of every new property, we prioritize the people at the heart of the project – whether consumers, residents, or tenants. Our approach is holistic, ensuring an optimal experience in terms of comfort, well-being, health, safety, and accessibility.

By integrating sustainable design both at the individual property level and as a guiding strategy for the entire Group, we contribute to the development of sustainable cities that provide long-term value for both people and the environment.

Our Construction: Meeting the Highest Standards

Green building standards assess the environmental impact of construction and operation processes, providing a benchmark for sustainability. As one of Israel's pioneers in green building, Azrieli Group has adhered to the Israeli Green Building Standard since 2013.

Today, most of our buildings are designed according to the LEED standard, the internationally recognized American certification system, which is updated periodically to reflect global advancements in sustainable construction.

Beyond these existing standards, we have introduced the **Azrieli Green Building Standard**, which sets even more ambitious sustainability goals than those required by regulations in reducing the carbon footprint of our projects. Through this initiative, we aim to lead and inspire the Israeli real estate market by addressing climate change and developing sustainable construction solutions in Israel.

The Azrieli Standard includes quantifiable green building targets that **exceed regulatory requirements** in key areas such as energy efficiency, embodied carbon reduction, water and waste conservation, and improving the well-being of building occupants.

These goals are embedded in our annual work plans, ensuring measurable reductions in greenhouse gas emissions across all our projects. We are committed to continuously improving our carbon reduction efforts, pushing boundaries with each new development. Our green building initiatives are led by our engineering department, with dedicated in-house expertise in sustainable architecture and ongoing consultation from specialized green building advisors.

As of the end of 2024

5

of our properties have been certified under the LEED building standard

8

properties are currently in the planning and construction stages, aiming for the latest LEED Platinum certification

3

of our properties have been certified under Israeli Green Building Standard 5281

2

more in the planning phase

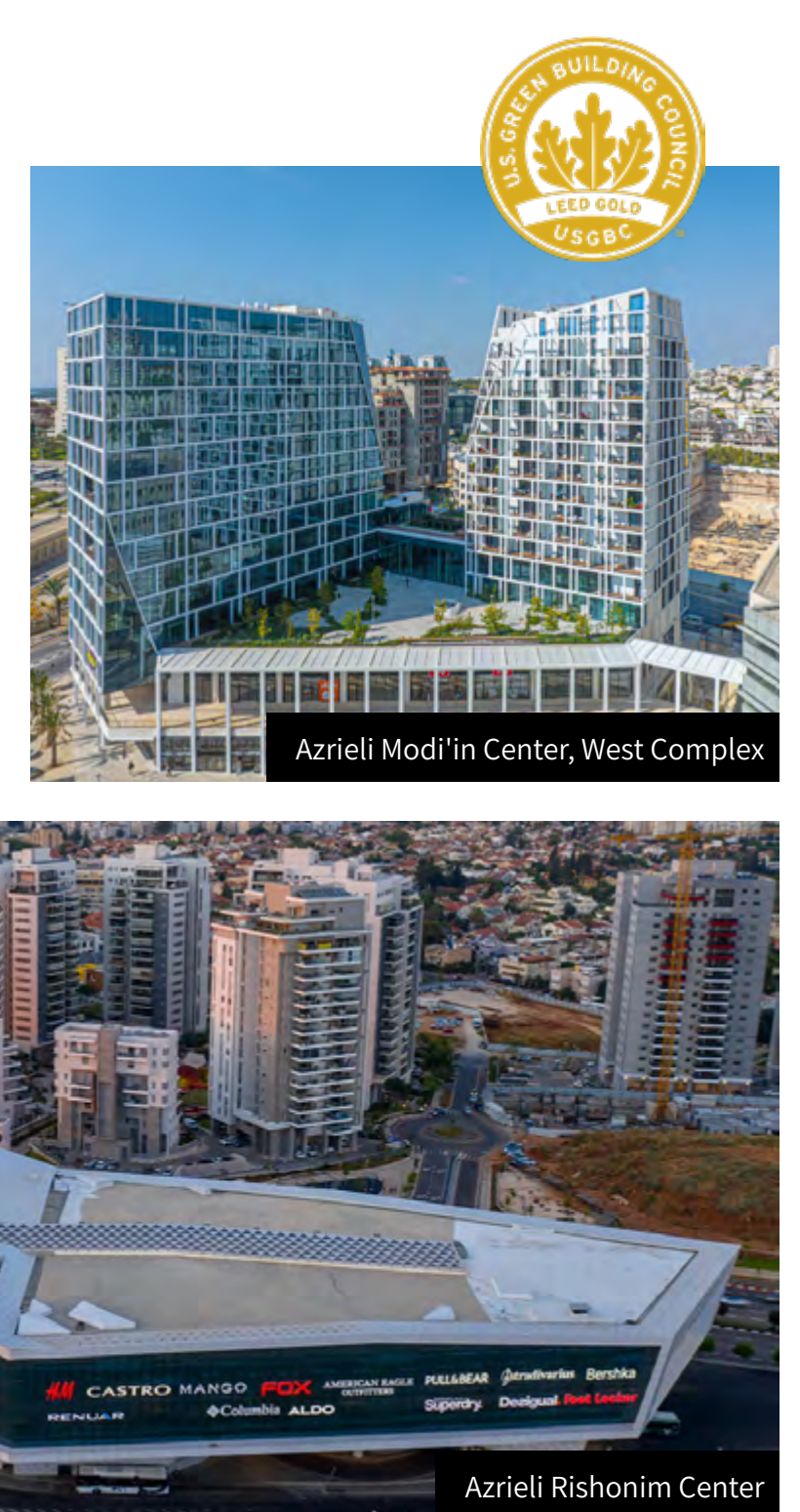


We are committed to ensuring that 100% of our new projects obtain green building certification. Moreover, our goal is for every new project to achieve LEED Platinum certification and a minimum three-star rating under the Israeli Green Building Standard, in line with our sustainable construction [policy](#).



The Spiral Tower, assembly using recycled aluminum

Sustainable Design with LEED Standards





Measuring the Environmental Impact of Buildings

Our planning process begins with quantifying the potential environmental impacts of each building. Every one of our properties undergoes an LCA (Life Cycle Assessment) to evaluate carbon emissions throughout its lifecycle and to analyze how different

building components contribute to the total emissions. This analysis is conducted at multiple project stages, helping us develop carbon reduction strategies and apply lessons learned from one project to the next.



Reducing Embodied Carbon

Approximately 40% of a building's total carbon emissions over its lifetime occur during construction, embedded in the building materials and the processes of extraction, manufacturing, transportation, and installation. In other words, nearly half of a building's

emissions are generated before it is even occupied. To mitigate embodied carbon, we implement efficient material planning and reduction strategies, ensuring a long-term impact on the building's carbon footprint. This is achieved through:



Efficient Structural Planning to Reduce Concrete and Steel Use

Concrete and steel have the highest carbon footprint in construction projects. The building's shape and column placement significantly affect its carbon footprint, making structural efficiency the first step in reducing embodied carbon.



Preference for Low-Emission Materials

Our goal is for 20-40% of materials in our projects to contain a high recycled content, originate from renewable sources such as wood and bamboo, and include at least 20 materials with an Environmental Product Declaration (EPD). An EPD certifies that a life cycle analysis has been conducted to quantify the material's carbon emissions from extraction and production. Additionally, we prioritize locally produced materials, which reduce emissions from transportation and support local industry.



at least **75%**
of waste is sent to recycling
plants where raw materials
are sorted and repurposed
for reuse



Construction Waste Separation and Recycling

We establish waste reduction targets for all our construction projects. Waste data is monitored, among other methods, by weighing waste sent to recycling and ensuring that all disposal, sorting, and recycling sites receiving construction waste are approved by the Ministry of Environmental Protection and a green building consultant. Additionally, we verify that these sites have the capacity to process the waste delivered to them.

100% of construction waste from all our sites is transferred to authorized disposal facilities. Additionally, we are committed that at least 75% of this waste is sent to recycling plants where raw materials are sorted and repurposed for reuse. We integrate waste management and source separation systems for all our buildings from the planning stage to reduce the amount of waste sent to landfills and enable higher-quality recycling of raw materials. In the group's new projects, we separate waste on-site into four streams.

Embodied Carbon Reduction Process



LCA Analysis to assess the project's carbon footprint



Use of Low-Carbon Concrete Mix



Incorporation of Materials with EPD Certification



High Content of Recycled Materials



Seperation and Recycling of Construction Waste

Carbon Emission Distribution Throughout the Building's Lifecycle

■ Building Construction, Renovations and Demolition
■ Embodied Carbon
■ Operational Carbon



The Spiral Tower, assembly using recycled aluminum



Energy Efficiency

Approximately 60% of a building's carbon emissions result from energy consumption throughout its lifecycle. Therefore, significant efforts are made during the early design stages to maximize the building's energy savings. We conduct advanced analyses to assess and optimize the building's energy consumption, influencing facade design and system selection.

- **Energy-Efficient Building Envelope** – Designing buildings to minimize energy demand by incorporating climate-responsive facades, optimizing window size and orientation, integrating external shading solutions, using high-performance glazing, and incorporating thermal insulation. Our advanced facade systems balance natural light and views with solar heat control, ensuring optimal thermal comfort.
- **Efficient System Design** – Implementing project-tailored high-efficiency HVAC and ventilation systems operating at optimal efficiency to maximize energy savings, optimizing lighting solutions and maximizing daylight use, and selecting high-performance elevators and energy-efficient systems.
- **Renewable Energy Generation** – Installing solar panels on rooftops and facades to reduce reliance on the national grid and work towards net-zero energy consumption.




Electrical Vehicle Readiness

All our properties are equipped with electric vehicle (EV) charging stations, and all new projects are designed to include charging stations for 10% of parking spaces from day one, with infrastructure prepared for future installation in 80% of parking spaces.



Water Conservation & Runoff Management

We ensure the installation of water-efficient faucets in all our properties, with many new projects also incorporating local monitoring systems for leak detection.

Vegetation planning is adapted to the local climate to reduce irrigation needs, and in many projects, air conditioning condensate collection and storage systems are redirected for irrigation purposes. Additionally, advanced filtration systems in water-based air conditioning systems enable water reuse.

Many of our projects integrate surface runoff retention and infiltration systems designed to ease the burden on municipal drainage systems during extreme rainfall events, allowing for the slow percolation of runoff back into the groundwater.




Soil Contamination Identification & Remediation


Every new project is guided by professional environmental consultants who assist and advise from start to finish. Soil surveys, as mandated by law, are conducted before construction begins to ensure there is no existing soil contamination on the project site.



Reducing Impact on Biodiversity

Our buildings are always planned in central urban areas and transport hubs, avoiding construction on undeveloped open spaces to minimize impact on biodiversity and nature.

In every design process, we consider the biodiversity of the surrounding area, taking steps to reduce light pollution, ensure integration with the landscape, and maintain ecological corridors. For certain projects, we consult ecologists who guide us on the most appropriate local vegetation to incorporate in order to align with the area's biodiversity.

WELLNESS – Quality of Life and User Health and Well-being

We are committed to creating high-quality, accessible, safe, and pleasant spaces for our clients, focusing on enhancing their quality of life and experience within our buildings, beyond just the basic functions of the structure.

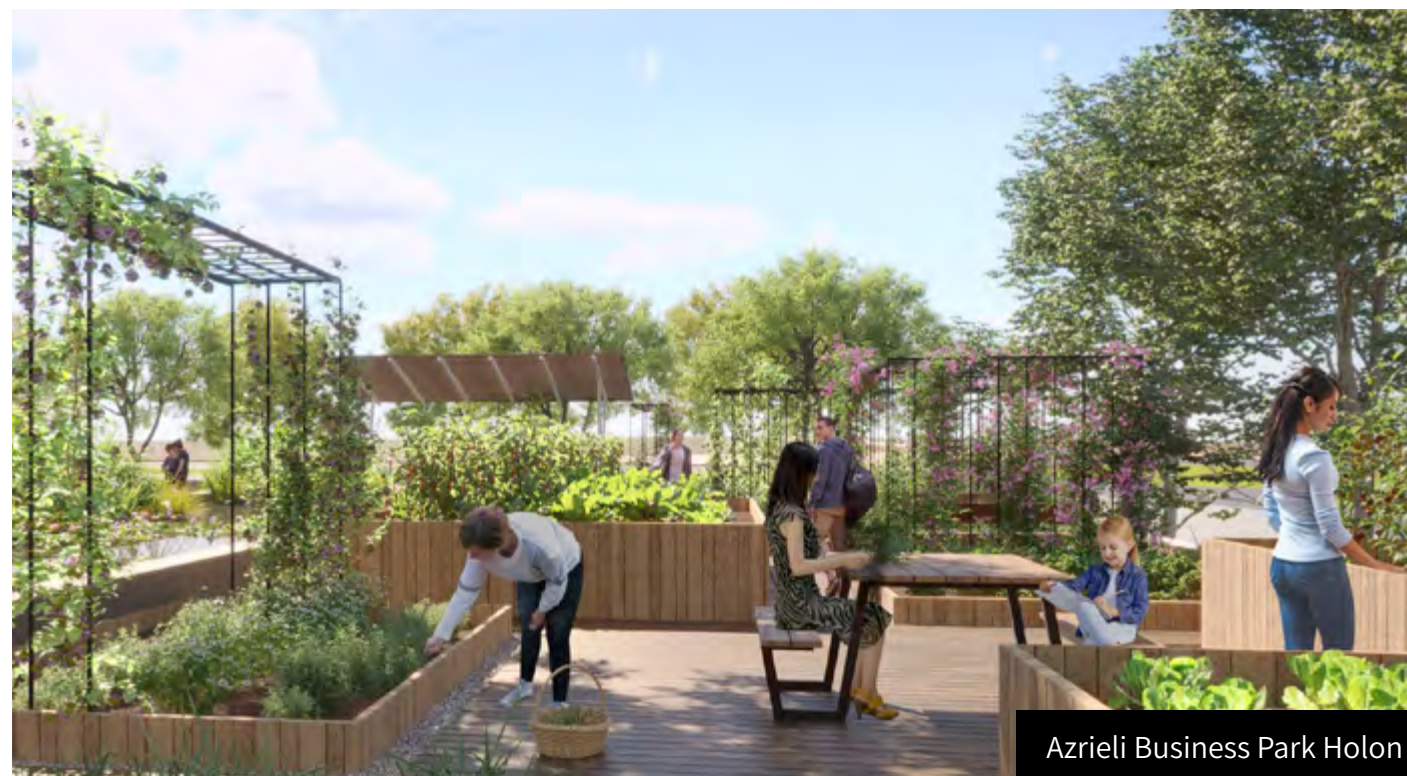
To ensure maximum thermal comfort, we integrate advanced building envelope design, which allows natural light to enter while blocking radiation and heat, alongside advanced air conditioning systems and the introduction of fresh air. The air filters we install meet the highest standards, and we also conduct hourly air exchange tests to ensure the air quality in our buildings adheres to the highest standards.

Our buildings are designed in green environments, featuring comfortable outdoor areas, walkways, and bike racks as part of the landscape design, including protected parking and showers. Additionally, we plan our projects with attention to wind pathways based on precise international measurements to avoid wind tunnels and create pleasant and comfortable public spaces around the building.



Comfortable and pleasant public spaces

Community Parks and Gardens – Bringing Nature Back to the City



Azrieli Business Park Holon

On the rooftop of the Azrieli Mall in Tel Aviv, a community agricultural garden is being established, set to become a regional center for urban sustainability. The center will operate six days a week from morning until night and will feature a community garden where fruits, vegetables, and herbs will be grown using innovative agricultural methods tailored for efficient urban farming in terms of space and resources.

The center will offer workshops and classes for the general public on urban agriculture, sustainability, and healthy nutrition, as well as experiential activities that will connect participants to food-growing processes and promote food waste prevention and circular economy principles. These activities will include tours,

lectures, volunteering opportunities, agro-therapy, and more, all aimed at fostering community engagement and attracting a diverse audience both locally and internationally.

Additionally, a community garden will be established at the Azrieli Holon Center as part of a green park being developed on the rooftop of the parking lot. In this project, we are transforming a large paved area at the Holon Business Park into a green park spanning approximately 20 dunams. The park will serve the center's employees and visitors, and will include a community garden where agricultural produce will be grown and workshops and classes will be held.

Strategy for Minimizing Construction Impact on Neighborhood Surroundings



Azrieli Business Park Holon

As part of our efforts to reduce environmental impacts during construction, we require the implementation of a pollution prevention plan at the construction site. This plan includes measures to prevent soil erosion and stormwater runoff through solutions such as the installation of filtration systems for rainwater runoff, preventing dust dispersion, and cleaning vehicle wheels before leaving the site. Additionally, we take actions to minimize the site's impact on the environment, such as the installation of perimeter fences at appropriate heights, reducing electricity and water consumption on site, preventing noise and glare, and ensuring the proper storage of hazardous materials.

As part of the construction site management process, we require precise design for the placement of site facilities, such as offices, waste bins, and fueling stations, while maintaining safe access and organizing operational zones.

These requirements are designed to ensure compliance with green building standards while improving the quality of life for workers and the surrounding environment.

47%

of our properties are certified for green building (construction and operations) based on Gross Leasable Area (GLA)

Innovation in Construction

We adopt innovation as a strategy and continuously seek ways to improve construction processes and utilize new technologies to reduce greenhouse gas emissions. Over the past year, we have collaborated with four Israeli startups, integrating their solutions into our design and construction processes:



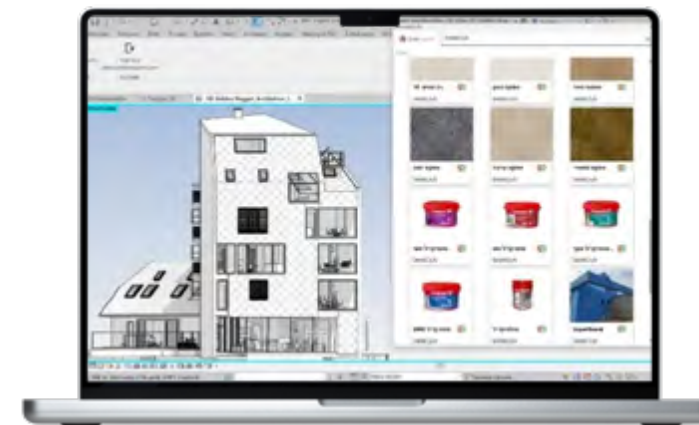
Buildots

Provides a solution for automatic tracking of project progress using smart management tools and digital schedules.



GreenVibe

Offers advanced monitoring capabilities for real-time concrete quality measurement, ensuring long-term stability and safety.



Bimmatch

Develops a digital platform for the continuous measurement of carbon emissions throughout the construction process, promoting the reduction of embodied carbon in building materials.



Structre Pal

Assists in reducing concrete quantities through optimization of concrete construction.



New Projects

Our Flagship Project: The Spiral Tower – Changing Tel Aviv’s Skyline

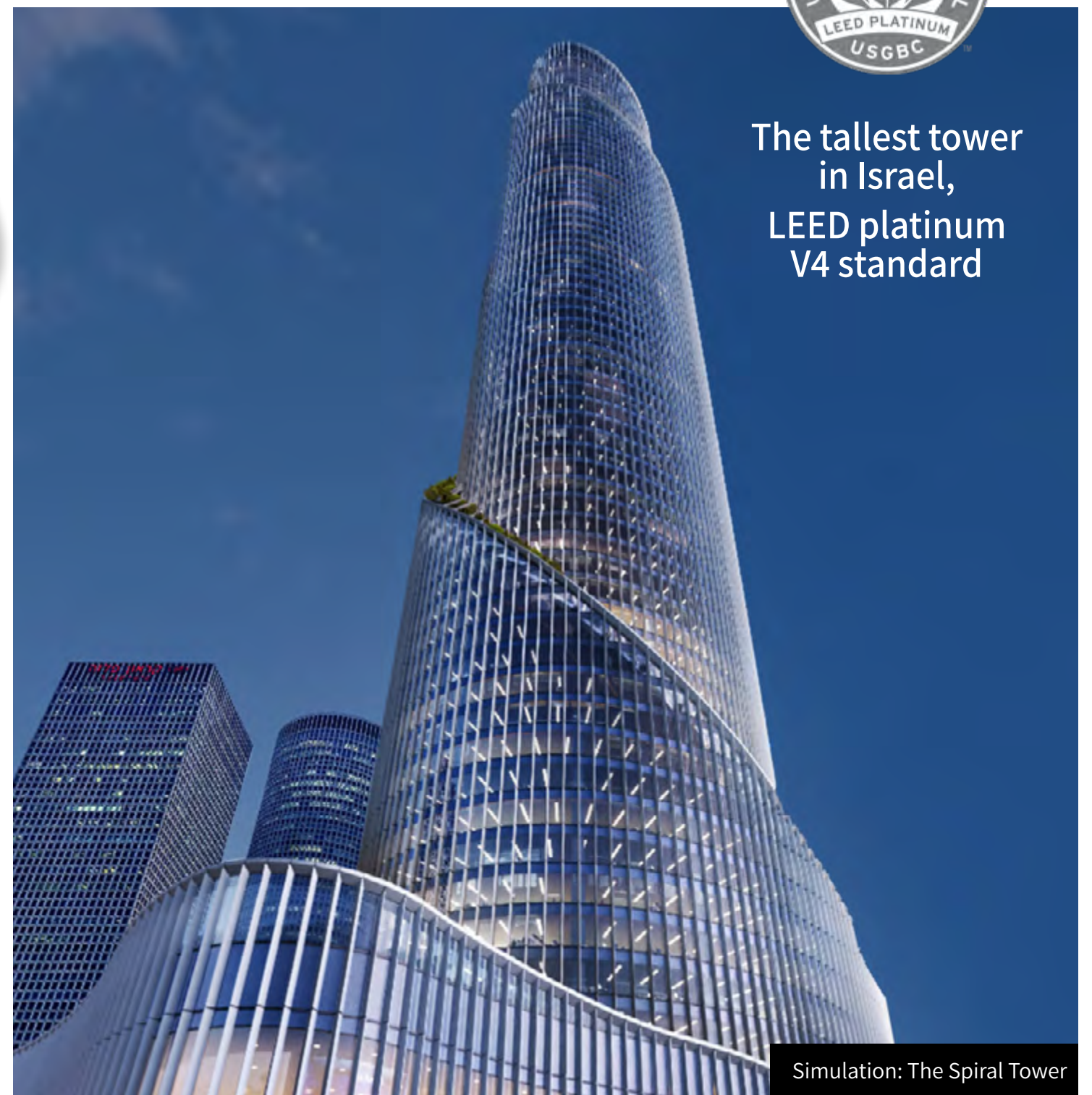
The Spiral Tower, the fourth and final tower of the Azrieli Center in Tel Aviv, is set to become an architectural icon and the tallest tower in Israel, standing at 350 meters with 91 floors. The project includes mixed-use spaces – commercial, office, residential, and hotel – and represents an innovative vision in construction, sustainability, and urban planning.



the tallest tower
in Israel, standing
at 350 meters
with 91 floors



The tallest tower
in Israel,
LEED platinum
V4 standard



Simulation: The Spiral Tower

Our Flagship Project: The Spiral Tower – Changing Tel Aviv’s Skyline - Continued

The Spiral Tower will be the tallest building in the world to incorporate recycled facades and the largest project globally in terms of the amount of recycled aluminum used. The aluminum, sourced from recycled materials like window frames and car wheels, will be imported from Germany and undergo a rigorous sorting process to meet the highest technical standards. **Thanks to this, we have managed to reduce 36% of the embodied carbon in the construction – a groundbreaking environmental achievement.**

The tower’s design follows the strictest standards of the American LEED Platinum certification, reflecting our commitment to green building. The design was inspired by international projects and incorporates the most advanced knowledge and engineering techniques.

The location of the Spiral Tower was carefully chosen, as it is directly connected to Tel Aviv’s public transportation network – the light rail station, Israel Railways, and the metro – through the Azrieli Center. This connection promotes sustainable transportation and reduces dependence on private vehicles. The tower’s design includes open terraces on every floor up to the 91st floor, allowing for natural light and airflow, alongside greenery that connects the building to its surroundings.

In addition, an advanced envelope with vertical fins has been developed, leading to a 25% reduction in energy consumption. Furthermore, due to the installation of water-efficient fittings, the tower saves about 40% of water consumption and employs an eight-stream waste management system to enhance recycling processes.

The project emphasizes the creation of a high-quality, accessible public space, including:

- Development of large plazas and leisure areas connecting indoor and outdoor spaces.
- A public open rooftop featuring benches, cafés, play areas, and shaded gardens – a unique leisure experience in the city center.
- Expansion of pedestrian and bicycle areas, with modern urban facades, bike paths, and cafés.

The Spiral Tower combines advanced architecture with environmental and social commitment. Beyond innovation in construction, the project brings a new vision of reconnecting urban Tel Aviv with public spaces, creating a dynamic, accessible, and sustainable

living environment. We are committed to building with and for the city, making the Spiral Tower a groundbreaking project that symbolizes a new vision for Tel Aviv and Israel as a whole.

86%

Reduction in
carbon emissions
compared to
aluminum produced
from raw materials



Illustration: The Spiral Tower

New projects

Azrieli Business Park in Holon – Business Development and Green Environment

The Azrieli Business Park, covering an area of approximately 30 dunams, is undergoing significant upgrades aimed at balancing business development with the creation of a green and attractive environment.

The main transformation of the project involves converting an area with extensive paving and limited greenery into a space characterized by abundant green areas. The design focuses on increasing plant areas while reducing paved surfaces, enhancing not only the aesthetics but also creating a rich and diverse experience.

The park is designed to include various zones catering to the diverse needs of employees and visitors:

- **Community Garden:** A space combining educational and community activities for the benefit of the local environment.
- **Cafés and Restaurants:** An area designated for business meetings and relaxation.

- **Sports Facilities:** A dedicated space for physical activity, promoting a healthy lifestyle.
- **Event and Performance Area:** A versatile space for community and business events.

The new complex is intended to integrate the advancement of the business environment with improving the quality of life for the local community and visitors, while maintaining principles of sustainability and sustainable design. The revamped Business Park is not just a workplace – it is a vibrant living center that connects the environment, community, and business.



30 dunams of balance between business development and the creation of a green and attractive environment



A space combining educational and community activities



An area designated for business meetings and relaxation



A dedicated space for physical activity, promoting a healthy lifestyle

New projects

New Azrieli Modi'in Center – Two New Projects Complete the Experience

The Azrieli Modi'in Center, located near public transportation, creates an integrated urban space that includes a shopping mall, commercial centers, offices, and residential areas.

The current project continues to evolve with the development of two innovative projects adjacent to the existing mall, serving as an example of mixed-use urban development that suits modern urban lifestyles: the Modi'in West Complex, which is in advanced process of occupancy, which combines offices, residences, a hotel and retail spaces; the Modi'in North Complex, in construction stages, will include a flagship medical center by Clalit Health Services – an innovative medical center that will serve the residents of Modi'in and the surrounding areas. In the future, the complex is expected to feature offices, a cinema, and retail spaces, ensuring the expansion of services and community activity in the city.

These three projects –Modi'in West, Modi'in North, and the original mall – create an urban connection that links Modi'in's main business avenue with the

train station and the central bus station. The project includes a green avenue that extends through the city center and connects the various centers, with a redesigned urban square featuring green areas, seating corners, and shade, offering high quality of life for pedestrians.

In the design process, priority was given to public green spaces over enclosed commercial areas, even at the cost of significant economic trade-offs. These decisions reflect our commitment not only to business development but also to creating a high-quality urban environment that balances community, environmental, and economic needs.

The new Azrieli Modi'in Center creates an urban space that emphasizes sustainability, connectivity, and community, serving as a vibrant center of life in the heart of Modi'in.

3

projects –Modi'in West, Modi'in North, and the original mall – create an urban connection that links Modi'in's main business avenue with the train station and the central bus station



Goals

- 100% of new properties will be certified to green building standards.
- Every new project will undergo WBLCA (Whole Building Life Cycle Assessment) to evaluate the project's carbon footprint throughout its lifecycle and develop a reduction strategy.
- All of our projects will continue to integrate materials with EPD certification.
- All of our projects will continue to incorporate a wide range of recycled materials.
- In all projects, at least 75% of construction waste will be recycled, and 100% of the waste will be disposed of in landfills approved by the Ministry of Environmental Protection.
- Every project will include preparations for electric vehicle (EV) infrastructure – 10% of parking spaces will be ready for charging stations from day one, and about 80% will be prepared for future EV charging.
- All new projects will include bicycle parking for regular users and visitors.
- All projects will continue to comply with accessibility standards for people with disabilities.



Sustainable Operation

As part of our responsibility as a company that plans, develops, and manages multi-use buildings, we have formulated a plan to certify all our office buildings with the LEED O&M (Operations and Maintenance) standard. This certification addresses key aspects such as energy and water efficiency, indoor air quality improvement, waste management, building accessibility, and tenant satisfaction. In its latest version, the standard also considers climate risks.

Certified office buildings with the LEED O&M standard

Azrieli Group is proud to be a pioneer in certifying office buildings with the LEED O&M standard. Azrieli Center Tel Aviv includes the first office tower and the first shopping mall in Israel to receive this certification.

We are proud to note that, as of the date of this report, 47% of our properties in Israel (based on Gross Leasable Area – GLA) are certified with the LEED and/or LEED O&M green building standards.



Azrieli Business Park Holon



Azrieli Center Tel Aviv



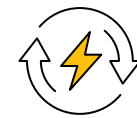
Azrieli Sarona

Sustainable Resource Management

We are committed to maximizing resource efficiency and implementing a range of measures for energy and water conservation while setting clear targets for reducing greenhouse gas emissions.

We actively work to reduce landfill waste and promote the transition to renewable energy by installing solar panels on the rooftops of our properties. We conduct annual measurements of energy and water consumption, as well as waste disposal across all our assets, using advanced monitoring systems.

Furthermore, we are developing an innovative digital platform to enhance our data management capabilities and optimize our measurement and tracking processes.



Energy

In recent years, we have made significant efforts to improve the Group's energy efficiency. As part of our property maintenance strategy, we are upgrading management and maintenance processes to create an advanced, innovative, and efficient asset management system that is accessible to both employees and visitors.

The Group employs an Energy Manager responsible for planning and implementing new initiatives to reduce greenhouse gas emissions and ensure compliance with the highest industry standards.

As of the date of this report, the following initiatives are being implemented:

- **Installation of PV Solar Energy Systems:**
By the end of 2024, approximately 15 PV systems were operational across the Group's sites. Three additional systems are planned for installation in 2025. These systems help reduce reliance on electricity from the national grid.
- **Electricity Procurement from OPC:**
Approximately 70% of the Group's electricity consumption is supplied by OPC, which generates energy from natural gas.
- **Upgrading Energy-Intensive Equipment:**
Replacing outdated energy-consuming equipment with more advanced and efficient alternatives, including chillers, pumps, and elevator motors.

In 2024, a large-scale project was launched to replace elevator motors. As part of this initiative, 24 elevator motors will be upgraded over five years with innovative, low-energy consumption motors.

Resource Management in Numbers

General Notes:

1. The Group is in the midst of an extensive and in-depth program to reduce greenhouse gas emissions. As part of this initiative, a data optimization process is being conducted to enhance reporting accuracy. Therefore, the data presented below reflects the most precise information currently available, though future adjustments may occur and will be reported transparently.
2. The overall increase in consumption over the years is due to the Group's expanding operations. Accordingly, all data is also reported in normalized terms per area.
3. Property area data was updated between 2022 and 2023, which may result in changes to intensity metrics (normalized per area).
4. The calculations exclude the Group's Palaces (senior homes) properties, residential assets, and parking areas.
5. As expected, 2021 consumption levels were lower due to reduced activity during the COVID-19 pandemic.
6. In 2023, data was refined to distinguish resource consumption and greenhouse gas emissions by sector. As a result, segmentation into office and retail sectors appears only from 2023 onward, while reporting for previous years follows the methodology used in prior ESG reports.
7. The Swords of Iron War broke out at the end of 2023, leading to a significant reduction in activity, particularly among office tenants.

~70%

of the Group's electricity consumption is supplied by OPC, which generates energy from natural gas.

By the end of 2024,

~15

PV systems were operational across the Group's sites



Azrieli Town

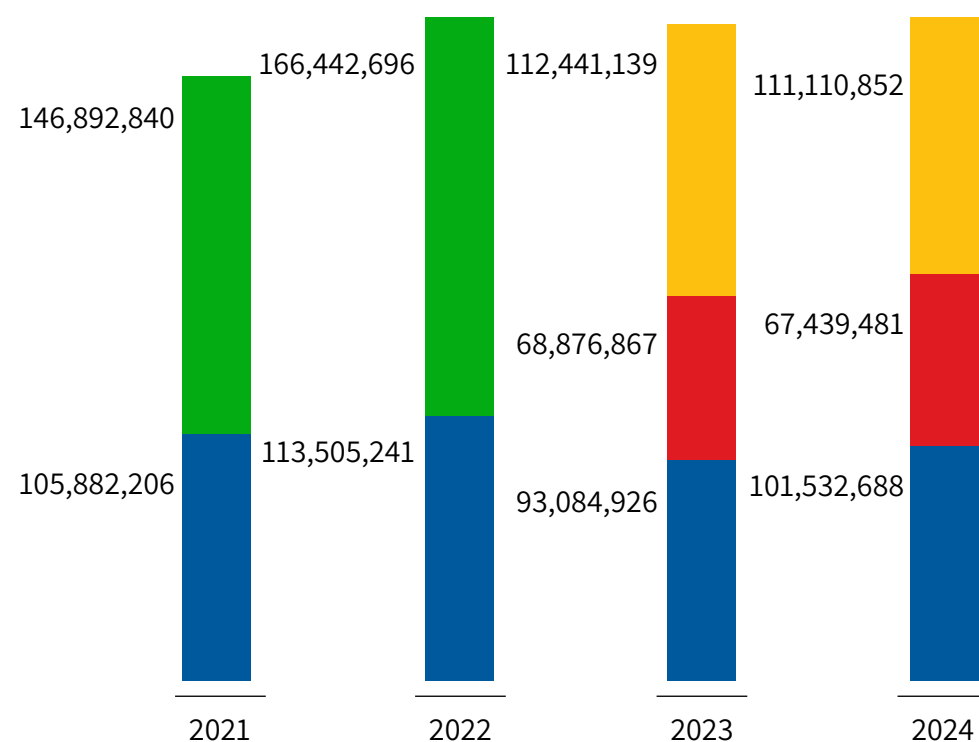
Resource Consumption Data



Electricity Consumption

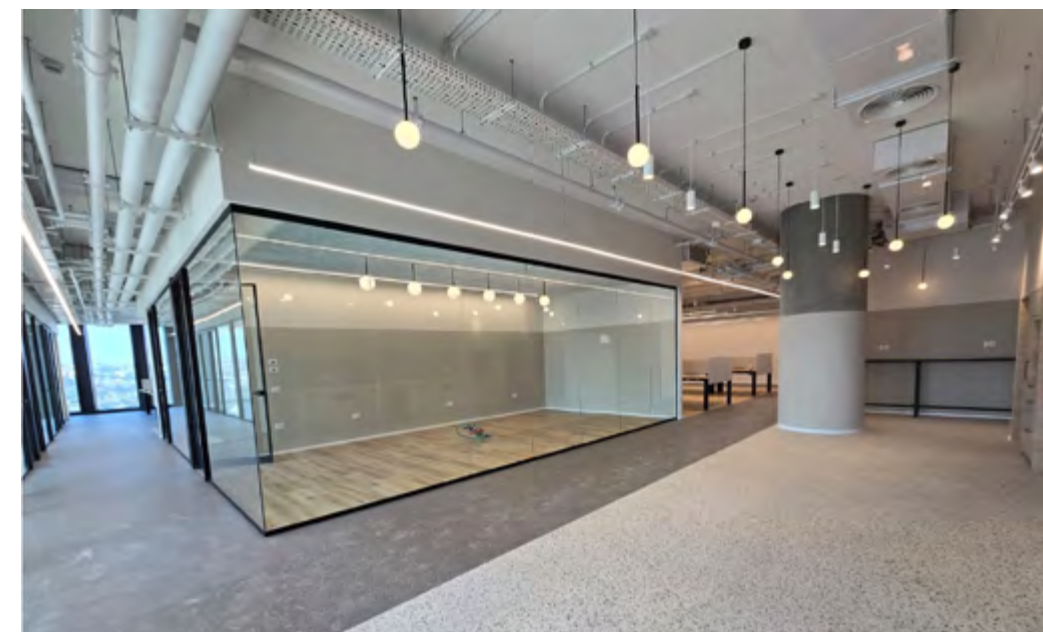
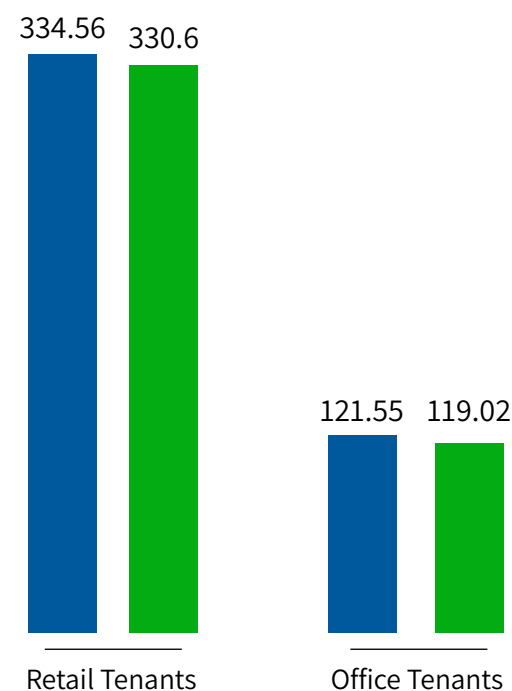
Electricity Consumption by Sub-Segment (kWh)

- Retail Tenants
- Office Tenants
- Tenants (Retail + Offices)
- Public



Electricity Consumption per Area Unit (kWh/sqm)

- 2023
- 2024



Notes:

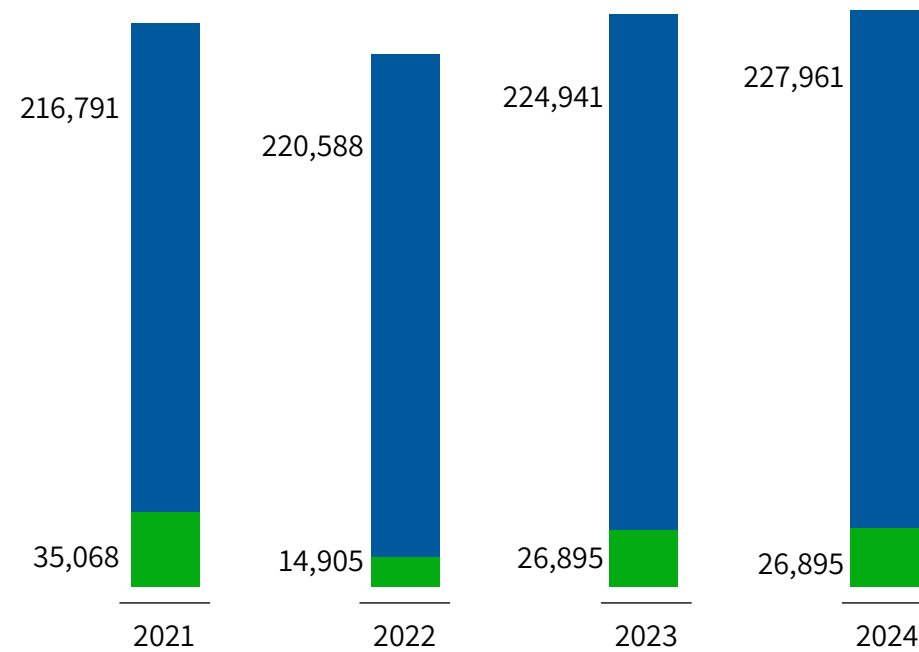
- Electricity consumption is disclosed for 22 Azrieli office and retail properties.
- Electricity consumption in 2024 includes approximately 4.5 million kWh sourced from solar energy, accounting for about 2% of total consumption.



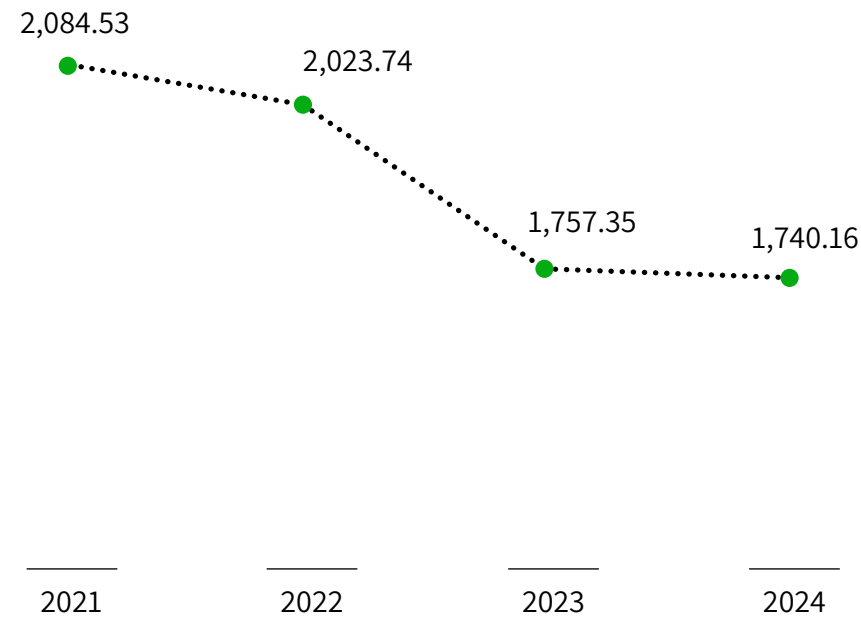
Fuel Consumption

Group Total Fuel Consumption (Liters)

- Diesel Fuel (Stationary Facilities)
- Gasoline (Company Vehicles)



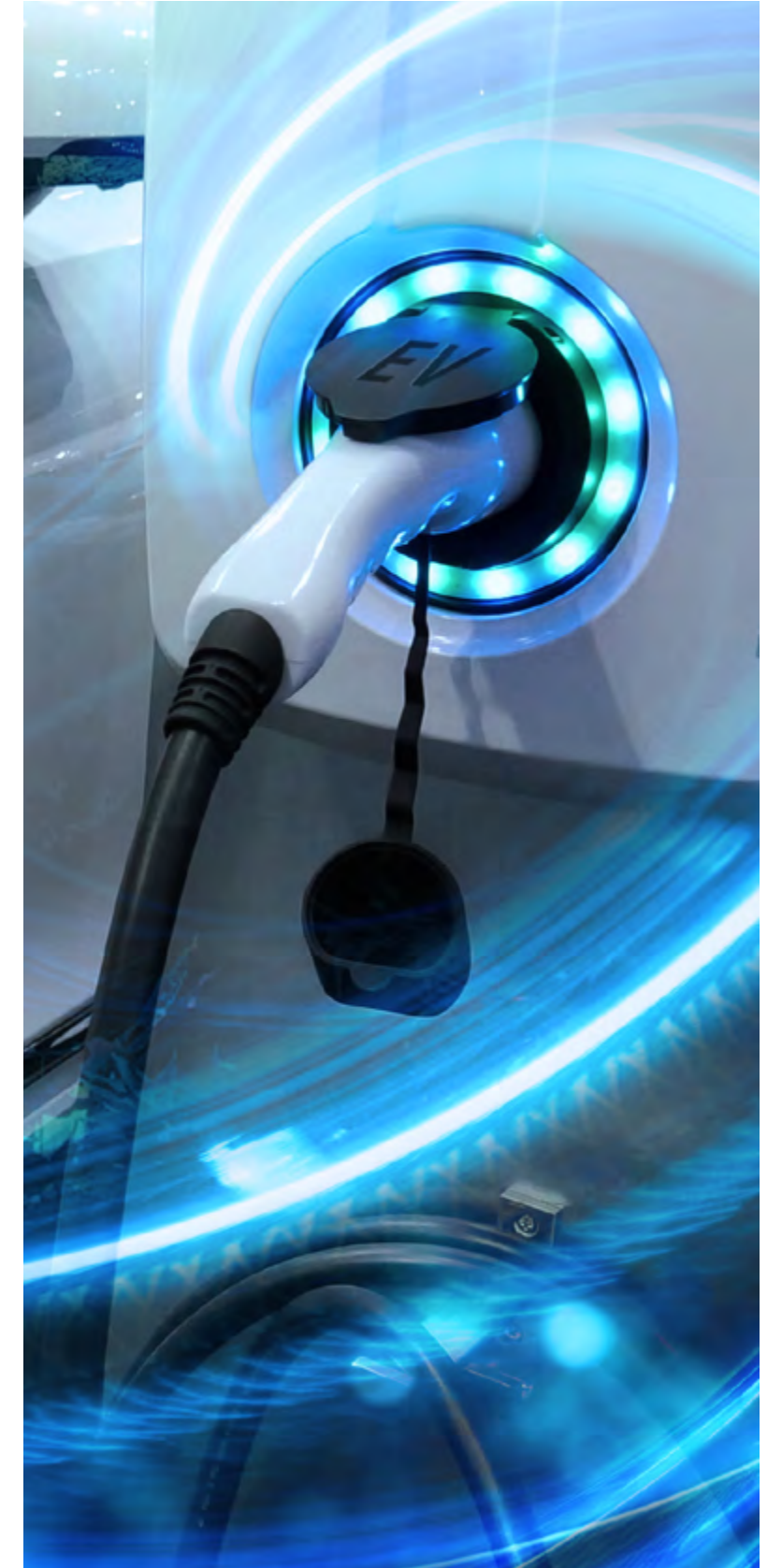
Normalized Gasoline Consumption per Vehicle (Liters/Vehicle)



Notes:

- The fuel consumption calculation includes gasoline consumption for company vehicles and diesel fuel consumption for generators at properties, used for emergency purposes only.
- Fuel consumption data was updated in 2024 for previous years back to 2021 due to improved data availability.

It can be observed that the total fuel consumption from company vehicles has increased over the years due to expanded vehicle fleet alongside the growth in the number of employees. However, normalized consumption per vehicle is on a downward trend, reflecting our investment in transitioning to electric and hybrid vehicles.





Energy Intensity

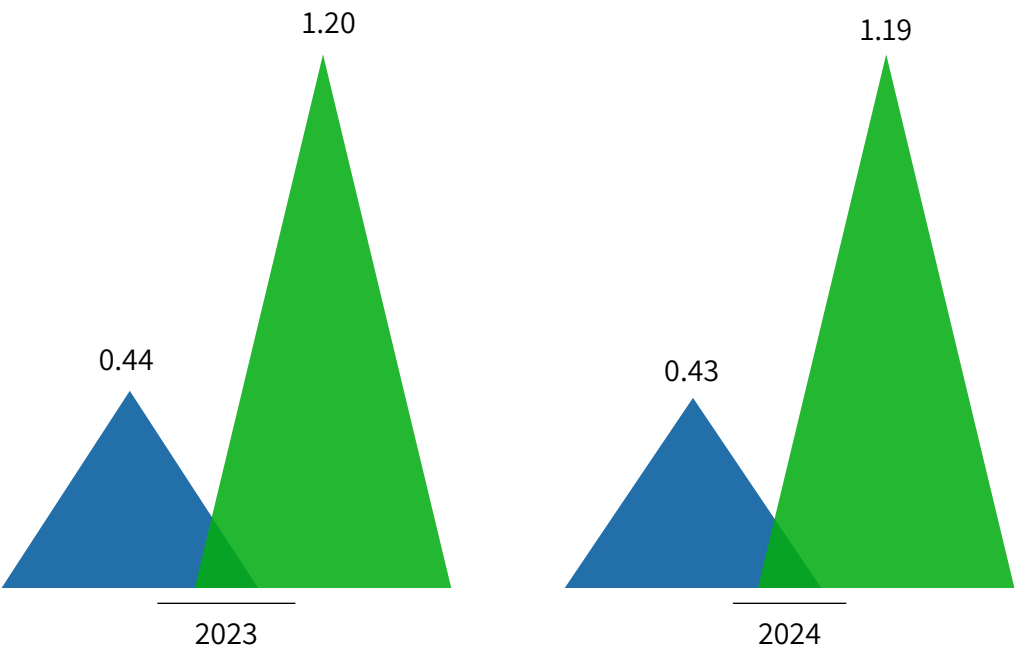
Total Energy Consumption

	2024	2023	2022	2021
Total Energy Consumption (GJ)	1,017,133	996,582	1,015,932	918,758
Energy Intensity (GJ / Area)	0.96	0.94	1.02	0.93

- Notes:**
- Total energy consumption consists of total electricity consumption and total fuel consumption (diesel and gasoline), converted into GJ units.
 - Energy intensity is calculated as total energy consumption (GJ) per reported area (sqm).
 - In 2024, energy intensity and greenhouse gas emissions data in Scope 1 were updated retroactively to 2021 due to revised fuel consumption data.

Energy Intensity by Category (GJ/sqm)

● Office Tenants ● Retail Tenants



Greenhouse Gas Emissions Reduction Program

We strive to be leaders in reducing greenhouse gas emissions that are within our responsibility, according to national and international measurement and reporting standards. Since the beginning of 2022, we have been conducting an internal strategic process to set measurable goals, led by our Operations Department, Alpha Projects, and WSP, with the purpose of creating a multiyear work plan for the reduction of greenhouse gas emissions in infrastructures.

The Azrieli Group's greenhouse gas emissions reduction program is part of a broader strategy to reduce the group's carbon footprint, as a means of enhancing efficiency and managing risks, while aligning with the group's vision. The strategy development includes mapping action pathways and analyzing the economic and operational implications of each solution. The plan will include reduction targets to serve as a compass for both existing and new buildings.

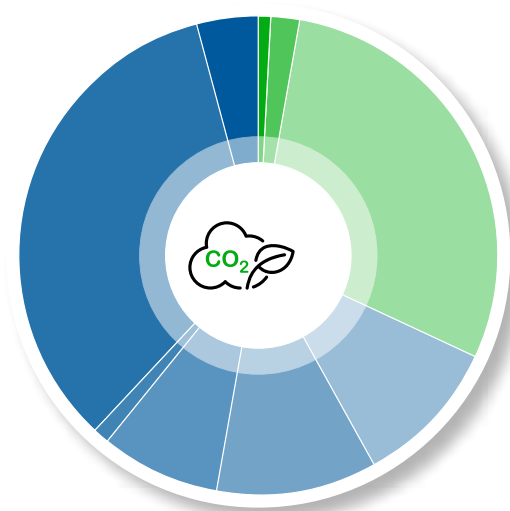
In 2022, we completed Stage A of the program, which included, among other things:

1. An in-depth examination of all the elements in the Group responsible for greenhouse gas emissions.

2. Data collection and processing by calculating the carbon emissions attributed to every category in the various scopes for the base year of 2019.
3. An analysis of each category according to three indicators: future reduction potential, the complexity of emission source data collection and the percentage of real time data.
4. Recommendations for macro-level implementation for the reduction of carbon emissions toward a detailed work plan.

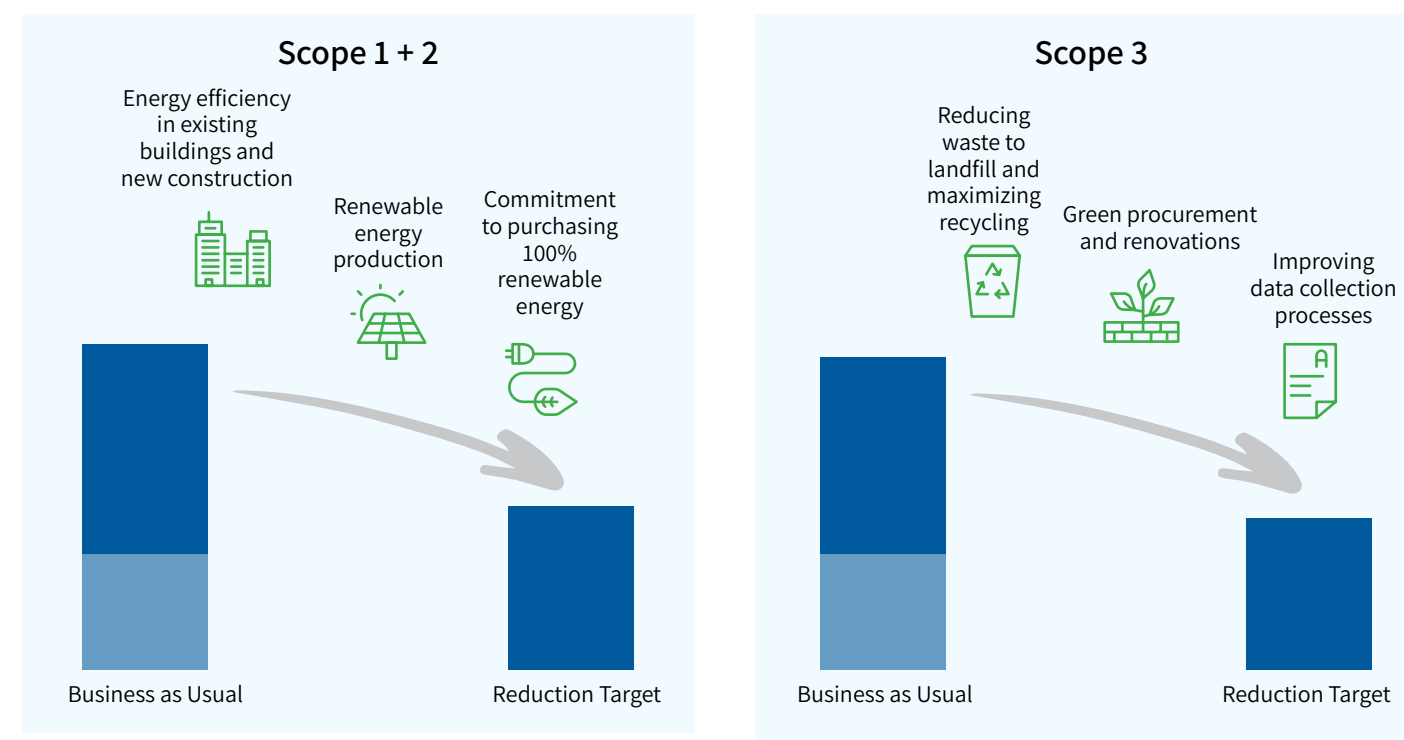
Stage A – Mapping, Data Collection, and Establishing the Base Year

Leased assets	4%
Travel by tenants and users	34.1%
Business travel	0.2%
Operational waste	8.2%
Capital goods (embodied carbon)	11.2%
Purchases of goods and services	9.8%
Electricity purchases	31%
Coolant leakage	1.3%
Vehicle emissions	0.2%



In 2023-2024, we worked on Stage B, which will continue into 2025. It includes examining all reduction options and the operational and economic implications of the process, as well as calculating emissions across the three scopes. This is to take full responsibility and set in-depth, precise, and achievable ambitious goals.

Stage B – Setting Greenhouse Gas Emissions Reduction Targets



Program Objective

To build a comprehensive strategy for reducing the group's carbon footprint as a means of improving efficiency and managing risks, while aligning with the Group's green vision.

The strategy development will include mapping action pathways and analyzing the economic and operational implications of each solution.

The process is divided into stages, with a dedicated deliverable for each stage:

1. A document of alternatives that will serve as the basis for setting the group's reduction targets by the management.
2. Setting the group's reduction targets as the group's compass.
3. Setting targets for existing and new buildings according to a structured typology.
4. Writing an action plan and creating a Gantt chart for implementation.

Program Targets

1. Create three scenarios for carbon emission reduction within the group, from which the management will approve and commit to one. The scenarios will include general reduction targets for specific years (e.g., a 30% reduction by 2030).
2. Set graduated targets for embodied carbon, energy consumption, water use, and waste reduction based on usage.
3. List the solutions needed to achieve the targets (in clause 2), as well as an assessment of the feasibility of implementing the solutions in Israel.
4. Perform an economic evaluation of the implementation costs of the program and its return on investment.
5. Analyze the implications of not implementing the program in terms of risk management, including financial risks.

The program serves as a compass and meets the requirements of investors and tenants, while simultaneously helping to strengthen relationships and create synergy between different departments within the group. The program adds value to employees and allows for the optimization of organizational processes.



Greenhouse Gas Emissions Data for the Group

Scope 1: Direct emissions originating from the Group’s activities, meaning emissions resulting from sources fully under the Group’s control. Scope 1 includes emissions from fuel burned in the Group’s vehicle fleet and generators owned by the Group, as well as emissions from coolants in the air conditioning systems of the Group’s properties.

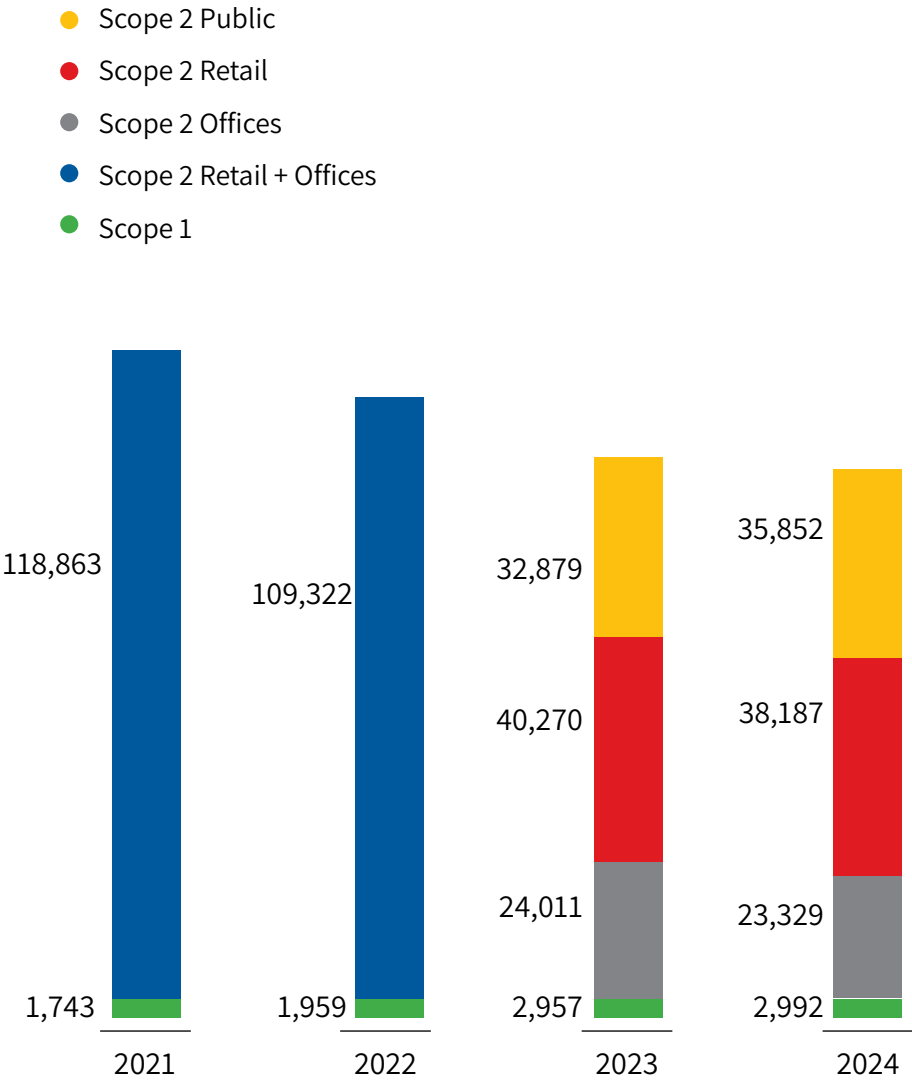
Scope 2: Indirect emissions resulting from the consumption of electricity in the Group’s properties, divided into electricity consumption in common areas and electricity consumption by tenants in commercial and office spaces.

GHG emissions		2021	2022	2023	2024
Scope 1 (TCO ₂ eq)		1,743	1,959	2,957	2,992
Scope 2 (TCO ₂ eq)	Tenants (Office + Retail)	69,074			
	Office Tenants			24,011	23,329
	Retail Tenants			40,270	39,804
	Public	49,789		32,879	35,852
	Total	118,863	109,322	97,160	98,985
Total Scope 1+2 (TCO ₂ eq)		120,606	111,281	100,117	101,977
Emissions per Area Unit (TCO ₂ eq/sqm)		0.122	0.112	0.095	0.097

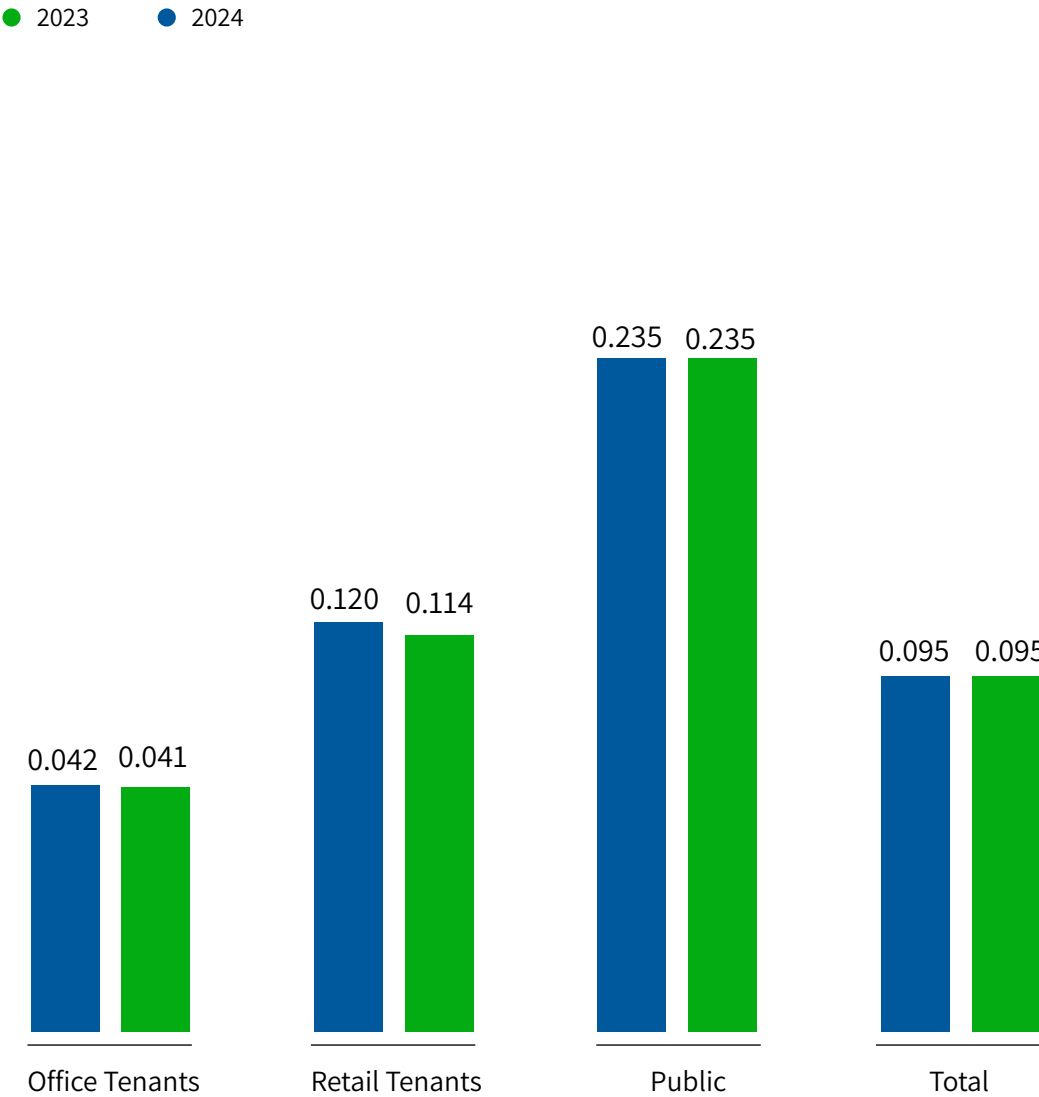
- Notes:**
- The calculation for Scope 2 is based on the annual emission factor weighted for the national electricity grid, according to data from the Ministry of Environmental Protection and the emission factors from OPC and Dalia Power Energies, from which most of the electricity is purchased.
 - In 2024, the energy intensity data and greenhouse gas emissions for Scope 1 were updated, including retroactive adjustments back to 2021, due to updated fuel consumption data.
 - In 2024, the greenhouse gas emissions data for Scope 2 were updated, including retroactive adjustments back to 2022, due to updated emission factors according to electricity consumption from OPC and Dalia Power Energies.



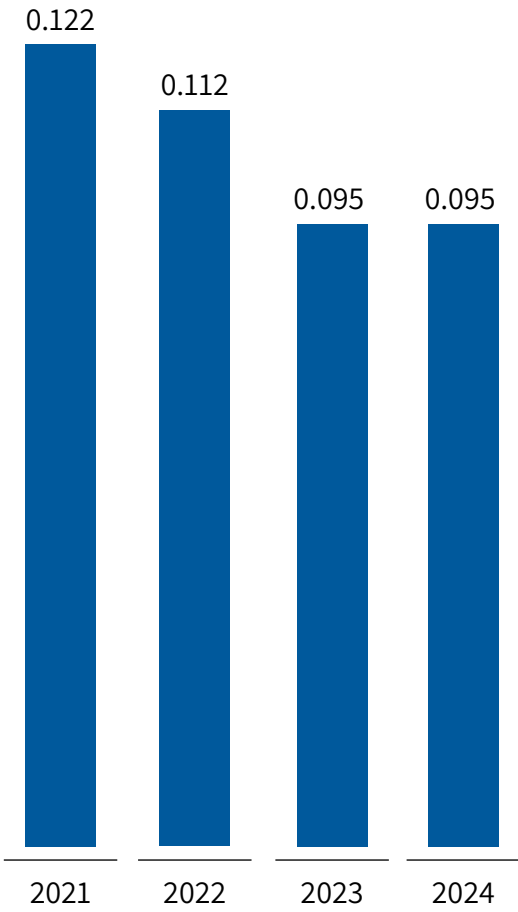
Greenhouse Gas Emissions by Sub-Segment (tCO₂e)



Total Normalized Scope 1 + Scope 2 Greenhouse Gas Emissions per Area Unit (tCO₂e/sqm) 2023-2024



Total Normalized Scope 1 + Scope 2 Greenhouse Gas Emissions per Area Unit (tCO₂e/sqm)



Notes:

- The emissions in the above graph are normalized to the relative area of each use type; therefore, the total column is lower than the retail and public columns.



Water Usage

Israel is situated in a region characterized by water scarcity, defined as one of the most significant challenges for sustainable living in our area. The shortage of natural water resources, along with changing climate conditions and population growth, requires the development of creative and innovative solutions for water management. As a company operating in Israel, we are committed to integrating principles of responsible water management into our operational systems, understanding that preserving the local water supply is fundamental to maintaining quality of life and the environment.

We are actively working across various fronts to manage water resources responsibly and efficiently at our sites. To this end, a dedicated system has been established to ensure immediate water compensation at all times, so that water reservoirs remain consistently full according to demand.

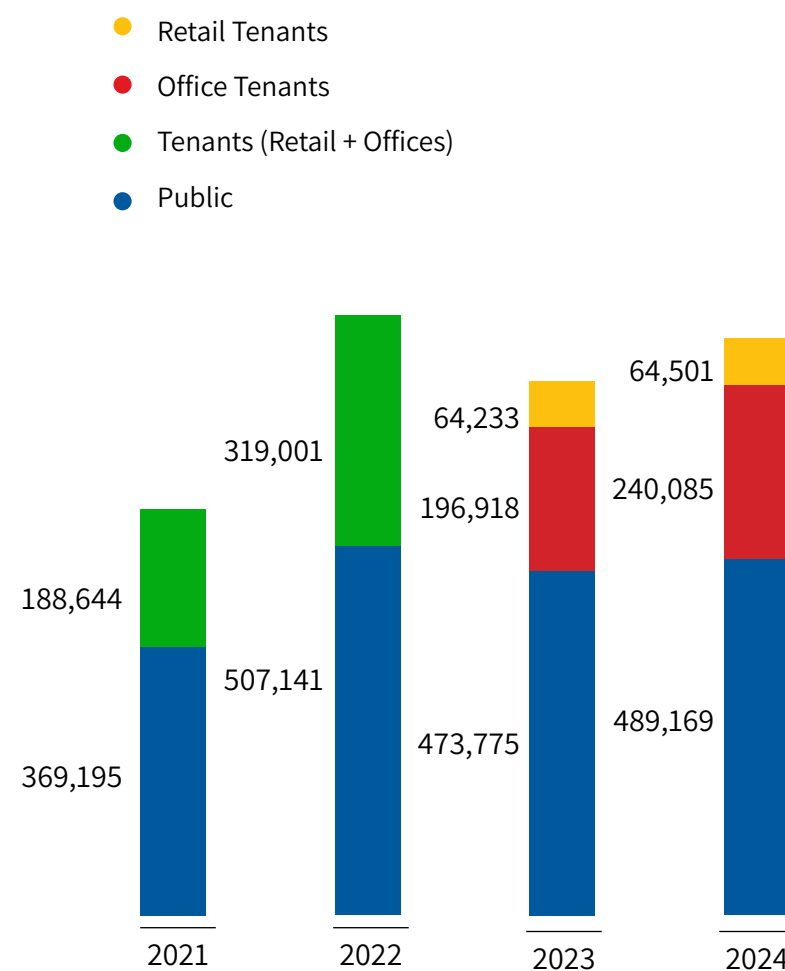
In parallel, the group implements processes to reduce water consumption, including the installation of advanced Wint systems in cooling towers and large pools, as well as using WaterX systems at other office sites. All company sites are equipped with water meters connected to a wireless system, enabling

precise tracking and recording of water consumption, identifying leaks or other issues, and efficient management of water bills with water suppliers and property managers. Additionally, electronic faucets and waterless urinals are installed in malls and some office buildings, and detailed guidelines on water consumption are included in the procedure manual, including water-saving instructions for landscaping.

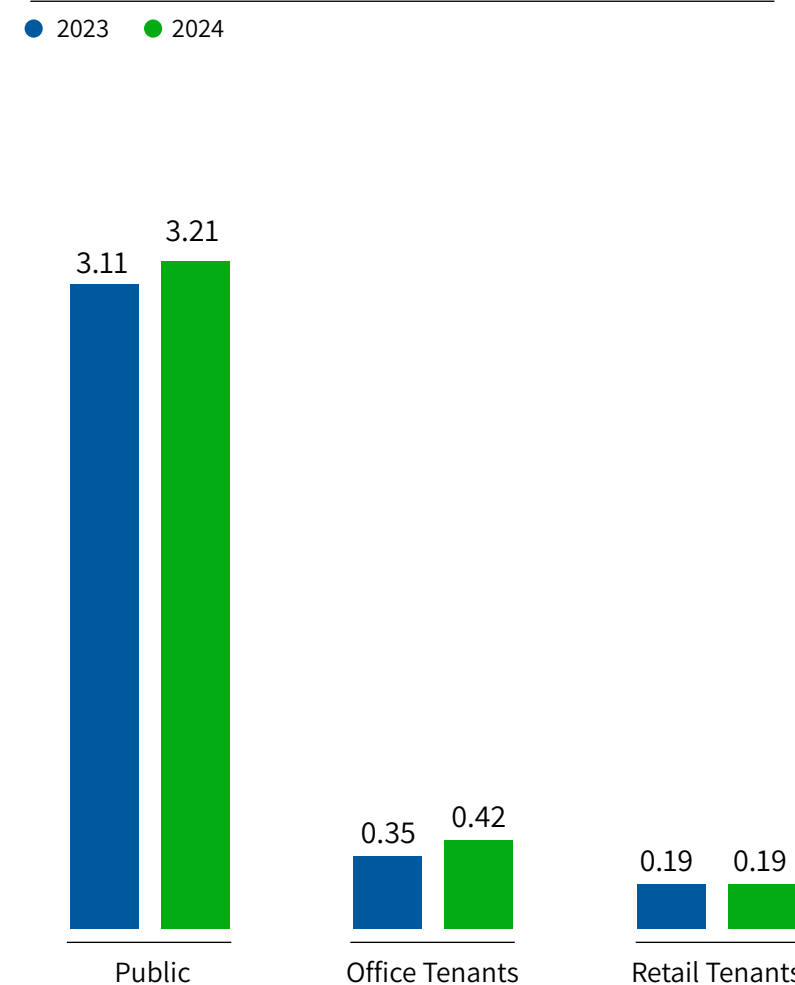
The group has professional support for all water-related matters, through an external consultant and water engineer who provide regular reports, alerts, and efficiency recommendations to the group.

Moreover, we collaborate continuously with environmental organizations in the water sector and work consistently to reduce negative impacts – including addressing wastewater issues. All of this is done to ensure responsible management of water resources, while making a significant contribution to the national effort for water conservation.

Water Consumption by Sub-Segment (m³)

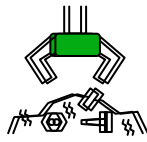


Normalized Water Consumption per Unit (m³/m²)



Notes:

- Water consumption is reported for 23 of the Group's office and retail properties.
- Tenants in nine of Azrieli's properties have direct agreements with local water utilities, not through the Azrieli Group, and therefore, their water consumption is not reported in this report.
- Percentage of area included in this report 75%.
- 2023 Data has been updated.
- Water consumption in 2021 was lower due to the reduction in activity during the COVID-19 period.



Waste Management

Efficient waste management is a central focus of the group's operations. We invest significant efforts in reducing the amount of waste sent to landfills, including through source separation of waste into different streams designated for recycling, local treatment, and the implementation of additional solutions that promote environmental sustainability.

Environmental Project at Azrieli

One of our flagship projects is the **"Environmental Project"** – in which we set a goal of reducing waste to landfills by 50% through increasing recycling rates by the end of 2026. The reduction of landfill waste is achieved through source separation into different streams, recycling, energy recovery, and wastewater treatment, among others. As of the end of 2024, the project is active across all 19 of our main multi-use properties.

The project is maintained in collaboration with the **"Social Green"** initiative – a socio-economic venture that enables the inclusion of people with disabilities and special needs in the workforce. The collaboration advances two critical objectives for us: reducing waste to landfills and promoting equal and diverse employment. As of the time of writing this report, the successful collaboration continues to expand and currently includes approximately 50 employees with disabilities.

In 2022, Save-It, in collaboration with the Environmental Project team and Azrieli Town management, launched a smart waste room in the building: a system for collecting data by waste stream and by tenant. The goal of the smart waste room is to encourage our tenants to reduce landfill waste and increase their recycling rates by making their data transparent and comparing it to other tenants in the building. In the last two years, we have succeeded in conducting accurate weighings of different waste types, generating reports accordingly, and checking the data on a monthly basis. Tenants in the property receive quarterly reports mapping the types of waste, their weight, and the status of meeting the goal. As of the time of writing this report, we are beginning this pilot at Azrieli Sarona as well.



The launch of the Environmental Project at Azrieli Jerusalem Mall in 2024.



As part of the Environmental Project, we continue to develop new ways to drive behavioral change, promoting a greener and healthier environment.

Our ultimate goal is to create an optimal operational and economic model for waste management systems, reducing landfill waste in large-scale mixed-use commercial centers in Israel and worldwide.

Organic Waste Treatment

Organic waste constitutes almost 40% of all waste sent to landfills in most households and commercial centers in Israel. Therefore, in recent years, we have implemented several methods to reduce it, and today we use Orca and Ecodrum digesters to process organic waste into effluent and convert it into compost, respectively, through the use of behavioral economics and design thinking methods. Any organic material not sent to landfills helps prevent public health hazards such as air, water, and soil pollution, attracting pests, and significantly reduces greenhouse gas emissions.

We have infrastructure for waste separation in all office buildings and malls of the properties participating in the project, and we aim to encourage more offices, shops, and restaurants to adopt recycling as a way of life.

Every month, a report is generated for each property detailing its current progress towards our overall goal. Below is an example of a quarterly report for the Holon Mall.



Environmental Project Data as of the End of 2024

10

ORCA machines for local treatment of organic waste were operated

Pilot launch

Of the EcoDrum system, transforming meat, vegetable, and other food scraps into compost

50

People with disabilities from across the country, from Eilat to Akko were employed

Around 90

Restaurants nationwide participating in the project

19

Sites participating in the project

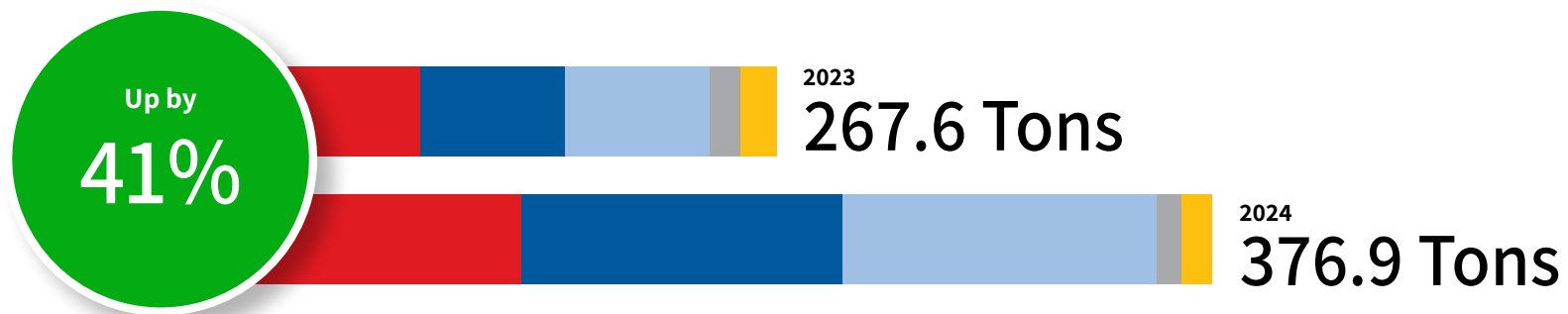
Around 80

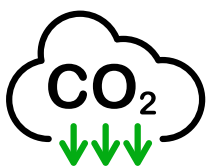
Office spaces nationwide participating in the project



Quantities of Recycling Redirected from Landfills in 2023 and 2024

- Plastic
- Organic Waste
- Packaging
- Bottles and Cans
- Electronic Waste
- Cardboard

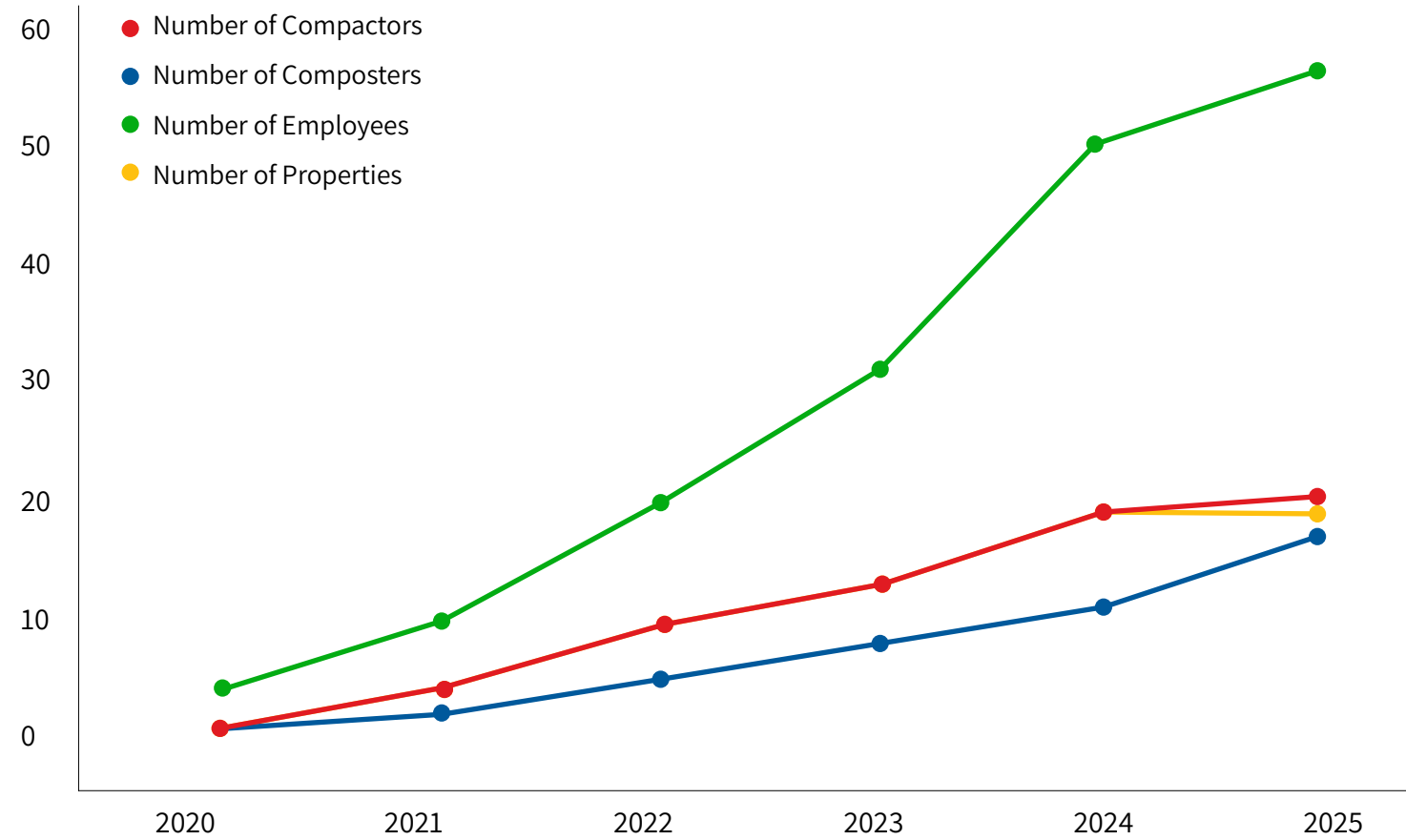



 About **3,778 Tons** = **9,180 Tons**
 Amount of Waste Redirected from Landfills in 2024 Reduction in Greenhouse Gas Emissions



Equivalent to the total waste generated at Azrieli Tel Aviv and Sarona

Environmental Project – Full Implementation in All Income-Producing Properties – Operations Department in 2024



“

A wonderful project, both socially and environmentally! Well done!

Manager, Aroma Tel Aviv

”

“

I just can't understand how some people refuse to participate in the organic recycling project. It makes no sense.

Owner, Japanika Restaurant

”

“

The project is excellent! It allows us to take care of the world and what the Creator has given us.

Manager, New Deli

”

“

I have been working on the Environmental Project for over two years, and I enjoy coming to the mall, meeting the team and tenants, and working. What I appreciate most about my job is knowing that I am contributing to recycling and environmental protection, especially in the organic waste stream, where the volumes are significant.

Social Green Worker, Negev Mall

”

Total Waste Volumes

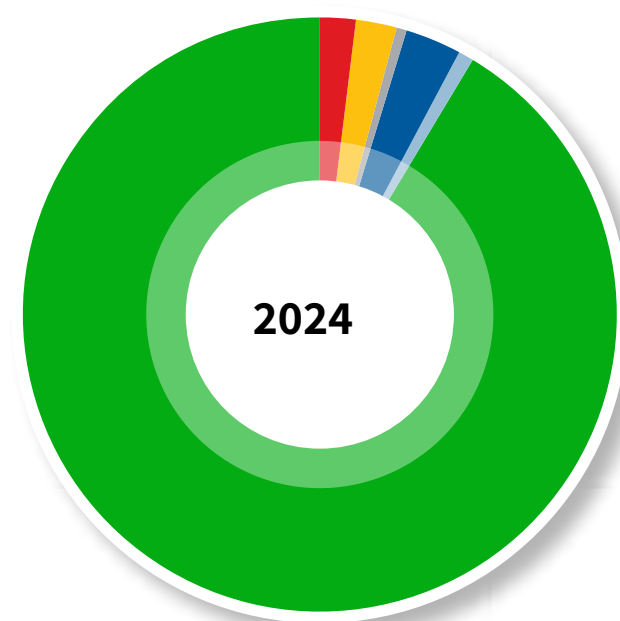
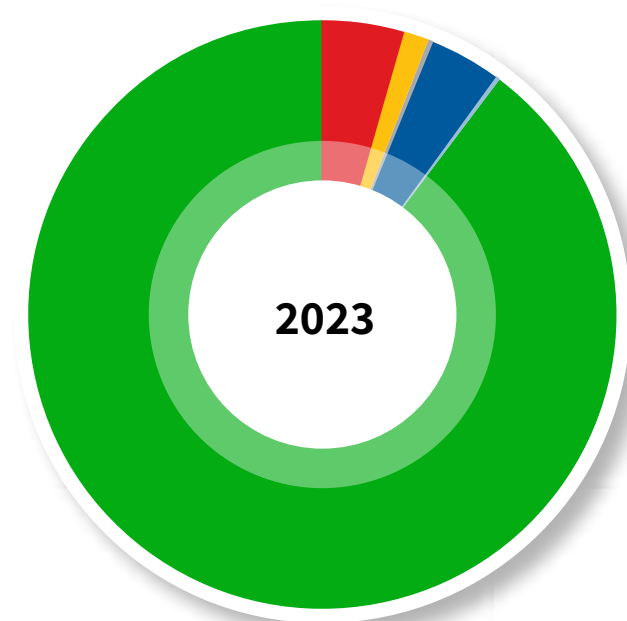
As part of our waste management in our properties, we conduct continuous and annual monitoring of waste volumes designated for landfill or recycling. In 2023⁹, 26% of the waste in the Group's properties was sent for recycling (3,317 tons), while 74% was sent to landfill (9,207 tons). In 2024, 27% of the waste was sent for recycling (3,777.54 tons), and 73% was sent to landfill (10,016.51 tons).

Composition of Waste at Azrieli Locations - 2023 (Tons)

● Cardboard	2,844
● Organic Waste	69
● Packaging	68
● Bottles and Cans	14
● Plastic	95
● Electronic Waste	25

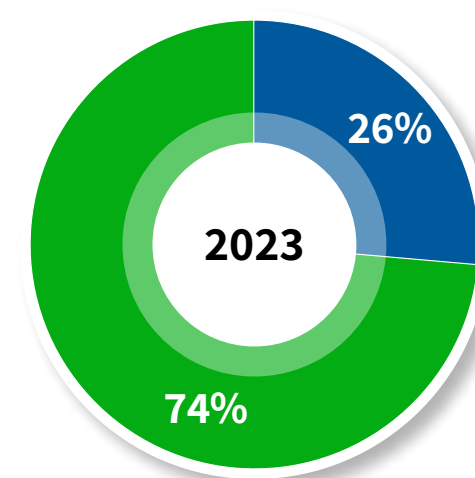
Composition of Waste at Azrieli Locations - 2024 (Tons)

● Cardboard	3,385
● Organic Waste	168
● Packaging	53
● Bottles and Cans	11
● Plastic	147
● Electronic Waste	13



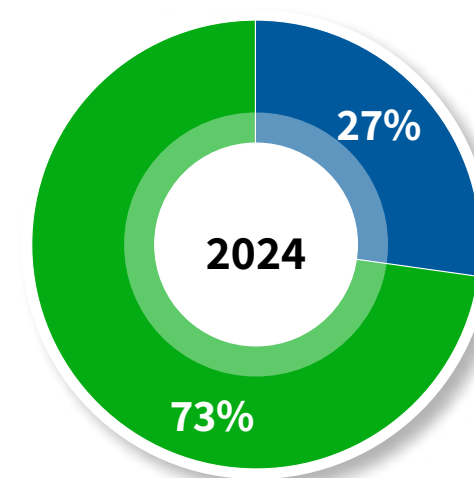
Waste Management at Azrieli Locations - 2023 (Tons)

● Landfill Waste	9,207
● Recycled Waste	3,317



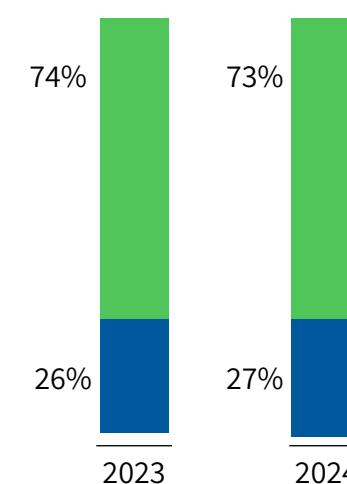
Waste Management at Azrieli Locations - 2024 (Tons)

● Landfill Waste	10,017
● Recycled Waste	3,778



Comparison of Waste Sent to Landfill and Recycling: 2023 vs. 2024

● Landfill Waste ● Recycled Waste



In 2023-2024, the majority of recycled waste was cardboard waste, accounting for approximately 90% of all recycled materials. The collection and recycling of cardboard, organic waste, and plastic products, have been expanding in recent years, leading to a reduction in landfill waste. **For example, the volume of recycled cardboard increased by 14% from 2023 to 2024!**

In 2024, we launched a collaboration with the SpareEat app, which allows restaurants to sell their surplus food at the end of the day at half price, helping to prevent food waste and reduce overall waste generation.

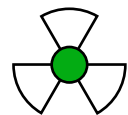
⁹ The reported waste data for 2023 includes 21 of the Group's properties, while the data for 2024 includes 19 properties, among them the Group's most significant properties in terms of area.





Wastewater

We place great importance on wastewater management, ensuring continuous treatment and regular sampling, including grease separation, pumping, and disposal at authorized sites in accordance with local regulatory requirements. During the reporting period, there were a few minor deviations in the wastewater levels discharged into the sewage system, all of which were addressed.



Hazardous Substances and Electromagnetic Radiation

Some of our tenants, such as cellular companies, use hazardous substances and radiation-emitting devices. As part of our lease agreements, they are required to obtain all legally mandated permits for the use of hazardous materials, the installation and operation of antennas and transmission equipment, and compliance with all applicable environmental and safety regulations. Additionally, we ensure that any use of hazardous materials within our properties is conducted in full compliance with legal requirements. We verify that all chemicals used in cooling towers are properly contained and managed according to hazardous materials regulations and that regulatory approvals are obtained for radiation tests conducted by tenants using radiation-emitting devices.



Raising Awareness and Environmental Requirements for Tenants and Business Partners

Beyond ongoing discussions with tenants to raise awareness and encourage recycling as part of the Environmental Project, the Group has developed a mandatory LEED Green Building Requirements Appendix for lease agreements with office space tenants. This appendix includes provisions related to: Energy-efficient lighting design, installation of occupancy sensors or timers for automatic light shutoff, use of mercury-free lighting fixtures only, maximum lighting load planning, indoor air quality, installation of monitoring systems for fresh air flow, water-saving measures, prohibition of ozone-depleting CFC coolants, waste stream separation, and setting waste management targets.

In 2025-2026, we plan to conduct training sessions and workshops for tenants to further raise awareness of environmental practices.



Training and Instruction in the Operations Department

The Group's Operations Department has compiled 54 mandatory and updated operational procedures for all maintenance managers and conducts regular internal audits to ensure operational compliance and goal achievement.

Additionally, the Operations Department initiates and promotes training and workshops for employees on various topics, including safety, recycling and sustainability, security, crisis management, and professional training for experts.

Each quarter, a dedicated day is held for maintenance managers, featuring a lecture on corporate responsibility and sustainability and how these areas are integrated into the Group's building operations strategy.

In 2023, an in-depth training session on the Environmental Project was conducted for all new property managers, marketing managers, and all headquarters departments. Furthermore, tours and training sessions were held on the Environmental Project for tenants. A tour of Microsoft's Green Campus

was also organized for learning and inspiration, along with a work plan day for sustainability coordinators.

In 2024, an initiation day for the greenhouse gas emissions reduction program took place, attended by the Group's management and task force members dedicated to the program. The event was opened by Group Chairwoman Danna Azrieli, who provided inspiring words. This was followed by a fascinating lecture by Dr. Dov Khenin titled "It's Time to Wake Up: New Policy in the Face of the Climate Crisis."

Additionally, we focused on opportunities and tactics for reducing the environmental impact of the real estate sector in general and the Azrieli Group's business activities specifically, through a creative brainstorming workshop. The ideas that emerged from the workshop serve as a basis for the group discussions. The conference was led by Yoni Yaari, VP of Projects¹⁰, Dr. Alit Wiel Shafran, Head of Sustainability and Environmental Protection in the Operations Department, and Shir Kimhi, Green Building Manager in the Engineering and Construction Department.

Our partners in the program:



Information on Environmental Initiatives at Azrieli can also be found in the section on Social Responsibility - Community Engagement - Environmental Projects, and on the [Group's ESG website](#).

¹⁰ At the beginning of 2025, Yoni Yaari concluded his role at the Group.

Goals

We are proud to announce that by the end of 2024, we have met our previous goals, which included the installation of solar panels at additional Group properties and the certification of additional properties to the LEED O&M standard. Additionally, green walls were installed at Azrieli Sarona, and we continue to make progress towards our goal of reducing waste sent to landfills. We are also setting ambitious targets for the coming years:

- Install solar panels to generate 2.2% of the Group's energy consumption by the end of 2025.
- Reduce the amount of waste sent to landfills by 50% in the income-generating properties that entered the Environmental Project three years ago, by the end of 2026
- Certify Azrieli Sarona to the LEED V5 standard as a pilot project, making it one of 50 buildings globally to participate in the pilot of the U.S. Green Building Council.
- Complete the pilot of the integrated environmental management system at Azrieli Sarona, which digitally reflects data, generates alerts, and enables energy efficiency, water savings, waste management, air quality management in the building, and enhanced tenant experience.
- Continue to install PV systems at three additional properties by the end of 2025.
- Address the remarks of the Ministry of Energy regarding the energy audit conducted across the Group.
- **Greenhouse Gas Emissions Reduction Targets:**
 - Create three scenarios for reducing carbon emissions within the Group in 2025, from which management will approve and commit to one. These scenarios will include general reduction targets for specific years (e.g., a 30% reduction by 2030).
 - Set tiered goals for embodied carbon, energy consumption, water, and waste reduction according to usage.
 - List the solutions required to achieve these targets (from clause 2), along with an assessment of their feasibility for implementation in Israel.
 - Conduct a financial assessment of the implementation costs and return on investment for the plan.



Procurement and Supply Chain Responsibility



Procurement and Supply Chain Responsibility

In accordance with our Code of Ethics, the Azrieli Group selects its suppliers based on criteria of professionalism, quality, reliability, and transparency, ensuring a fair and unbiased process. We are committed to values of integrity and respect for human dignity, equal opportunities, and environmental preservation. Accordingly, we expect our suppliers and service providers to operate according to these values and comply with all laws and regulations.

Following an in-depth organizational change process within the Azrieli Group, new daily procedures were established for the procurement field, with most activities centralized under the Operations Department, which is primarily responsible for the procurement of central equipment (such as cooling systems and fire-fighting equipment), while procurement of small services is handled locally at each property.

As part of this process, we have refreshed all agreements, adapting them to the latest equipment survey within the group and the need for standardization. The agreements are accompanied by price lists that are updated quarterly. Additionally, a work plan was developed, including goals to expand the VISITT system for managing maintenance and improving procurement costs, while addressing the challenges related to price increases due to external factors.

Supplier Preference – Minimum Criteria and Green Procurement

In our tenders with construction contractors, we make sure to set environmental minimum criteria, including the procurement of building materials with an Environmental Product Declaration (EPD), building materials with a high content of recycled materials, low-VOC materials that are not harmful to the respiratory system, and more. Additionally, we integrate requirements for waste separation into different streams, require proof of waste disposal methods, and ensure that the process is conducted properly.

Since 2022, we have transitioned to the use of environmentally friendly cleaning materials and installed cleaning material refill stations at most of our properties, which reduce transportation and unnecessary packaging. Furthermore, we have developed a brochure, distributed across all sites, detailing all the "green" building materials whose prices do not exceed those of non-environmentally friendly materials.

Preference for Local Suppliers

In line with our commitment and responsibility to the development of the Israeli economy, we prioritize procurement from local suppliers in all our procurement processes. This contributes to reducing the environmental impact of transporting goods, supports local employment, and promotes economic growth in Israel. As evidence of this, 99% of our suppliers are local.

99%

Of our suppliers
are local

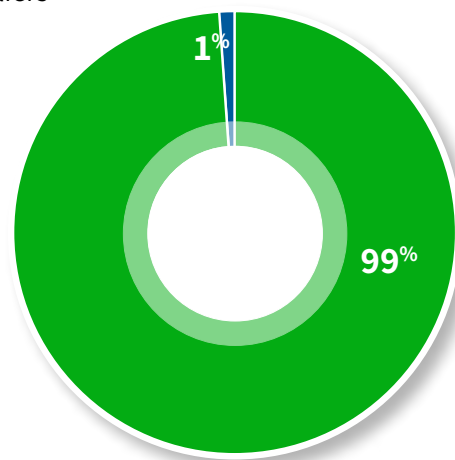


Loyalty with Responsibility

The group maintains stable and long-term relationships with its suppliers, based on respect and loyalty, alongside continuous monitoring and checks. Quality control is conducted with the help of external consultants who supervise the service and ensure compliance with quality requirements, including regular site visits and feedback on the level of performance.

Distribution of Supplier Contracts for the Years 2023-2024

- Percentage of local suppliers
- Percentage of foreign suppliers



Training for Managers, Contractors, and Suppliers

The group holds four conferences a year for maintenance managers and operations VPs, where professional training is provided with the aim of strengthening knowledge and improving communication with suppliers. For example, professional consultants lecture on topics such as contract management and quality inspection methods, while engineers provide training on technical inspections. Some of the conferences are even held at suppliers' locations to deepen cooperation and improve the expertise required from suppliers in their work with the group. In addition, we are working on certifying the contractors working on the sites and training them to become familiar with the Group Pledge.

Goals

We continue to meet the goals we have set for ourselves:

- 100% of contracts with construction contractors will include clauses related to the proper management of construction waste at construction sites.
- Green materials are required for use in renovations of existing properties. This requirement is backed by an appropriate clause, and a document has been sent to managers for adherence.
- Incorporation of adding additional clauses related to environmental and social issues in contracts with construction contractors and suppliers.



The Spiral Tower, assembly using recycled aluminum



Chapter
3.

SOCIAL RESPONSIBILITY



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Our People



Employees and Work Environment

Our employees are the heart and soul of the Group. Their dedication, professionalism, and commitment make us a better company. We are committed to encouraging, promoting, and fostering the personal and professional development of our employees, while continually improving their well-being in the workplace.



432
employees
in 2024

The Group's management maintains an ongoing, open, and effective dialogue with employees, aiming to nurture learning processes, maintain good labor relations, and instill values of partnership, commitment, and mutual respect.

i For additional information, see the [Group's Human Rights Policy](#).

As of the end of 2024, Azrieli employed 432 employees, including 104 in management positions (the management level includes senior management members and headquarters and field management).

2023

46%

Women of the total workforce

26.6%

of the group's executive committee members were women

29%

of the headquarters and field management were women

76

new employees (30 women and 46 men) were hired, who replaced employees who left their positions or filled new roles within the group

2024

45%

Women of the total workforce

26.6%

of the group's executive committee members were women

30.3%

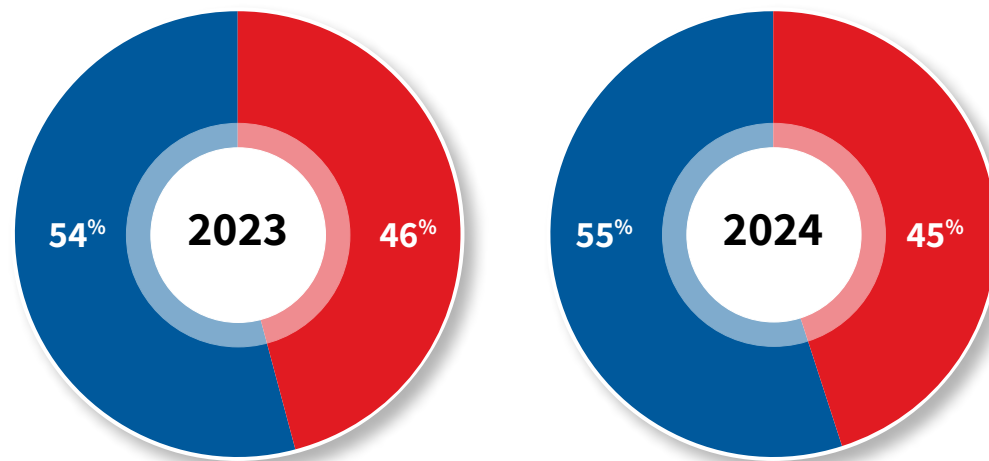
of the headquarters and field management were women

51

new employees (18 women and 33 men) were hired, who replaced employees who left their positions or filled new roles within the group

Gender Distribution of the Group's Employees

- Women
- Men



30.3%

of the headquarters and
field management were
women in 2024



Occupational Diversity and Equality

At Azrieli Group, we view diversity, fairness, and inclusion as a central value, understanding that a diverse team brings different perspectives, skills, and ideas that contribute to the organization's success. As part of our ongoing efforts to improve diversity, fairness, and inclusion within the group, we collaborated with an external consultant, Dr. Galit Desheh, to conduct an organizational assessment. Interviews with employees and managers were held, along with focus groups. The conclusions and action recommendations will be reflected in the 2025 Human Resources work plans

i For additional information, see the Group's [Diversity and Inclusion Policy](#).

Gender Diversity and Equality

In 2023 and 2024, one-third of the senior management positions in the group were held by women.

We emphasize promoting women and achieving pay equality between men and women. A report on equal pay is published annually on the Azrieli Group website.

i To view the report, [click here](#).

Integration of Minorities

For the past three years, we have been collaborating with the Israel Elwyn Association, which provides professional training to young people with disabilities and helps them integrate into the workforce. We integrate employees with disabilities into various departments of the company, with support from the dedicated professional team at the association. The team assists us in managing the integration process in the best possible way. We are committed to continuing to support more young individuals in their integration into the job market in the coming years.

In 2024, we supported two graduates of the association and permanently hired one of them into the Group.

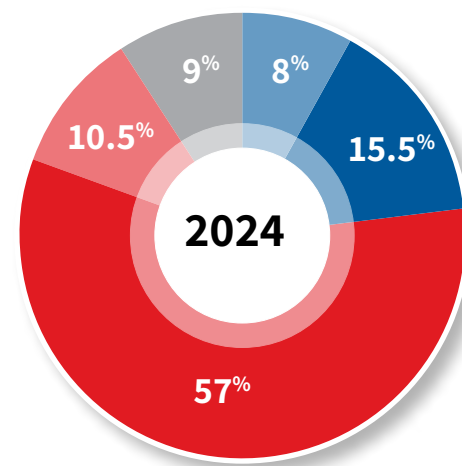


Geographic Diversity – Nationwide Presence

Our properties span the length and breadth of Israel, and so too our employees. We employ persons from all corners of the country – from Kibbutz Ein Zivan in the north to Eilat in the south.

Geographic Breakdown - Percentage of the Company's total Employees as of 2024

- Haifa and the North
- Sharon Region
- Central Israel
- Jerusalem and surroundings
- South (including Eilat)

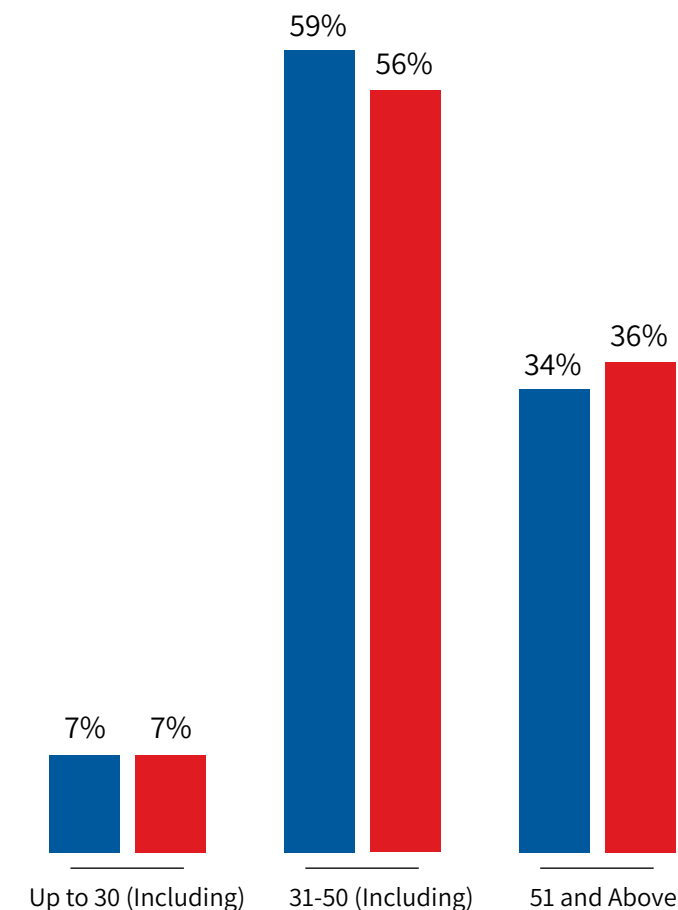


Age Diversity – Value in Experience

Recruiting and retaining employees of different ages ensures both business resilience and mutual enrichment. Therefore, we employ individuals across various age groups, including those beyond retirement age. As of the end of 2024, Azrieli Group employs 31 individuals above retirement age (23 men and 8 women), accounting for 7% of the total workforce.

Ages of Employees and Managers

● 2023 ● 2024



84%

Group Employees'
Engagement Level
According to the 2024
Organizational Survey



Our Employee's Welfare

Our employees are our most valuable asset. We believe that the well-being and personal and professional growth of our employees are the foundation of organizational success.

Our role as an organization is to support and nurture our employees. This is reflected in our comprehensive commitment to employee well-being – ranging from professional development, through genuine support during times of crisis, to creating a corporate culture that strengthens a sense of belonging and value.

We foster an inclusive and fair work environment that encourages learning, facilitates meaningful connections between colleagues, and offers opportunities for personal and professional growth. We pay special attention to the mental and physical well-being of our employees, understanding that a balance between work and personal life is key to motivation, commitment, and satisfaction.

We Are Pleased to Share Some Quotes from Employee Feedback in the Organizational Survey:

“Azrieli is an excellent, strong, established, and professional company. It's a pleasure to work in such a company, and from many years of experience, I can say that many people would love to be part of a leading group.”

“It is clear that over the past two years, the organization has been doing a lot to ensure that employees feel a sense of belonging and appreciation.”

“It is a privilege to work at the Azrieli Group, and I definitely see my personal and professional development and advancement within the group.”

Employee Wellbeing Activities

We support our employees and their families during joyful and significant moments: holidays, birthdays, weddings, bar/bat mitzvahs, the first day of school, enlistment, and national service. We also stand by them during challenging times, such as hospitalizations and bereavement.

From a professional perspective, orientation meetings help new employees get to know the organization and its values deeply. Every year, we celebrate long-serving employees for reaching milestones of 10, 20, and 30 years of dedicated work with Azrieli.

The group has a tradition of monthly Happy Hour gatherings, showing our appreciation for employees who go above and beyond. Once a year, we honor outstanding employees, selected by a special committee, in a celebratory event attended by all employees, where they receive certificates of excellence and a monetary gift.



We encourage sports activities, and our employees can choose to join the men's basketball team or the women's volleyball team.

The excellence of the women's volleyball team was evident in 2023-2024, as the team won 1st place in the workplace league tournament!

Employee and Family Scholarship Program – Commitment and Empowerment

The group's scholarship program is a significant pillar in our approach to investing in human capital, reflecting our deep commitment to nurturing and empowering our employees and their families. This unique program, which provides opportunities for personal and professional development for employees, their children, and grandchildren, is a source of great pride for us. Every year, approximately 36 scholarships are awarded for academic degrees, professional certification courses, and personal enrichment and development.

Over the past four years, we have awarded scholarships to 121 employees and their families, totaling approximately

NIS 3,007,123

Retired Employees – Maintaining Connections

Employees who have retired continue to receive holiday gifts from us and are eligible to participate in our scholarship program. Retirees receive a gift as recognition for their years of service, and we ensure they have easy access to information about their rights.

In 2023, 3 employees retired, and 4 employees retired in 2024.

Employee Retention and Advancement

Employee Retention and Advancement – Opportunities for Growth from Within

At Azrieli Group, we believe that our most valuable assets are our employees, which is why we invest heavily in promoting, retaining, and developing our human capital within the organization.

In 2023-2024, following a deep organizational restructuring launched in February 2023, new platforms for internal advancement were created. As part of this process, training was provided, both internal and external support was offered, and special emphasis was placed on strengthening and improving the performance of our managers. The results speak for themselves: In 2023 alone, 19 employees were promoted to senior positions within the organization, including 12 women and 7 men.

The rate of internal promotions in 2023 was approximately 30% annually, and in 2024 it stands at 22% annually. This reflects our belief in developing careers from within and providing opportunities for employees to grow and advance within the company. Continuing our commitment to improvement, we have added full transparency to the process through a dedicated organizational portal, where all vacant positions and personal development opportunities are published.

This approach allows us to develop and retain our employees, foster a sense of belonging, and create an organization where every employee knows that the sky's the limit.

Group employees

“

The Group allows everyone to be 'All you can be,' with the potential to reach the moon.

”

“

Dedication, determination, perseverance, and professional work always pay off in the end and help achieve the goal. 'Running for the long haul,' and in one word, 'commitment'.

”

According to the Zviran salary survey data, the employee turnover rate at Azrieli Group is lower than the industry average, indicating organizational health and a strong connection between the group and its employees. **In 2023, the organizational turnover rate stood at approximately 16%, and in 2024, it was around 12%. According to a survey, in similar organizations, the turnover rate is about 20%.**

Employment Agreements

Our employees are employed based on individual contracts, with no collective agreements in place. We ensure that the vast majority of our employees receive 13 monthly salaries per year.

2023

Full-time employees

170 Women

226 Men

396 Total

Part-time employees

25 Women

7 Men

32 Total

2024

Full-time employees

171 Women

229 Men

400 Total

Part-time employees

25 Women

7 Men

32 Total

Study Fund and Pension Fund – Securing the Future

The majority of Azrieli Group employees benefit from a study fund with an exceptionally high contribution rate of 7.5% and 2.5%, starting from their first day of employment. Additionally, as part of our continuous efforts to improve pension benefits, we provide our employees with significant advantages in pension fund management fees, ensuring more effective savings for their future.

Employee Seniority – Partners for Life

The average seniority of our employees reflects their strong commitment to the organization's values and their sense of belonging. Long-time employees bring skills, professionalism, and loyalty, contributing to the group's excellence and business success.

In 2024, the average seniority of employees was 7.2 years, and for managers it was 8 years! Another indicator of our commitment to career continuity is the maternity leave return rate: In 2023, all 11 women who went on maternity leave returned to work, and in 2024, out of 9 women who took maternity leave, 8 returned to work.



Employee Health and Safety

At Azrieli Group, we dedicate significant efforts to ensuring the physical and mental health of our employees. Employees are entitled to full pay for sick days starting from the first day of illness, as well as support in cases of serious illnesses and hospitalizations.

Every year, we make flu vaccinations, breast cancer screenings, and additional medical services available, including lectures on nutrition, parenting, and time management. Soon, we will expand the service to include dermatological checkups.

In addition, every employee is entitled to group health insurance on preferential terms, and employees' family members can join an extended insurance plan at a subsidized cost.

Throughout the year, we held a series of lectures on health insurance, pension funds, and executive insurance to provide employees with essential information about their rights and equip them with important tools for responsible and safe management of their own health and that of their families.

i For more information, please refer to our [Occupational Health and Safety Policy](#).

Personal Assistance and Supportive Framework

We believe in creating a supportive environment for our employees, their families, and those facing various challenges. Through a dedicated budget, we assist employees who find themselves in financial, health, or emotional distress.

Additionally, we offer psychological treatments and personal counseling to employees and their family members in areas such as parenting guidance, coping with stress, couples counseling, dealing with elderly parents, and financial advice. These services are available to all, with four treatments provided free of charge each year and ten additional treatments offered at a significant subsidy, while fully maintaining the privacy of those seeking help.

Recognizing that immediate assistance can make a significant difference in many cases, we have established a 24/7 dedicated counseling hotline, where employees can receive support from professionals in the mental health field.

Alongside this, we promote a healthy lifestyle through lectures on nutrition and wellness, we support our

employee women's volleyball team, which has achieved regional success, and our employees' basketball team. We will continue to enhance employee empowerment and maintain a supportive and healthy work environment.

Support for Caregiver Employees

As part of our commitment to our employees, we aim to assist those who are caregivers to a family member in need of care, enabling them to balance their career with family responsibilities. In collaboration with Care Givers Israel, we provide a unique support package tailored to the personal needs of employees who are required to care for a family member, with the goal of easing their burden and creating a comfortable and supportive work environment.

To address the ongoing needs of these employees, we offer a 50% increase in annual sick days and full subsidy for 14 counseling and psychological support sessions for them or their family members. Additionally, we plan to organize workshops and support meetings as needed on these topics and will provide relevant information and entitlements to our employees.

Preventing Workplace Bullying and Sexual Harassment – Our Commitment to Respect

At Azrieli Group, we are committed to fostering a safe, respectful, and harassment-free work environment. The company's legal advisor serves as the designated officer for preventing sexual harassment and works in close collaboration with the Human Resources department to handle reports with sensitivity and professionalism. Every investigation process is conducted with legal oversight, ensuring a thorough, prompt, and humane response.

New employees complete a dedicated training module on workplace harassment at the beginning of their employment. Additionally, all managers participate in annual training sessions and are responsible for passing this knowledge on to their teams. In 2023, the training included an innovative interactive activity: a live performance featuring actors, where employees were asked to identify harassment scenarios. This engaging approach was well received and contributed to a deeper understanding of the subject.

Employees who wish to report harassment can do so either in writing or verbally to the designated officer for workplace harassment prevention, the company's legal advisor, Adv. Nirit Zeevi, or directly to the Human Resources department. All reports are handled with strict confidentiality. Moreover, we have implemented a policy protecting whistleblowers, based on the Protection of Employees Law 5757-1997, ensuring that employees who report misconduct are safeguarded.

i For more information, please refer to our [Workplace Harassment Prevention Policy and Regulations](#)

Prohibition of Discrimination

At Azrieli Group, we strictly prohibit any form of discrimination and are committed to making business decisions based solely on merit, ensuring equality and fairness in all employment practices. Recruitment, promotions, salary determinations, and internal mobility are based solely on qualifications, performance, and experience—regardless of religion, ethnicity, gender, age, sexual orientation, disability, or any other personal characteristic.

In cases where employees feel they have experienced discrimination, we conduct a thorough and individualized review. This issue is of utmost

importance to us and remains a core value of our organization.

Between 2023 and 2024, no complaints regarding demographic sector discrimination were filed, even during challenging national circumstances such as the Swords of Iron war.

i Further information is available in our [Human Rights Policy](#).

Workplace Accidents

The number of workplace accidents in 2023 was 11, none of which were classified as severe, and there were no fatalities. In 2024, there were six workplace accidents, none classified as severe, and no fatalities.

During 2023-2024, there were no recorded cases of work-related health issues within the group.

Contract Workers

Each year, the Chief Security Officer and Deputy Chief Financial Officer conduct an audit of the employment conditions of contract workers in security and cleaning services across our properties.

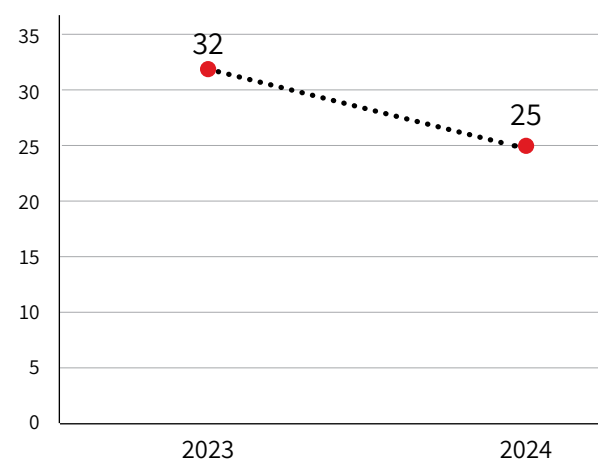
The audit includes a review of contract workers' pay slips to ensure compliance with regulations, proper payment of statutory benefits, and prevention of wage delays. Following this review, the pay slips undergo an external audit by a certified payroll auditor, which issues a wage compliance report regarding contract workers. If the report identifies any findings, the company engages with the service providers for further investigation to prevent similar cases in the future.

Employee Development and Training

As part of our management approach, which fosters both personal and professional growth, we ensure a continuous offering of diverse training and development programs. Over the past two years, we have conducted various programs, including executive leadership development for senior managers and property CEOs, training for mid-level managers, professional workshops for the operations department and maintenance staff at our properties, Excel courses, safety training, cybersecurity education, customer service training for control room and parking staff, English courses, and numerous other learning opportunities. Additionally, employees were invited to participate in enrichment lectures led by 'Anshei HaMachar' ('People of Tomorrow') on topics such as time and task management, keys to personal excellence, effective messaging and presentation skills, and resilience intelligence.

During 2024, organizational training and instruction sessions were conducted with a cumulative participation of 489 employees (since this number reflects the total participations in various training sessions, certain employees may have participated in more than one training). This demonstrates the group's commitment to investing in its employees and their professional development.

Average Annual Training Hours per Employee



As part of our ongoing knowledge-sharing efforts, we hold an annual seminar for employees and executives on a variety of subjects, including urban planning, construction and real estate, labor law, safety and accessibility, environmental sustainability, sexual harassment prevention, prohibition of insider information usage, consumer protection, and more—all in accordance with the company's internal compliance program.

In 2023, we implemented an organizational shift that significantly expanded training hours, reaching 13,708 hours of professional training across all headquarters departments: 384 hours for senior management, 2,291 hours for mid-level managers, and 11,033 hours for non-managerial employees. In 2024, the total training hours amounted to 10,603 hours, including: 3,588 hours for mid-level managers, and 7,015 hours for employees across the organization.

2023

13,708

hours of professional training across all headquarters departments:

384

hours for senior management

2,291

hours for mid-level managers

11,033

hours for non-managerial employees

2024

10,603

hours of professional training across all headquarters departments:

3,588

hours for mid-level managers

7,015

hours for employees across the organization

Employee Dialogue – A Foundational Component

Open dialogue with employees is a central component in strengthening organizational connections and enhancing their sense of belonging.

Every quarter, the Human Resources team visits each property to meet with employees, listen to their feelings, needs, and ideas, and jointly explore ways to improve their experience within the organization. Additionally, a round table meeting is held twice a year, featuring the CEO and the VP of Human Resources, where employees from various departments raise important issues, receive regular updates on the company's activities, and learn about the organizational strategy. The issues discussed at these meetings are documented and forwarded to management, which then makes operational decisions accordingly.

In 2024, we decided to expand employee dialogue across the entire management team, organizing round tables with all the VPs of the organization. After each round table, the key points were presented at management meetings, and decisions were made regarding actions to be taken in follow-up to the discussions.

Our organizational portal is a key element of the group's communication with its employees, offering up-to-date information about employee benefits, welfare activities, job openings, procedures, enrichment programs and lectures, updates about the group's activities, details about new employees, birthdays, and more. The portal serves as a platform for knowledge management and communication of rights and services, acting as a central tool for delivering internal communication efficiently and accessibly.

Since 2023, Azrieli Group has conducted an annual broad organizational survey among its employees. The purpose of the survey is to assess the employees' engagement with the organization, their roles, and the company's goals. The survey provides insights into satisfaction levels, sense of belonging, and motivation, and also helps identify strengths and challenges that impact the work environment and performance. Analyzing the results allows for the development of improvement processes, strengthening the relationship

between employees and management, and creating focused programs to increase engagement, retain employees, and enhance the organizational culture.

The results of the organizational survey were outstanding: the participation rate was very high – 92% of employees filled out the survey; significant trust was expressed in the management; employees demonstrated deep appreciation for the company's activities during the Swords of Iron war; Azrieli employees feel their roles are meaningful and that their objectives are clear; and the Group's engagement levels in 2024 stood at 84%, which is 20% higher than the industry benchmark.

Following the survey results, we focused on improving the personal and professional development of our employees and launched new training programs, including targeted courses and workshops for professional development in various fields. Additionally, we invested in communication and open dialogue within the group, including round table discussions and organizational updates delivered by the Chairwoman and CEO once per quarter.

[i For the survey summary video >>](#)

Employee Feedback and Evaluation

We conduct a structured employee feedback and evaluation process every year, in which both employees and managers participate. As part of the process, the Human Resources department provides targeted training for managers and supports them through one-on-one meetings. This support includes preparation for feedback sessions, focusing on delivering effective messages, and developing tools to improve performance.

During 2023-2024, 95% of the group's employees participated in the feedback and evaluation process.

Activities during the Swords of Iron War

During the Swords of Iron War, the company took significant steps to support and assist its employees.

In October 2023, the group paid full salaries to all employees, including those who were unable to come to work for various reasons. Azrieli Group supported around 70 employees affected by the events of October 7th, and additionally, the HR team maintained continuous contact with employees to address any needs that arose: from financial assistance and bureaucratic support to housing aid. Managers kept in daily contact with employees to provide the necessary support during this challenging period.

During this time, as at all times, employees and managers had access to Mattan Meitar's service system, which provides psychological treatments, couples therapy, parenting guidance, financial assistance, and support with National Insurance. We opened a professional assistance hotline that operated 24/7, offering personal psychological support. Each employee was entitled to four free sessions, as well as ten additional sessions at a subsidized cost.

In addition to the existing services, we decided to initiate lectures for employees and managers to address the challenges they were facing, providing them with both professional and emotional tools. Among the workshops and lectures were sessions

on "The Manager's Role During a Crisis," a lecture for employees by a parenting expert offering tools for handling the complex situation with children, and webinars for specific units in the organization for sharing and venting.

For employees who were called up for reserve duty under emergency orders and for the families of active soldiers, we sent weekend care packages, participated in funding accommodations in hotels and guesthouses for employees who needed it, and participated in volunteer activities with our employees for the benefit of IDF soldiers and residents of the Gaza envelope area.

All these measures were aimed at ensuring that employees received both psychological and financial support during this difficult time, while maintaining a sense of belonging and security.

Azrieli Group is an Israeli company, operating under values of equality, pluralism, and unity, which guide our daily activities. As part of this, we participated in various initiatives and activities aimed at supporting the Israeli community, as detailed in the "Community Engagement" chapter of this report.

Goals

In the past year, we achieved most of the targets set in the previous report. Among the accomplishments: a wide range of volunteer activities throughout the year alongside a central volunteer initiative. In addition, we implemented additional e-learning modules for employees on topics such as the Code of Ethics, accessibility, and sexual harassment, with plans to launch a dedicated e-learning page.

Regarding gender equality, there was an increase in the proportion of women in management roles to 30%, and as part of organizational changes, 5 new female CEOs were hired. Furthermore, over 95% of employees participated in the feedback and evaluation process, a goal we aim to maintain in the coming year.

Regarding workforce diversity, we expanded our target populations, hiring employees from diverse groups, and in the coming year, we will continue working to create a diverse and inclusive workplace for all of our employees.

Goals for the Future:

- Cooperation with the IDF Disabled Veterans Organization to recruit and integrate disabled war veterans into the organization.
- Implementation of the CareGivers Charter within the organization.
- Maintaining high response rates and employee engagement scores in the organizational survey.
- Maintaining high completion rates for evaluation and feedback processes.
- Developing training and development processes within the organization that will lead to an increase in training hours per employee.
- Deepening and strengthening the Group's volunteer activities in the community, both through organizational volunteer efforts and volunteer initiatives within various organizational units.



Community Engagement

As a leading construction company in Israel, part of our responsibility is to positively impact the public space. Our properties integrate diverse uses and are visited daily by hundreds of thousands of people – for work, residence, leisure, and shopping. We see ourselves as responsible for making a positive impact on their surroundings and the spaces in which they live and operate.

Therefore, we strive to promote the Israeli economy, strengthen ties with local and national communities, and lead significant initiatives for environmental preservation.



Azrieli's Social Investment Policy

We continue to operate according to the corporate responsibility plan we adopted in 2020, which defines our commitment to social and business responsibility, nation-building, and environmental preservation. In August 2020, the Group's Board of Directors approved an annual budget framework of up to 1.5% of the consolidated annual net profit¹⁰ or NIS 20 million, whichever is higher, for implementing the plan. This includes our donation policy, which consists of financial and in-kind contributions. As part of the 2025 work plans, an amount of approximately NIS 22 million was approved for the implementation of the program.

i To our [Social Investment Policy](#).

Community Investment Strategy

Our community investment strategy is reflected in four key areas:

1. **Community projects in our properties**
2. **Impact campaigns**
3. **Donations and support for organizations and NPOs**
4. **Employee volunteering for the community**

~NIS 19.1M

The group has donated in cash and in-kind contributions during the war



¹⁰ Net of fair value adjustments of investment property, net of tax.

1. Community Projects In The Group's Properties

Aligned with our core business activities, we continue to lead community projects that engage company employees, tenants, residents, and customers, with a strong focus on environmental and social issues.

In 2023-2024, we placed particular emphasis on initiatives aimed at environmental preservation and creating added value for the local community. Additionally, we provided significant support to the community following the outbreak of the Swords of Iron War. These initiatives will be detailed later in this section.

The goal of these projects is to implement activities that benefit the local communities surrounding our properties. We strive to create an ecosystem that integrates the social sector, local authorities, and the Group's shopping malls, generating broad spheres of influence that include local stakeholders from all age groups and backgrounds.

We highly value the involvement of our employees in these initiatives, from generating ideas for new projects to actively participating in their implementation. In every project, we seek to collaborate with nonprofits and professional organizations to maximize the positive impact and ensure the sustainability of these initiatives.

In recent years, we have held training and inspiration conferences for employees in our properties, where we presented the Group's corporate responsibility vision in collaboration with the Chairperson and CEO. These conferences featured lectures and workshops by experts from the private and nonprofit sectors, alongside practical sessions on community leadership and environmental innovation.

In 2024, we launched the ESG Ambassadors Project, aimed at raising awareness, spreading knowledge, enhancing employee engagement and retention, and supporting the achievement of strategic ESG goals. As part of the program, ambassadors receive training in ESG topics, enabling them to create initiatives at both the local and group levels, reinforcing a bottom-up approach to ESG activities.

Our goal is to continue executing at least six significant projects each year, deepening our connection with local communities and increasing our contribution to society and the environment.





“Donate and Package”

A "Donate and Package" event in collaboration with "Latet" was held at the Azrieli Hod Hasharon Mall. As part of the project, the group organized an inspiring community day at the mall, which saw the participation of approximately 300 residents from the city – ranging from senior home residents to students and youth organizations – who joined in packing 2,400 food baskets for Rosh Hashanah. The baskets were donated to local charities in the Sharon area, creating a meaningful and touching connection between different sectors of society.

Establishing Neighborhood Sustainability Hubs

At the Azrieli Be'er Sheva Mall, we established neighborhood sustainability hubs in partnership with the "Eretz-Ir" and "HaReshet – Be'er Sheva" organizations. The aim of the project was to promote a circular economy and community-driven initiatives in the periphery. The project includes a shared equipment storage area, second-hand stores, a community fridge, and a community food forest.

These hubs have become a collaborative focal point, strengthening the sense of community and improving the quality of life in the area.

Pop-Up Store for Dress Donation and Rental

At the Azrieli Hod Hasharon Mall, a unique project in collaboration with "Mothers with Meaning" was implemented, featuring a pop-up store for donating and renting dresses to the local community. The event culminated in a special fashion show with participation from local girls and women, including those with disabilities. The initiative strengthened the sense of belonging and community in the city while promoting circular economy ideas.



"Take the Garbage with You" Project

This project, which took place at the Azrieli Holon Mall, focused on waste reduction and environmental education.

Around 90 students from local schools created environmental message signs, which were displayed in the mall. Tours and workshops were held to introduce innovative recycling solutions. The highlight of the event was an urban race where families worked together to solve tasks related to waste reduction.

Simultaneously, an exhibition of images edited with AI was displayed, showcasing a vision of a clean city as presented by the students.



"Saadia Stream" Project

The project, held in Haifa, aimed to raise awareness about cleanliness and the preservation of the stream located at the foot of the Azrieli Haifa Mall. In collaboration with the Society for the Protection of Nature, a series of impactful events were organized:

- A photography exhibition showcasing the beauty of the stream and the environmental challenges it faces.
- Information booths and activity hubs for children.
- An event held at the stream included guided field tours.
- TED talks on environmental topics.
- Body and mind wellness zones.
- Experiential activities for the entire family, all integrating environmental and social values.



“Protecting the Sea”

As part of this project, which took place in Eilat, the group worked towards the preservation of the Gulf of Eilat, considered one of the city’s key natural resources. In collaboration with the "Gulf Rangers" organization and the city’s community centers, cleaning dive activities were held for the beaches and surrounding shores, along with the establishment of information booths at the Mall Hayam Eilat.

The project involves about 70 children and teenagers on a weekly basis, creating broader circles of influence



as more young people are exposed to the initiative. To launch the project, the mall hosted an exposure event attended by approximately 1,500 residents of the city. Visitors enjoyed second-hand booths, educational activities for children, and inspiring content on sustainability. The events not only helped preserve the Gulf but also strengthened environmental awareness within the local community.



“To life”

In collaboration with the IDF Orphans Organization, the Terror Victims Organization, and sports coach Liky Rozenberg (Likys), a special event was held for IDF orphans in Tel Aviv. The event included experiential activities for children, alongside a storytelling session featuring the book "To Life", written by Liky following the personal tragedy she experienced on October 7. The book deals with messages of coping with loss and serves as a trigger for discussions on life's challenges and how to deal with them.

As part of this project, we also partnered with the "Shiur Acher" association, and in 2025, we will hold storytelling hours in schools. The goal is to allow children to express the difficulties they are experiencing due to the war and provide them with tools for emotional coping with those challenges.



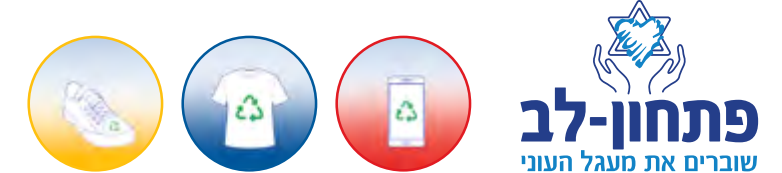
"FAMILY RECYCLING"

Recycle and donate clothing and electronic waste, protect the environment, and provide food baskets for families in need.

As part of the "Environment Project", the group, in collaboration with the 'Pitchon-Lev' organization, invites the public to recycle old items and transform them into food baskets for those in need.

Recycling stations are located across ten of our properties and are designated for the collection of clothing, footwear, and electronic waste. In 2023-2024, approximately 60 tons of second-hand items were collected and distributed to beneficiaries. Items deemed unsuitable for reuse were sent to Pitchon-Lev's recycling facility, generating 617 work hours for individuals with disabilities. The total revenue from the sale of recycled textiles during this period amounted to 47,000 ILS, which was used to purchase food baskets.

Additionally, this marks the third consecutive year of our participation in Pitchon-Lev's annual fundraising broadcast, reaffirming our commitment to highlighting the contribution of clothing, footwear, and electronic waste collection stations in shopping centers. The broadcast, aired during prime time in collaboration with Channel 13, raised millions of NIS to support the vision of lifting families out of poverty.



2. Impact Campaigns

T-SHARE

A significant impact campaign in 2023 and 2024 was T-SHARE, which focused on collecting school shirts for donation or recycling before the end of the summer break. In collaboration with Wizo organization's "Bigudit" (second-hand store), we established the "Social Closet" to collect school shirts and transfer them to the Bigudit stores for sorting. Shirts in good condition were sold at symbolic prices, with all proceeds donated to mothers and children who have escaped domestic violence, as well as to support community development activities. Shirts that were unsuitable for reuse were sent for recycling, promoting both sustainability and community support.

In 2023-2024, the campaign collected approximately 90,000 second-hand shirts, and the project was exposed to millions of people through an extensive campaign on social media and digital platforms.



Going on a Picnic and Protecting the Environment

In May 2023, to celebrate Israel's 75th Independence Day, we distributed 25,000 reusable picnic kits for an eco-friendly picnic, along with trash bags, at Azrieli malls nationwide. The campaign was accompanied by information and guidance on reducing the use of single-use plastic, providing tools and explaining the value of the change that can be made through these actions.

On Independence Day, around 10 information stations operated by the Society for the Protection of Nature in Israel were set up at various nature sites across the country. Certified guides explained the importance of preserving nature and collecting trash and shared tips on environmentally friendly practices.



Across Every Hill and Valley: Collaborative Activities with the Society for the Protection of Nature

The group collaborates with the Society for the Protection of Nature in a variety of initiatives aimed at encouraging outdoor activities while preserving nature and addressing community needs.

- **Picking Up Together for a Cleaner Israel** – In partnership with the Society for the Protection of Nature, the group promotes an initiative to encourage outdoor activities while ensuring the cleanliness of Israel's environment and natural landscapes, as part of the "Picking Up for a Clean Israel" project.
- **Saluting Reservist Families in Israel's Nature** – We launched a unique initiative aimed at supporting reservist families. These family-oriented events in nature provide a space for relaxation, emotional support, and assistance to families bearing the daily burdens of military service.
- **Preserving Cleanliness with the "On the Nature Trail" App** – As part of this project, the "On the Nature Trail" app was developed to combine encouragement for outdoor activities with civic responsibility for its preservation and cleanliness. The app was launched at the end of 2023 for the Society for the Protection of Nature's scouts, and the successful digital campaign has led to 15,000 downloads to date.
- **Supporting the Evacuated Youth, Children, and Adults** – Since the beginning of the war, this initiative focuses on providing support for evacuated residents, children, and teenagers, offering them opportunities for relaxation in nature, as well as backing the "Supporting the IDF" project.

“

Thank you for your incredible partnership. We are grateful to you, the people of the Azrieli Group, for your collaboration, for your deep understanding of the needs of Israeli society in its most challenging moments, and for your unwavering flexibility and support in adapting to the evolving situation.

The Society for the Protection of Nature in Israel

”



Israeli-Made Fair



In 2024, we partnered with The Joint organization to support over 150 small businesses owned by reservists and residents from the north and south. These businesses received a comprehensive six-month support package, including financial grants, professional mentoring, marketing assistance, and participation in fairs held across seven Azrieli malls: Tel Aviv, Ayalon, Modiin, Holon, Be'er Sheva, Haifa, and Jerusalem, covering a total area of approximately 300 square meters.

This initiative provided business owners with essential tools and opportunities to navigate the economic challenges of the period and continue growing. The project had a significant impact on the general public, the local economy, and the participating businesses: 75% of business owners reported that the campaign strengthened their sense of solidarity and partnership, 40% of participants established new collaborations as a result of the initiative, and 58% stated that the campaign contributed to their sense of security and belonging.



Dreamgift3D



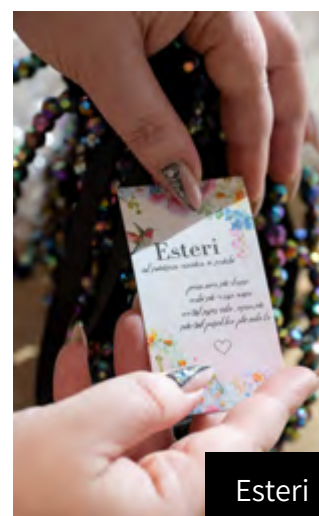
Shor-Wolf Farm



Cocoa Forest



Talyon



Esteri



Grandpa Abraham



Hila Art



Maaz's Pineapple



When I realized my field was destroyed, I felt like my heart had shattered. But then, strangers offered to help. They came, picked, pruned – they believed in me even when I didn't believe in myself.

Mor Baider, Netiv HaAsara / Ofer's Berry Farm



Mor Baider from Netiv HaAsara dreamed of creating her own little paradise, a farm that connects people to nature. But on October 7, everything changed. She and her family hid in their safe room for 12 hours while chaos unfolded outside. The power went out, the fields were looted, and her dream was on the verge of collapse.

Mor managed to bring her farm back to life and sell her unique jams and sauces at Azrieli Tel Aviv Mall.





[Link to the project's marketing video](#)

“

It's truly amazing and not something to take for granted, giving a platform to so many stories like mine, of businesses that collapsed during the war, and then suddenly, you see how many incredible people want to step in, take part, and help.

Festive



[Link](#)

”

“

The support from the malls and fairs gives us the opportunity to sell our products and actually get back on our feet.

Chocoladi



[Link](#)

”

“

My family was incredibly supportive and excited. My aunts, grandmothers, everyone came to show their support. It was so emotional because it was the first time they saw my business, and in Azrieli Tel Aviv! I felt a real sense of achievement and success.

Shachar, 27, from the north



”



Pottery studio



Amnon Nativy
"Badim Stories"



Tanya Bigil



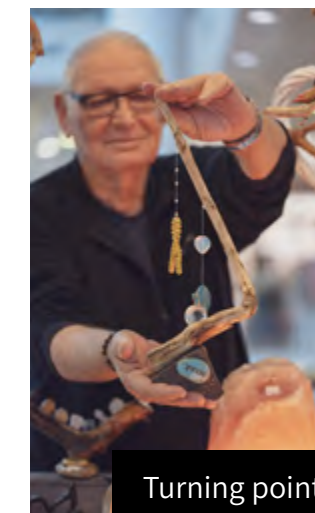
Achziv Winery



"Spiegel" Art and
Antiques Gallery



Tom Elrom Jewelry



Turning point



The Orthopedic
Center

3. Azrieli Group Donates

Azrieli's donation budget is updated annually: The group's donation committee reviews initiatives, responds to donation requests, and discusses the group's annual donation budget.

The committee, chaired by the Group's Chairwoman, Danna Azrieli, convenes quarterly and includes representatives from the ESG department, Human Resources, Legal, Marketing, Asset Management, and more.

Since the outbreak of the war, the group has mobilized to provide both financial donations and in-kind contributions to support civilians on all fronts, including assistance to evacuated families and businesses within its properties.

As part of this effort, up to the date of publication of this report, the group has donated approximately NIS19.1 million in cash and in-kind contributions since the outbreak of the war. It should be noted that the group supports only non-political organizations and expressly prohibits political donations.

In 2023, we focused on emergency assistance, driven by a deep commitment to supporting affected populations. We worked to strengthen the Israeli economy, aided hostage families, evacuees, and reservists, and supported communities impacted by various events.

A significant portion of our donations was redirected to address urgent needs arising from the field.

2024 – Recovery and Growth

With the start of 2024, we have shifted our resources toward recovery, growth, and strengthening communities and the economy:

- **Revitalizing the Israeli Economy:** We expanded our collaboration with the Joint Distribution Committee in a small business support initiative, aiming to help businesses resume full operations and reignite commercial activity.
- **Advocacy Through Art:** We utilized our properties as a unique platform for raising awareness and strengthening community bonds. We initiated powerful art exhibitions such as "Wrapping Memory" and "Comfort Object", which deeply resonated with visitors and told the stories of residents from affected regions.
- **Employee Volunteerism:** We deepened the connection between our employees and our social initiatives through meaningful activities, including building memorial corners in honor of fallen soldiers and joint activities with IDF soldiers, such as communal cooking events.
- **Promoting Accessibility, Diversity, and Inclusion:** As part of our commitment to the highest standards of accessibility, we continued to promote inclusion and equality. In collaboration with Etgarim, we held specialized workshops for managers, service teams, and operations staff to enhance the experience of visitors with disabilities and ensure respectful and accessible spaces for all (more on this initiative in the Accessibility section of this report).
- **Sustainability and Circular Economy:** We expanded our recycling hub project within the group's properties in partnership with Pitchon-Lev, supporting the circular economy, creating job opportunities for people with disabilities, and educating the public on sustainability and reuse.
- **Strengthening Community Ties:** We invested in educational and social experiences, such as innovation and entrepreneurship events with the Ramon Foundation during Hanukkah, focusing on space and aviation. Additionally, we expanded the "Shiur Acher" initiative, where Azrieli Group employees volunteered in schools near our properties to foster stronger ties between the community and educational initiatives.

NIS 19.1M

in cash and in-kind contributions to support civilians on all fronts, including assistance to evacuated families and businesses within its properties





Our working relationship with Azrieli is built on mutual trust and exceptional professionalism, creating a positive and meaningful impact while advancing our fight to break the cycle of poverty in Israel.

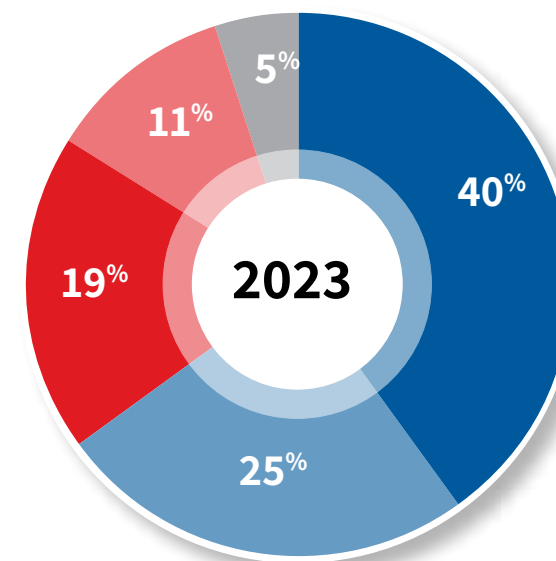
We take great pride in our collaboration with Azrieli, and the synergy between us continues to grow stronger over time. Azrieli not only provides outstanding logistical and communications support, but also brings added value by fostering coordinated and focused processes that lead to remarkable results. The encouraging and effective communications outputs, combined with shared learning, contribute to the ongoing improvement and success of the project. The high availability of the Azrieli team is always accompanied by an exceptional willingness to collaborate, with an open-door policy that welcomes any request. Our ongoing dialogue is honest, respectful, and based on open, productive, and goal-oriented discussions, leading to continuous improvement.

Eli Cohen, CEO of Pitchon-Lev



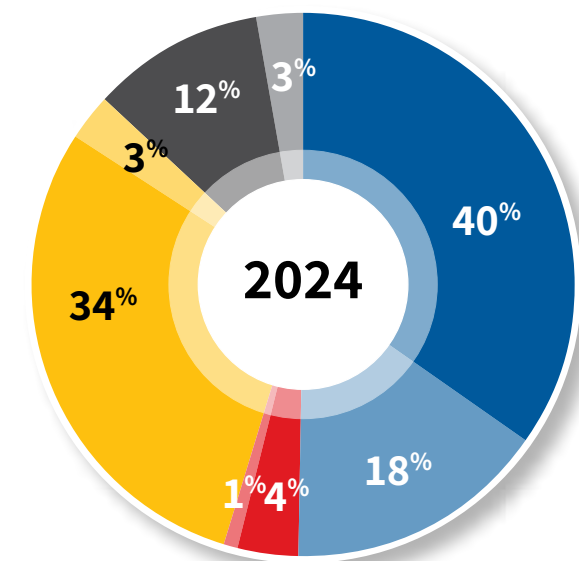
Breakdown of Community Investment Budget by Areas of Activity - 2023 (NIS)

- Emergency – Strengthening the Economy
- Emergency – Equipment & Food
- Emergency – Activities for Evacuated Families
- Emergency – Hosting Evacuated Families
- Environment



Breakdown of Community Investment Budget by Areas of Activity - 2024 (percentage)

- Rehabilitation – Strengthening the Economy
- Rehabilitation – Environment and Community
- Rehabilitation – Volunteering
- Accessibility
- Environment
- Community
- Rehabilitation – Advocacy and Art
- Rehabilitation – Soldiers and Families



To ensure the impact of our contributions, we continuously examine and measure their value by receiving reports from the recipients, showing the degree of change and impact on the communities or initiatives that have received support. Additionally, we independently assess the impact of our contributions to set clear objectives.

4. Azrieli Group Volunteers

We view our employees' volunteering as a significant pillar of the group's social responsibility. Volunteering reflects our commitment to contributing to the community in which we operate. We believe that active involvement of our employees in social and environmental projects not only strengthens the connection with the community but also enhances employees' sense of meaning, pride, and belonging.

In collaboration with the TRIBU organization, we initiated and produced a wide range of volunteer activities during 2023-2024, with 178 employees participating. These activities included unique local projects for each property, as well as large events involving all employees. Through productive collaboration with the TRIBU organization, we successfully made the world of volunteering, combining social and environmental issues, accessible to our employees and made it an integral part of the organization's culture.

“

I learned how much the organization contributes with abundance and great love, and how much power we have over our inner selves.

I really liked everything there, and I want to work in the computer field in the future.

8th Grade Students (Class 4)

”

Nizozot Project

The group's employees led an inspiring project in collaboration with the "Nizozot – Shiur Acher" organization, aimed at inspiring students from schools in social and geographic peripheries. As part of the project, a series of engaging and enriching sessions were held, where group employees shared their professional and personal worlds with the students, encouraging them to dream big and realize the potential within each one.

The activity involved CEOs and VPs of assets, representatives from the group's headquarters departments, and representatives from various properties. The activity included eight classroom sessions, with a different employee volunteering each time to teach a 45-minute lesson. The sessions covered a variety of topics, including the capital market, technology, entrepreneurship, corporate responsibility, and more, and concluded with an inspiring tour of the group's properties. The students had the opportunity to get to know the daily operations of the organization and learn about the exciting opportunities waiting for them in the future.

“

I learned that I am capable of things I didn't know I could do.

If I want something, I can achieve it.

8th Grade Students (Class 5)

”

Embracing the 'Oketz' Combat Soldiers

In 2024, around 70 employees of the group enthusiastically volunteered for a particularly moving project, where they visited the 'Oketz' Unit base to treat the soldiers to a warm and delicious dinner. The project, which aimed to express appreciation and bring a smile to the faces of the unit's soldiers, provided an opportunity for employees to experience moments of connection, giving, and shared pride. The broad participation of employees deeply touched us and highlighted the strength of the group not only as a business organization but also as a committed and values-driven community.

The dinner was filled with a warm, family-like atmosphere, accompanied by bonding conversations between the volunteers and the soldiers, who expressed their gratitude for the special gesture. We are proud and happy to witness the spirit of volunteering and giving that drives our employees and inspires others through such events.

You can watch the touching moments in the [video](#).



Commemorating Guy

In 2024, we chose to dedicate our volunteer day marking one year since October 7th to the late Guy Bazak z”l, and gathered for a commemoration event and the creation of a community corner in his memory and legacy.

The activity began with a heartfelt meeting with Guy's parents, who shared stories about his unique character, his bravery in battle, and how he protected Kibbutz Kissufim. Afterward, we all united for the task of building the memorial corner, engaging in preparation, cutting, construction, screwing, planting, and everything required to establish the corner.

The privilege of contributing to the commemoration of those who protect us was an empowering experience, strengthening our sense of unity and commitment to our community and country. We promise to visit this corner again in the future.



Supporting During Crisis – Especially During An Unusual Year

From October 2023 to the present, we have been going through a challenging and complex period, marked by exceptional events and emergency situations, with the war being the primary event affecting the lives of all citizens in the country. In light of this complex reality, we decided to concentrate the majority of our resources, volunteer hours, and donation funds on providing a fast and effective response to the needs emerging from the field and to the affected communities. We worked to strengthen the Israeli community and economy through various initiatives that contributed to the welfare of residents, soldiers, families, and workers directly affected by the situation. Thus, the majority of our efforts were focused on humanitarian aid, support for displaced families, strengthening local businesses, and providing assistance to employees and their families.

Supporting over
150
small businesses owned
by reservists and
residents from the north
and south in 2024

Activity Across the Group's Assets from North to South

We invested significant efforts to ensure support and assistance throughout the country – in collaboration with a wide range of multi-sectoral entities, including nonprofits, social organizations, local authorities, the business sector, tenants, philanthropic organizations, and the IDF.

Among our activity partners are entities such as Pitchon Lev, The Joint, Bnei Brith, ERAN, artists from the Gaza Envelope, the Tel Aviv Municipality, Eilat Municipality, Sha'ar HaNegev Regional Council, hotels and accommodations like Club Hotel and Abraham Hostel, and additional businesses such as 'a' restaurant and The Business Forum.

- **Establishing a Collection System for Supplies and Food:** We set up a system for collecting supplies, food, and hygiene products across the group's properties to provide a fast and effective response to the needs emerging in the community throughout the year.
- **Hosting Small Businesses and Farmers:** We provided a platform for small businesses and farmers from the Gaza Envelope and the North in our malls, to help them cope with the economic challenges. Additionally, we expanded our collaborations to include businesses owned by reserve soldiers, understanding the importance of strengthening the Israeli economy in these situations.
- **Classrooms for Children from the Gaza Envelope:** We established dedicated classrooms at the Azrieli Center in Tel Aviv for children from the Gaza Envelope to ensure they could continue their studies regularly and safely.
- **Support for Soldiers and the IDF:** We allocated assembly areas for soldiers at the group's properties and donated tens of thousands of free parking spaces near the military headquarters in order to ease the daily routine of IDF soldiers and help them perform their duties.
- **Art Exhibitions at Our Properties:** We organized unique art exhibitions at the group's properties, including "Otef Libi," "Wrapping Memory," "Transitional Object," and "Behind the Bullets." These exhibitions aimed to provide a platform for local artists and tell the stories of the region's residents in creative ways.

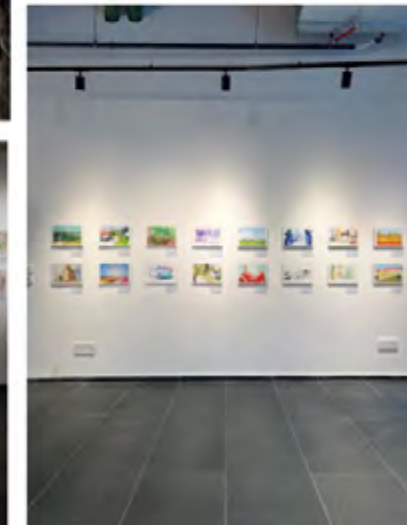


The partnership between The Joint Organization and the Azrieli Group is based on mutual trust, shared values, and the desire to help populations in need within Israeli society. Together, we have successfully created significant initiatives to strengthen the resilience of Israeli society during its most difficult and complex times. Since the outbreak of the war, we have advanced several emergency measures together to support small businesses that were affected, with all the relevant mechanisms of the group fully committed. The seriousness, professionalism, agility, transparency, and most importantly, the shared fate we experienced with the Azrieli Group team, created a high level of trust and an inspiring synergistic collaboration. Based on this partnership, we managed to mobilize additional forces from all sectors to join the effort to strengthen the economic resilience of small businesses from the conflict zones in the north and south, as well as for reservists.

We are proud of our partnership with the Azrieli Group, and we are already thinking together about how to take this partnership into the next big initiative. Israeli society is facing tremendous challenges at this time, and we see our partners at the Azrieli Group as a significant force to help us emerge from this crisis.

The Joint Organization





Strengthening the Israeli Economy

This year, more than ever, we took a significant part in driving the Israeli economy, understanding that economic resilience is key to dealing with national challenges.

- We provided over one million shekels in vouchers as part of the 'NIS 50 Gift' campaign, which were available for use at Azrieli malls, with the aim of encouraging purchases and supporting local businesses.
- We supported the emergency kitchen of restaurant 'a', which provided hot meals to soldiers and civilians.
- We participated in the SHOPPING IL initiative by offering a unique platform for the donation of Azrieli Gift Cards.

For the evacuees, everywhere in the country

This year, we worked to provide comprehensive support to families evacuated from the Gaza Envelope, out of deep concern for their welfare during this difficult period they went through, and continue to experience, being far from their homes and familiar surroundings.

- We donated thousands of Gift Cards to evacuated families in Eilat.
- We transferred hundreds of thousands of shekels to the Business Forum to enable the distribution of additional Gift Cards.
- We hosted evacuated families at the PALACE hotels and the Abraham Hostel to ensure they had appropriate and safe accommodations.
- We donated supplies worth approximately NIS one million from our resources at the Azrieli site to evacuated families and soldiers, through Pitchon-Lev.

Awareness and Support Efforts for Hostages Families

We launched cross-media campaigns that included unifying and supportive messages, on central billboards and at booths for the Hostages and Missing Families Forum.

- We illuminated the Azrieli Towers in Tel Aviv with messages such as "Together We Will Win," the symbol of the hostages, and the number of days they have been held hostage, to express solidarity and maintain public awareness on the issue.
- We integrated the ERAN organization into Azrieli mall activities and social media networks, to provide psychological support to those in need.

The Group's employees volunteered for various activities, including packaging food and supplies, assisting farmers, working in a packaging factory in Sderot, building a memorial corner for a fallen soldier, and cooking for soldiers.

GOALS

Throughout 2025, we will continue to deepen our commitment to meaningful social action, with a focus on two key areas:

- **Expanding the Accessibility Project in Collaboration with Etgarim:** Building on the significant success of our workshops to date, in 2025 we will substantially expand our accessibility project, both among Azrieli Group employees and tenants across our properties. This initiative will focus on two main goals:
 - **Improving accessibility in the group's properties beyond legal standards:** We will continue to lead advanced standards and ensure that all visitors, regardless of their disabilities, can enjoy a respectful and accessible experience.
 - **Education and raising awareness:** We will act as a leading Market Educator in the field of improving the customer experience for people with disabilities. We will conduct additional workshops and allow all of our employees to experience the accessibility challenges firsthand.
- **Improving the evaluation and measurement processes of donations:** We aim to ensure that every donation initiative is planned and evaluated effectively. We will begin by defining clear success metrics (KPIs) in the planning stage and ensure ongoing measurement and evaluation to improve the effectiveness of our initiatives and ensure maximum impact.
- We aspire to deepen volunteering within the group in 2025.
- We aim to create community projects and broad campaigns to raise awareness in the core areas of the group, including sustainability, responsible consumption, and financial management.



Our Tenants, Residents, and Customers

Our Commitment
at Every Moment,
for Every Moment



Service Philosophy

We serve every individual, at every stage of life, throughout the entire day.

At every stage of life: Children, teenagers, adults, and seniors.

Throughout the entire day: During the workday, family time, social outings, errands, at our malls and all of our properties.

Every Person: People and corporations, occasional visitors and regular customers, tenants and residents.

At the core of our operations is an unwavering commitment to service: reliable, high-quality, accessible, and welcoming – and always placing the customer experience at the center. We strive to make every visit safe, pleasant, innovative, and convenient – a seamless experience for work, living, and leisure.

We operate based on the values of equality, with a firm commitment to meeting the needs of every individual – regardless of religion, race, age, gender, or disability. Attentiveness to our audiences drives us to offer solutions that provide real value, ensuring that everyone feels at home in our properties, while prioritizing customer and tenant health and safety.

Our target audiences include mall visitors, office tenants, retail tenants, senior housing residents, and tenants of rental residential properties.

Occupancy Rates in Our Properties*:

99%

Shopping Centers & Retail

99%

Senior Housing

98%

Offices

98%

Rental Apartments

The consistently high occupancy rates in our shopping centers and office spaces are the strongest testament to the quality of service and infrastructure we provide.



* As of 31 December 2024, excluding properties in their initial occupancy phase.

Tenants in our Shopping Centers & Office Spaces

Trust & Long-Term Partnership

We take pride in serving approximately 1,850 tenants in our shopping centers and approximately 690 tenants in our office properties across Israel. Our tenants, among the leaders in their respective industries, benefit from state-of-the-art spaces designed to provide the ideal conditions for their success. Our relationships with tenants are built on trust and long-term partnership, enabling us to enhance the visitor experience at our properties and deliver the highest level of service.

1,850
Tenants in shopping malls

and **690**
Tenants in offices

Periodic Surveys: Attuned to Tenant Needs

We conduct periodic surveys among our tenants to identify gaps and enhance management and maintenance practices. Every piece of feedback is carefully reviewed, and we are fully dedicated to implementing solutions and improving processes.

We believe in open communication and complete accessibility for our tenants, offering multiple service channels – including phone support, the VISITT platform, WhatsApp, email, and social media – to ensure an optimal experience in our properties.

VISITT System: Smart and Efficient Management

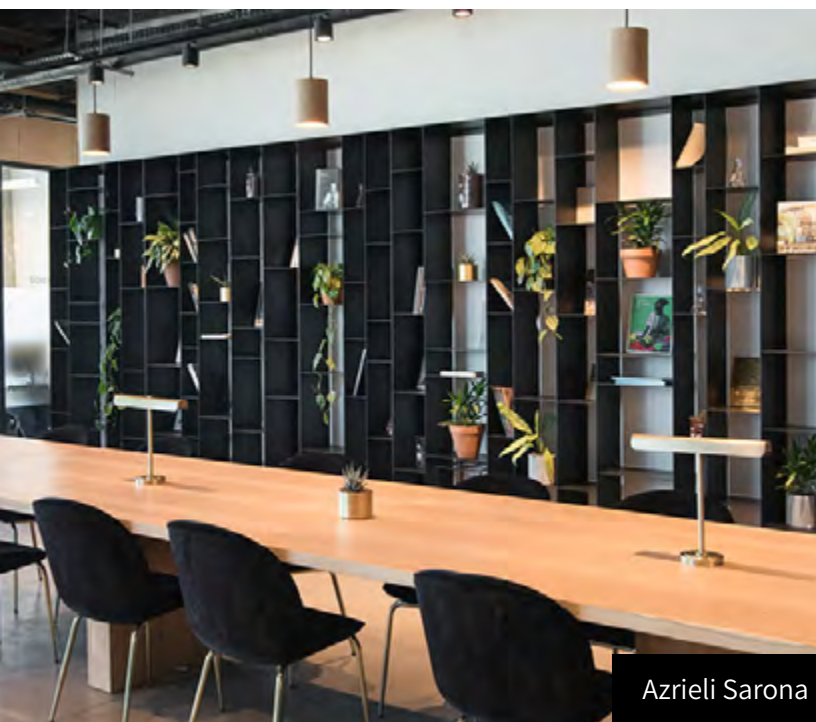
The VISITT system, implemented across all our properties, streamlines service and maintenance operations. It enables real-time reporting of malfunctions and service requests in areas such as cleaning and maintenance. Thanks to this system, cleaning and maintenance teams receive instant updates and respond quickly, ensuring a seamless and efficient service experience.

Azrieli Sarona Center: A Unique Tenant Communication Platform

At Azrieli Sarona Center, we have developed a customized system that integrates VISITT with an advanced technological platform. This system allows office tenants to submit maintenance and service requests at the push of a button via dedicated screens. Requests are monitored in real-time, ensuring fast resolution and complete transparency, including tracking response times and issue resolution.

Additionally, the center management maintains ongoing dialogue with tenants through roundtable

discussions, tailoring services to their needs. Launched in 2022, the system has been upgraded based on tenant feedback and has been highly successful. As a result, we are exploring its implementation in additional properties.



Azrieli Sarona



Azrieli Business Park Holon



Azrieli Sarona



Azrieli Town



about **5.5**
Millions visitors a month



POINT Flexible Solutions for Every Business

BY AZRIELI

At our unique workspaces in Azrieli Tel Aviv and Azrieli Sarona, we offer flexible solutions tailored to businesses of all sizes and at every stage of development. These spaces provide an advanced work environment that integrates a variety of services to ensure maximum productivity and convenience. Among the available amenities are offices for rent in various sizes, meeting rooms equipped with state-of-the-art technology, fully equipped kitchens, lounge areas, a fitness center with adjacent showers, a conference area for networking events and opportunities to connect with a vibrant community of entrepreneurs and companies.

Our workspaces are designed to be fully accessible, sustainable, and welcoming. We prioritize working with small, local suppliers who are committed to the integration of individuals with disabilities and special needs, both in ongoing maintenance and special events.

In 2023-2024, we took significant steps to further promote sustainability, innovation, and community engagement, including:

- Enhancing shared spaces with additional greenery to improve air quality
- Ensuring waste separation and recycling in kitchens, placing dedicated bins for paper shredding and coffee capsule recycling
- Initiating programs to support communities affected by the war, including donations to nonprofit organizations, volunteer efforts for children in southern Israel, sourcing from suppliers in the north and south, and hosting meetings for organizations that assist bereaved families, and more.
- In honor of World Environment Day, we hosted the exhibition "The Environment: Past, Present, Future" by the artist Spoken Art, which explores the impact of technology on nature.
- Promotion of women in industry: Events promoting gender equality, women's empowerment, business success, and corporate responsibility leadership

Additionally, we are currently conducting a groundbreaking pilot project, using advanced digital sensors to monitor air quality in our Point workspaces on a daily basis.



Point on the 61st floor in Azrieli Sarona and Point in the Round Tower in the Azrieli Center Tel Aviv, 10th floor

Engaging tenants and residents in the environmental project

As part of our environmental project, we have set a goal to reduce landfill waste across all our malls and office towers by 50% by 2026 (for more details, see the chapter Environmental Responsibility – Sustainable Operations). Tenant collaboration is critical to achieving this goal.

We are making extensive efforts to encourage their participation. Understanding that the project's success heavily depends on behavioral changes, we have implemented a range of initiatives, including:

- **Space Design** – Renovating and branding hallways and waste rooms, using clear and colorful signage with multilingual messaging and recognizable icons to encourage recycling.
- **Optimizing Waste Disposal and Providing Incentives** – For example: improving waste disposal pathways by adding ramps, purchasing carts with large wheels suited for transport, adjusting doorways, increasing the number of

waste collection bins to shorten walking distances, collecting recyclable waste directly from businesses or nearby locations to minimize trips to waste rooms, supplying designated bins and trash bags, and more.

- **Raising Awareness** – Utilizing digital graphics on screens and artistic installations in various properties to promote recycling.
- **Providing Relevant Information for Proper Waste Separation** – Through presentations, informational materials, and signage explaining which types of waste belong in each bin.

- **Brainstorming Workshops** – Collaborating with tenant representatives to engage their employees, recommending relevant content for internal corporate events, offering tips for overcoming employee resistance, and more.
- **Direct Guidance and Training** – Conducting awareness sessions, meetings with office management teams, training cleaning staff, and organizing site tours to introduce the environmental project.
- **Internal Implementation** – Sustainability and environmental training within Azrieli Group, with a focus on the environmental project for property managers, maintenance managers, and marketing managers.



Our Residents

Residential Tenants

In 2022, we became part of a housing revolution in Israel: the long-term rental of newly built apartments. One of our projects in this sector is Azrieli TOWN in Tel Aviv – a long-term rental living concept where tenants can lease a brand-new apartment directly from the Azrieli Group, with the option to renew their lease easily and without brokerage fees. This groundbreaking model has been successfully implemented in Tel Aviv and Modi'in, with hundreds of occupied apartments.

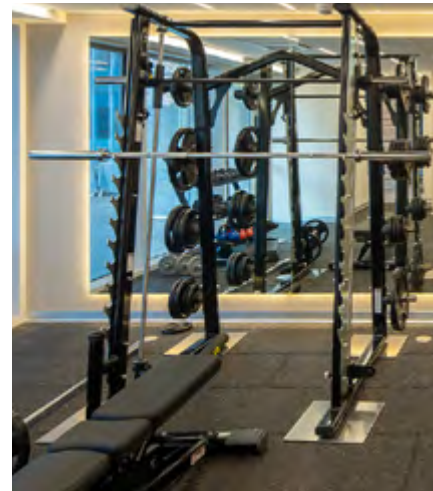
Our approach combines high quality of life, exceptional service, and core values of sustainability and community.

In compliance with legal requirements, Azrieli offers long-term lease agreements that balance maximum flexibility with financial stability. Apartments come fully equipped, and our management company provides ongoing maintenance. A dedicated app allows residents to report maintenance issues and access additional services such as laundry, event space rentals, and rooftop BBQ reservations. In addition to the app, a WhatsApp group and resident satisfaction surveys serve as additional communication channels, fostering a stronger sense of community.

Our residential complexes also promote wellness initiatives, including yoga classes and fitness centers, and sustainability programs, such as waste separation plans. Additionally, 10% of the apartments in Azrieli Town Tel Aviv are designated as affordable housing, reflecting our commitment to inclusive and diverse communities.

During times of crisis, such as the Swords of Iron War, we prioritize flexibility and social responsibility. For example, we hosted displaced families from Netiv HaAsara and collaborated with Palace senior living homes adjacent to our residential properties in Tel Aviv and Modi'in to provide comprehensive support.

Our rental housing model represents more than just a real estate transaction – it embodies a holistic vision of quality living, community engagement, and corporate social and environmental responsibility. In an era where housing is an increasing challenge, we are pioneering an innovative and promising model that integrates tenant needs, corporate responsibility, and a vision for a better future in Israeli housing, setting a new industry standard.



Senior Homes



Palace Modi'in



Palace Tel Aviv



Palace Ra'anana

Building a supportive and empowering community in Palace's senior homes

At Palace, we believe the senior years are a unique opportunity for growth, learning, and personal development. More than 1,300 residents live in our four senior homes located in Lehavim, Ra'anana, Modi'in, and Tel Aviv. Together, we create an enriching living environment that fosters quality of life while promoting physical and mental well-being.

Cultivating a supportive community

A senior home is more than a physical space — it is a community. At Palace, we emphasize holistic care, recognizing each resident as a world of their own. Our dedicated professional staff supports residents in their day-to-day lives, holding daily conversations, ensuring attendance at meals, and conducting routine home visits. Monthly personal meetings with social workers ensure a tailored response to the evolving needs of each resident.

Strong social connections are key to resilience and well-being. To this end, we have developed various dedicated support groups catering to different needs. These include meetings for the visually impaired, spouses of individuals with cognitive decline, English speakers, and vibrant “parliaments” where men and women can discuss everything—and agree to disagree. These groups provide a safe space for sharing, mutual support, and personal growth, fostering emotional resilience and a warm sense of community.



Palace Ra'anana

Discover a New Hobby

Daily life at our senior homes is buzzing with activity. Residents can enjoy a wide variety of workshops, from arts and crafts and language courses to physical activities like yoga, Pilates, and water aerobics. Our programs include lectures on a variety of topics, musical performances, concerts, and film screenings, allowing residents to rediscover old hobbies, explore new interests, and enrich their cultural horizons.

Throughout the year, we host numerous special events, such as Health Week, International Walking Day, network-wide bridge and swimming competitions, a grandkids' camp, and even an inter-home Olympics. These events provide opportunities for shared experiences, strengthening bonds within the community. Evening activities abound, with weekly lectures, concerts, and cultural events, ensure vibrant engagement every day.

Alongside all of this, we have a fruitful collaboration with Ono Academic College in which students come to us for practical experience (internships) as part of their studies in sports therapy. This collaboration focuses particularly on understanding the needs of seniors and allows for the integration of new methods and a deeper exploration of additional topics. In this way, we are able to provide students with knowledge and practical tools in this important field.

Technological Innovation for Enhanced Quality of Life

Technology improves lives—and it can also make them safer. We are committed to adopting innovative technologies to enhance the quality of life for our residents.

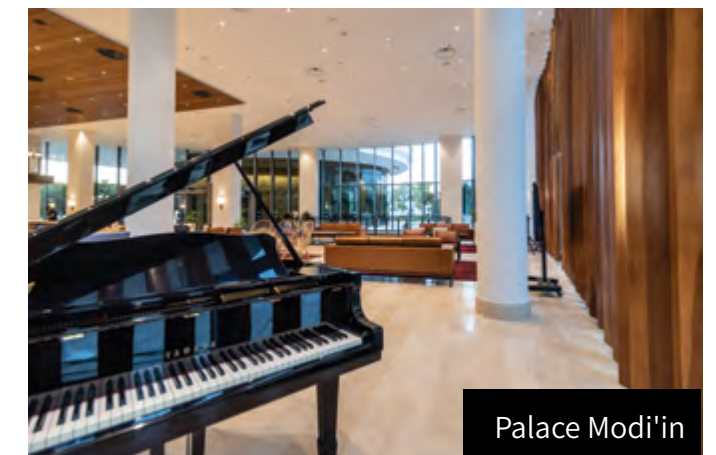
- **Bettar Systems:** Installed in Palace Modi'in and Palace Ra'anana to enhance auditory experiences.
- **OLA System:** Installed in Palace Modi'in's and Palace Ra'anana's nursing departments to monitor falls from beds, with full implementation by the end of 2024.
- A state-of-the-art carpet vacuum robot is operational in Palace Modi'in to enhance cleanliness and air quality in public spaces.
- In 2025, a unique pilot program is planned in collaboration with OLA in the field of senior housing, integrating the involvement of residents and their families to ensure optimal responses to community needs.
- Our residences are equipped with accessible emergency call buttons, handrails in bathrooms, electronic boards, and upgraded intercom systems to ensure a safe and comfortable living environment.



Palace Tel Aviv



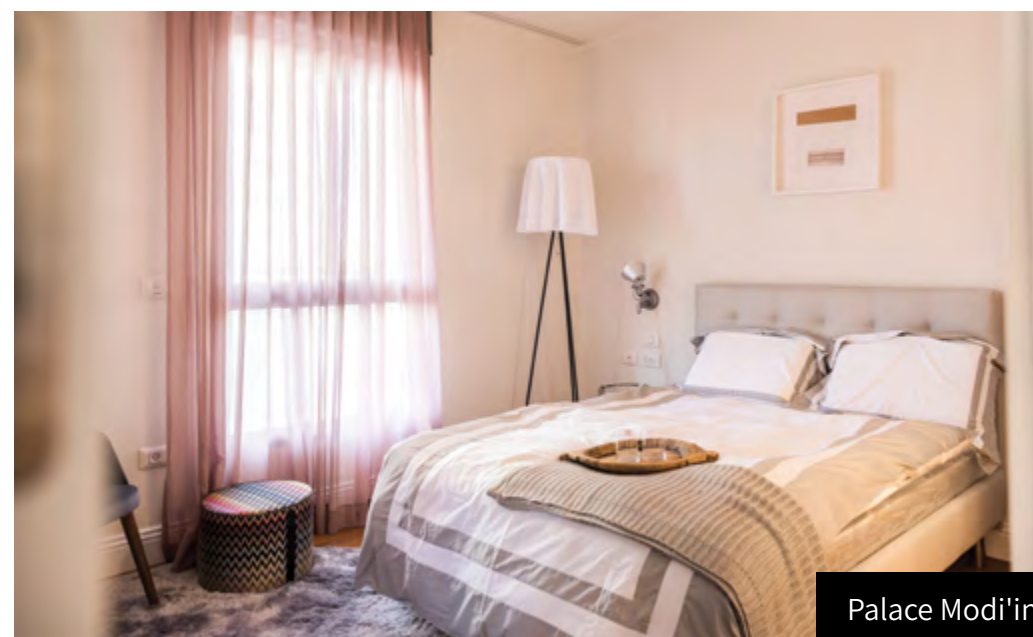
Palace Modi'in



Palace Modi'in



Palace Modi'in



Palace Modi'in



Palace Modi'in

Inspiring Volunteer Initiatives

Our residents bring a wealth of life experience and diverse skills that the entire community can benefit from. Therefore, we actively encourage and initiate a variety of volunteer activities. Among these, our residents:

- Volunteer in kindergartens
- Collaborate with the Scouts youth movement
- Write life stories with teenagers
- Tutor children with special needs
- Bake for volunteers supporting cancer patients and their families
- Host children from the oncology department at Ichilov Hospital
- Knit for various social causes
- Participate in baking workshops for at-risk children
- Tour Giv'at HaTitora with ninth grade students
- Raise funds through the International Sephardic Education Foundation (ISEF) to support children from peripheral areas and promote equal opportunities

In addition, our residents run a second-hand store that donates proceeds to the Eden association. We also collaborate with the "Sipur Hozer" network to provide rehabilitative training for individuals facing employment barriers. Students from Ra'anana's Metro-West High School participate in the "Life Stories" project with residents, with creations displayed at the ANU Museum.

Palace residents also engage in inspiring community initiatives, such as a special performance with children with special needs, adopting the "Kolot Shluvim" choir which integrates teenagers with and without special needs, and Purim quizzes in partnership with youth.

The common thread in all these initiatives is the recognition that engaging in shared activities strengthens intergenerational bonds, enhances the sense of community, and enriches the residents' sense of self-worth and vitality.

Constant Dialogue and Improvement

Open communication with our residents and their families is of utmost importance to us. We ensure that the voices of our residents are consistently heard and influence decision-making through elected residents' committees, comprehensive satisfaction surveys, weekly discussion groups with house management, and regular meetings with the residents' council. The survey results for 2023–2024 showed a 70% participation rate and approximately 90% positive feedback, reflecting the high level of satisfaction among our residents.

Generosity during an Extraordinary Year

During the Iron Swords War, the residents of Palace senior homes displayed an exceptional spirit of volunteerism.

Among other things, our residents:

- Knit hats and scarves for soldiers
- Crafted red ceramic flowers to plant in southern Israel
- Hosted soldiers and evacuees in our homes
- Assisted Palace staff in preparing meals for approximately 1,500 soldiers daily
- Supported the families of soldiers and hostages
- Hosted children from the Bedouin community
- Volunteered in the community in various ways as part of their commitment to supporting the community during times of crisis and creating an environment of solidarity and mutual assistance.

During the war, our team expanded its activities beyond the boundaries of senior housing, providing support to civilians from areas of danger and ensuring access to psychologists specializing in trauma to support employees from the southern regions.

We hope and wish for years of security and health, and we continue to provide support to anyone in need.

Looking Ahead

Throughout the year, we continue to learn and familiarize ourselves with new research and emerging needs, incorporating the latest improvements, technologies, and solutions for the benefit of our residents. In 2025, we will continue to move forward with plans to expand community activities, develop new programs to combat loneliness and enhance the sense of community, and continue to improve the services and facilities at our senior homes.

We aim to create a "community of communities" through joint projects between all the senior homes and develop personalized projects tailored to the strengths and skills of specific residents.

We continue to uphold and create shared traditions, such as Tu B'Shevat seders, alternative Passover seders, and holiday ceremonies, in order to strengthen the sense of community and provide deeper meaning to daily life in our senior homes.



Our Customers

Azrieli group's marketing approach – advertising aligned with our values

It is essential to us that our marketing and advertising efforts align with the Group's values and vision. Our marketing strategy is derived from our business objectives, with a strong emphasis on placing the customer at the center of our daily operations. This is achieved through meaningful dialogue with our customers, incorporating feedback, and designing personalized marketing initiatives. We invite customers to connect with us through all available platforms, including phone, our website, and social media. Additionally, we are committed to promoting inclusive, diverse, and socially and environmentally responsible advertising.

Mall visitors – a pleasant and safe experience

Approximately 70 million visitors frequent our properties each year, and we strive to ensure they enjoy a pleasant and safe experience throughout their visit – from the moment they enter the mall until they leave. We continuously work to expand the variety of stores, restaurants, and cafés while enhancing recreational spaces and public areas.

A2Z Office Employees' Community

We believe that a workspace is much more than just a physical location. That is why we established the A2Z Community – a unique platform designed for office tenant employees within Azrieli Group properties,

aimed at creating synergy between the company's various fields of activity and its community. This initiative connects thousands of employees working in Azrieli's office properties across the country, adding professional and personal value to their lives.

The vision of the A2Z Community is to build a shared environment that encourages professionals from diverse fields to collaborate, learn, expand their knowledge, and create both business and social connections.

Membership in A2Z offers a wide range of benefits:

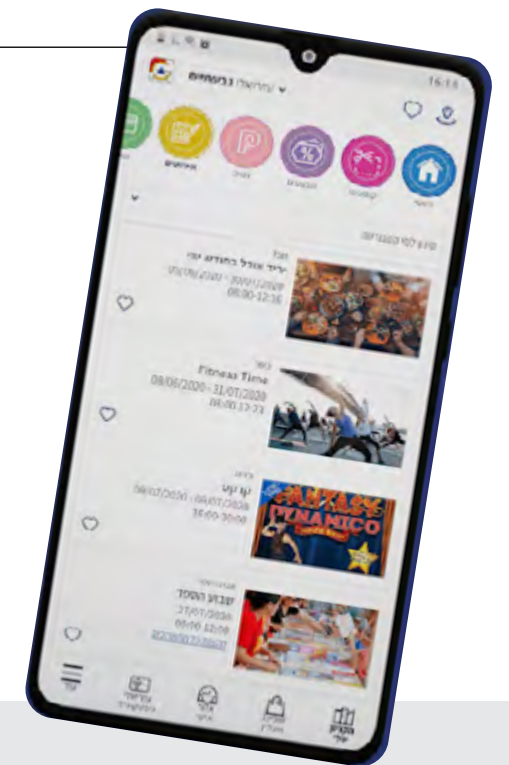
- **Enrichment Lectures:** Professional insights and personal development tools.
- **Sports Activities** – Diverse wellness programs, including yoga, Pilates, running groups, and more.
- **Networking** – Opportunities for business and social connections.
- **Exclusive Benefits** – A world of discounts and customized services for employees.

Over the past year, the A2Z Community has doubled in size, and as of the end of 2024 it includes over 12,000 active members. The community operates in the company's office towers, including Azrieli Center Tel Aviv, Azrieli Sarona, Azrieli Town, Azrieli Business Park Holon, Azrieli Herzliya Business Center, and Azrieli Rishonim Center.

In 2025, we plan to expand the community's activities to additional properties and sectors, including Azrieli Modi'in Center, Azrieli Akko, Azrieli Holon HaManor, and for the first time, to residential tenants of Azrieli Town Tel Aviv and Modi'in. This expansion will connect thousands more individuals and further strengthen their engagement with the Azrieli Group.

Azrieli App – Convenience, Accessibility, and Benefits

The Azrieli App is a unique digital platform offering a wide range of services in one place. Users can enjoy exclusive benefits, attractive promotions in our shopping malls and commercial centers, convenient parking payments, and easy access to visitor information – all aimed at enhancing and enriching their experience. As part of our efforts to improve user experience, a significant upgrade was made to the app's login process in 2023-2024. As a result, registration has become more accessible and user-friendly, leading to a dramatic decrease in customer service inquiries related to this issue.



Goals

- Further engaging tenants in our collective effort to reduce the company's environmental impact, incorporating incentives to improve their sustainability performance and integrating environmental considerations into lease agreements.
- Expanding the A2Z Community.
- Implementing a digital management system: Rolling out an advanced system to handle maintenance and cleanliness requests in additional properties during 2025.
- Strengthening the connection and loyalty to Azrieli Group while fostering identification and partnership in the Group's core values.
- Introducing new services for the community, developing innovative initiatives and solutions for employees.

We remain committed to continuously improving the experience of our customers, tenants, and residents – anytime, anywhere, and in every possible way!

Safety and Accessibility

At Azrieli, we are investing in the safety of everyone who uses our properties—employees, visitors, tenants, residents, and the public. Safety is a core value for us and is deeply embedded in our organizational culture. That is why we continuously work to enhance our safety and security systems across all our properties, adhering to the highest industry standards.



Safety

We implement a proactive risk identification policy and do our utmost to prevent accidents in advance. The company has adopted comprehensive safety procedures that define objectives, work guidelines, areas of responsibility, equipment handling protocols, as well as instructions for preventive actions, emergency procedures, and reporting requirements.

Safety structure within the Group:

1. Safety in existing properties, overseen by the operations department.
2. Safety at construction sites, which falls under the responsibility of construction contractors and is supervised by the construction department.

Safety in Existing Properties

In our revenue-generating properties, the group appoints safety trustees for its properties, who are responsible for overseeing safety within our assets. Additionally, the group has engaged external safety management companies to conduct safety audits at varying frequencies across our sites. Furthermore, the group collaborates with safety consultants who provide professional advisory services. These external safety management companies conduct annual safety assessments at each property, ensuring that all sites comply with the required regulations and industry standards. Findings from these assessments are documented in a detailed report, which is distributed to relevant headquarters personnel in our operation department and property managers for implementation and corrective action. The implementation of recommendations and remediation of deficiencies are monitored by the Property Operations Manager, who conducts regular site visits and inspections. Additionally, a designated Group Safety Officer oversees safety operations, compiles incident reports, prepares work plans, and summarizes key findings that require attention for the following year.

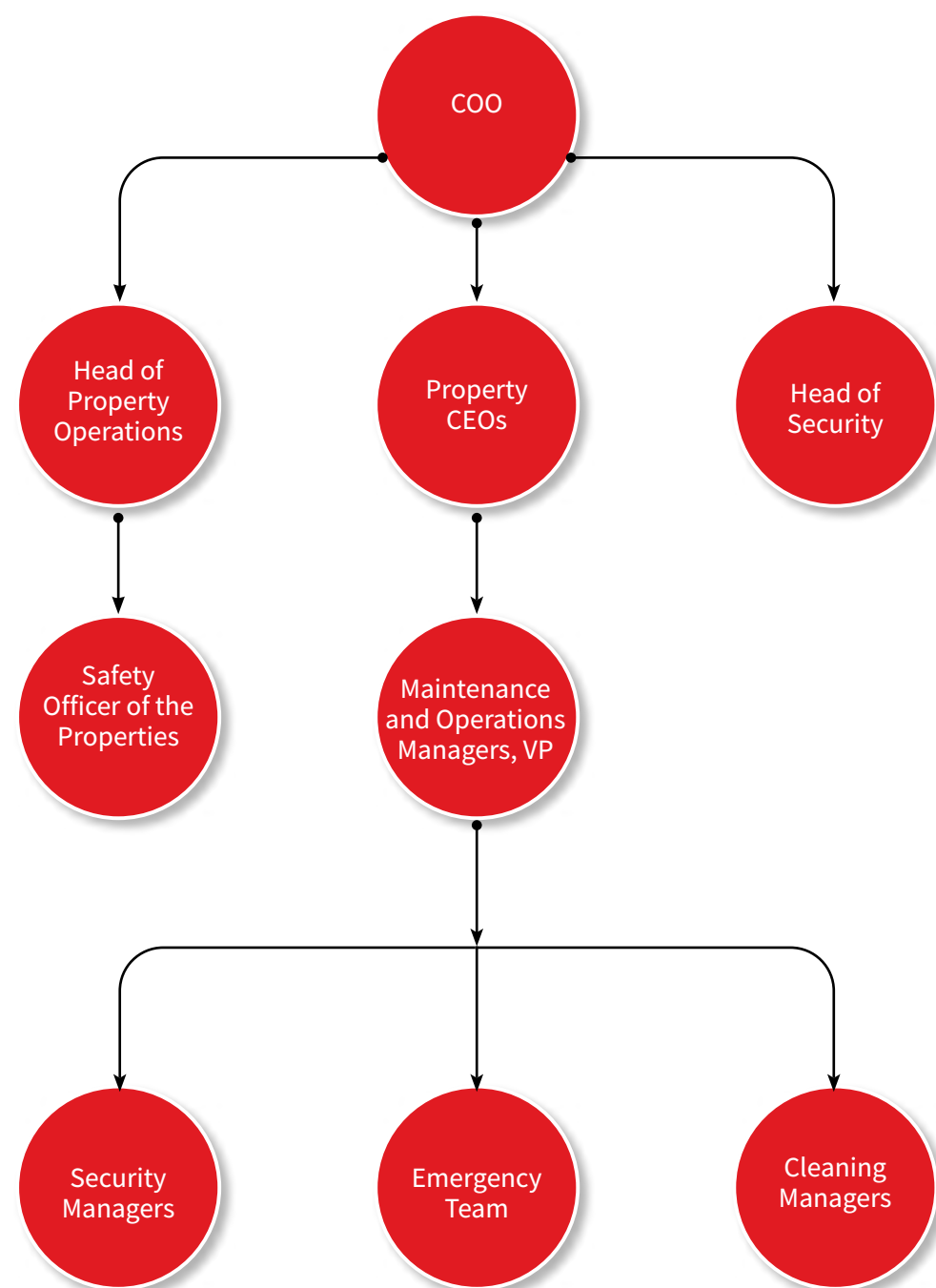


Safety Managers and Officers at Each Property

Each property has designated on-site Safety Officers, who have received certification through an external training body. They operate according to a structured protocol outlining their responsibilities, reporting hierarchy, and reporting procedures. The direct responsibility for safety at each site rests

with the Property Manager, who ensures that safety protocols are embedded in operations, supervises external workers operating within the property, oversees the resolution of identified safety issues, and more.

Organizational Structure of the Safety Framework



Risk Factor Analysis and Risk Assessment

As part of the Group's adopted policy, we invest significant efforts in mitigating and managing identified risks. To this end, we have established the "IAC" protocol — risk identification, risk assessment, and risk control — designed to map and manage potential hazards. Risks are categorized by severity level: "**Severe**" risk requires immediate cessation of work to implement mitigation or elimination measures. "**Moderate**" risk requires steps to reduce its level but does not necessitate an immediate halt to work. "**Acceptable**" risk requires ongoing maintenance, employee training, and adherence to safety procedures.

Contractor Work Procedures

Throughout our properties, contractors are engaged in various fields such as construction, renovations, electrical work, and HVAC systems. To ensure that all work is carried out in compliance with legal requirements, including the Workplace Safety Ordinance and relevant regulations, we have developed a "Contractor Work Safety Procedure" whose purpose, among other things, is to ensure compliance with legal requirements when performing such works. The Group ensures proper oversight of work processes, including thorough coordination and briefings with contractors before work begins in compliance with legal requirements.

As part of this process, the contractual agreements for various construction works have been updated and refined, incorporating safety provisions with relevant guidelines.

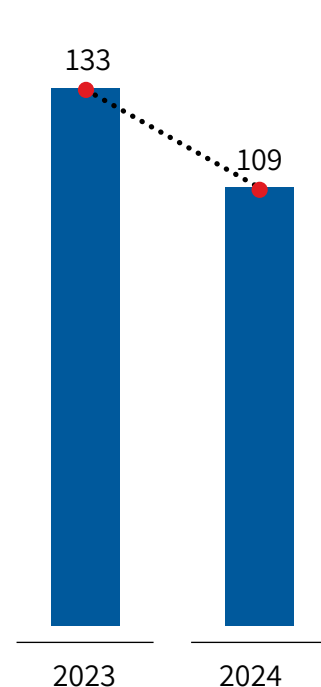


Safety at Construction Sites

The responsibility for workplace safety at construction sites lies with the executing contractors, with whom the group engages as the developer. In line with the group's commitment to its safety approach, it conducts safety audits at construction sites through external supervision companies, as needed, to ensure both on-site safety and the safety of the surrounding public.

It is important to note that the Group's inspections serve as an oversight measure and do not reduce the contractor's legal responsibility for site workers, visitors, and passersby. The contractor's on-site team is responsible for maintaining safe working conditions, addressing deficiencies identified in inspections, and providing documentation confirming corrective actions.

Insurance Incidents in Assets



Safety Incidents

Safety incidents, including near-miss events, are reported in accordance with the established reporting procedure, thoroughly investigated, and documented. Reports are shared with the relevant parties to implement lessons learned, apply recommendations, and reduce the number of incidents. The Group Safety Officer compiles these reports for monitoring trends, preventing recurrence, and ensuring compliance with safety goals. Every quarter, we conduct a comprehensive review and analysis of safety incidents across our properties, which is forwarded to all property CEOs, and we publish an annual report on safety that is also submitted to the group's management.

Incident-to-visitor ratio



Safety Training

As part of the Group's annual safety plan for its properties, every relevant new employee is required to undergo training conducted by an external safety consultant and their department manager, in accordance with the Group's safety procedures and their specific profession. Managers provide training based on written protocols, incorporating accident investigations into the sessions and conducting drills for handling common emergency scenarios.

The Group places strong emphasis on periodic safety training for all relevant employees, covering working at heights, general safety, and emergency equipment use, such as defibrillators. Maintenance staff receive additional training on topics like fire suppression and handling hazardous materials. These training sessions are also integrated into the quarterly operation and maintenance managers' conferences.

This year, Azrieli Group introduced a new e-learning module across all sites, covering general safety, maintenance staff safety, and fire safety. In addition to the e-learning module, in-person training sessions are conducted for maintenance staff, with ongoing monitoring of employee competency, training completion, and refresher courses.

Road Safety

The Group has established protocols for the use of company vehicles. Additionally, employees are required to complete a training session upon receiving a company vehicle and to submit a health and driving competency declaration

Regulation and Oversight

Regulatory, inspection, and monitoring processes are conducted regularly by both internal and external bodies, such as police inspections, the National Fire and Rescue Authority, and others, as required by them. Additional inspections are carried out at existing properties, including electrical cabinet inspections every five years by a certified engineer, fire safety audits related to equipment functionality, training sessions, and the maintenance of fire suppression and safety systems, among others.

Objectives

- In the past year, we successfully met the safety targets we set. A remarkable 25% decrease was recorded in workplace accidents with injuries, far exceeding the original target of 10%. Additionally, we completed 80% of the Job Safety Analysis (JSA) processes at workstations during 2023. Employees and service providers are certified and qualified as required, under the close supervision of safety officers, and are equipped with personal protective equipment in accordance with regulations. Furthermore, new employees received training before beginning their work, and documentation of the training was fully maintained. These successes reflect our commitment to continuous improvement in safety and security.
- For the coming year, we are setting a target of a 10% reduction in workplace accidents with injuries compared to the previous year.



Construction of SolarEdge Campus

Security

The Head of Security at Azrieli Group serves as the professional advisor in the security field for the Group's properties, ensuring that procedures, updates, inspections, and drills are carried out as required.

Security at the malls is managed in accordance with Israel Police's business licensing guidelines, with continuous cooperation with external bodies such as security companies, Israel Police, the Fire and Rescue Authority, and others.

Security Training

The security guards at the properties undergo professional training at external schools run by the security companies with which we partner. In addition, they participate in ongoing training in areas such as first aid, fire safety and rescue, and security drills tailored to the specific potential risks of each property.

Emergency Management and Drills

As part of the annual security plan, we conduct drills to prepare for emergency situations such as fires, earthquakes, missile attacks, floods, and criminal incidents. Designated emergency teams train to respond to various emergency scenarios. The Head of Security conducts regular inspections to identify security breaches and ensure compliance with procedures, documenting and immediately addressing any identified deficiencies.



Accessibility – Committed to Full Accessibility

We are committed to making 100% of our properties accessible to people with disabilities, and we invest continuous efforts to improve accessibility systems and integrate new technologies. Our goal is to enable every individual with a disability to engage in a dignified, equal, and independent manner within our properties. Twice a year, our accessibility coordinator conducts an audit across all properties to monitor the existing accessibility adjustments and identify potential improvements, whether due to regulatory updates or specific requirements. The results of the audits are shared with property managers, along with timelines for addressing any issues. The most recent audit was conducted in the summer of 2023, and all identified issues were addressed accordingly by an external accessibility consultant.

Each property has a designated local accessibility officer who undergoes local training and specializes in overseeing accessibility matters at the property. Their responsibilities include ensuring the property meets accessibility requirements, providing training to employees and tenants, and publishing detailed accessibility arrangements on the property's website. Additionally, the local accessibility officer conducts annual training for the service and security teams to integrate accessibility requirements into decision-making processes. The Group's accessibility coordinator also conducts training for managers, and each year, a visual accessibility tour is conducted in collaboration with the operations departments to review accessibility issues.

Furthermore, there is a direct phone line to the accessibility representative on the Group's website, where visitors can reach out with questions or complaints regarding accessibility. This is our way of addressing not only internal gaps identified through audits and tours but also responding to relevant requests and complaints from customers and visitors.

 To our [Accessibility Policy](#).



In 2024, in collaboration with Etgarim Organization, the Azrieli Group launched a unique accessibility project in response to the dramatic increase in the number of injured and disabled individuals in Israel since October 7th. Over 22,000 wounded, including approximately 13,000 soldiers and reservists, have been admitted to the Rehabilitation Division of the Ministry of Defense and are joining the approximately one and a half million Israelis living with disabilities.

The project focuses on two main objectives:

1. Deepening the understanding and empathy of the group's teams towards people with disabilities
2. Developing practical solutions to improve the customer experience in the company's properties.

As part of the project, managers and employees from all levels of the group participate in unique workshops where they experience the malls from the perspective of people with disabilities. In the workshop, employees navigate use of the property elevators, parking lots, checkout counters, and food courts while in wheelchairs, trying to assess whether the needs of people with disabilities are being properly met.

The participants, including executive board members, cluster managers, and operations, maintenance, marketing, and engineering teams, take part in a concluding discussion where they share the significant experience they gained from dealing with physical disabilities and offer practical ideas on how to improve the experience for people with disabilities visiting the group's properties.

The group's malls already meet the highest accessibility standards. However, the new reality

requires us to expand our services beyond the legal requirements and deepen our understanding of the needs of the disabled community. As part of the project, we will create a practical action plan to enhance the customer experience for people with disabilities in the group's properties, ensuring that every person, especially the newly injured individuals undergoing rehabilitation, will find an inclusive, accessible, and respectful environment in our malls.

Following the significant success of the workshops conducted to date, it has been decided to expand the project in 2025. Throughout the year, additional workshops will be offered, allowing all of our employees to participate in the experience. Furthermore, we will engage with retail networks and enable their employees to take part in "Etgarim" workshops in order to promote conceptual and practical changes among our tenants as well.

Committed to
the advanced
accessibility
of our assets
beyond legal
requirements





New E-Learning and Navigation App



In 2024, we began implementing a new accessibility e-learning platform to support training for employees and managers. The e-learning includes case studies and practical scenarios, and at the end participants must complete a questionnaire and achieve a passing score. As part of our accessibility efforts, Azrieli malls have implemented the Right Hear app, which provides audio navigation for individuals who are blind or have visual impairments. Additionally, at payment stations and in parking lots, signage is available with a phone number for accessible service. Furthermore, we conduct a comprehensive assessment of the needs of the individuals with disabilities ensure optimal support, a process which involves the group's CEO and other relevant stakeholders. This assessment has

become particularly critical in the past year due to the Swords of Iron War, which has unfortunately led to a significant increase in the number of people with disabilities.

Beyond physical properties, we are also making our digital properties accessible, including websites and financial reports.

This year, the group's financial reports were made accessible, and from now on, all of our reports will be fully accessible.



Future Goals

- In 2025, we plan to hold a seminar for the local accessibility coordinators at all of our properties, which will include refresher lectures and practical exercises.
- Expanding the collaboration with Etgarim Organization and involving the tenants in the accessibility initiative

“

The Azrieli Group will continue to do everything in its power for people with disabilities to feel welcome and accepted at all of the group's properties.

Aharon Rassabi,
Azrieli Group's Accessibility Coordinator

”





Chapter
4.

MANAGEMENT RESPONSIBILITY

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Corporate Governance

Corporate Governance Perspective: Core Values at the Heart of Our Activities

Quality corporate governance and sound management are core values guiding the Azrieli Group. As a publicly traded company committed to adhering to legal and regulatory requirements, we not only implement these values in practice but also lead structured processes to continuously evaluate ourselves.

Our Board

The Group's Board of Directors operates within the scope of authority granted to it by law. Its responsibilities include shaping policies and overseeing day-to-day management, including in the realm of corporate responsibility. Chairwoman Danna Azrieli oversees ESG-related matters on the Board. At the start of 2023, we integrated ESG objectives into the annual work plans of various departments, reflecting our commitment to social, business, and environmental responsibility in all our activities.

50%

Women in the board of directors



Board of Directors

- Danna Azrieli – Chairwoman
- Naomi Azrieli – Director
- Dr. Sharon Azrieli – Director
- Menachem Einan – Director
- Varda Levy – Outside Director
- Yossi Shachak – Outside Director
- Dr. Ariel Kor – Director
- Dan Itzhak Gillerman – Independent Director
- Chemi Peres – Independent Director
- Irit Sekler-Pilosof – Director

The Board includes two external directors and two independent directors, with 40% of its members classified as independent (including "external directors" as defined by the Companies Law). Additionally, the Board comprises five directors with accounting and financial expertise and four directors with professional qualifications. None of the directors are subordinate to the company's CEO.

In 2023, 16 Board meetings were held, and in 2024, 17 meetings took place, with an average attendance rate of 99%.

Gender Diversity on the Board

The Board is composed of five women (50%) and five men (50%), with the Chairperson of the Board also being a woman. We are committed to gender equality at all levels and aspire to set an example, influencing not only senior management but all levels of the company.

The Chairwoman of the Board, Danna Azrieli, was recognized as one of Israel's 50 most influential women according to the Globes 2023 index. In addition, she was selected as one of Bizportal's People of the Year for 2024.

Board Training

Each year, we conduct a training day for Board members and managers. The training aims to refresh existing procedures, introduce new ones, and review key issues from the past year. Additionally, dedicated Board meetings are held to delve into the company's core business activities. From time to time, Board members participate in site visits to the Group's properties for firsthand insights and evaluations.



50%

Women on the board of directors



50%

Men on the board of directors



17

Board meetings in 2024

Board Committees

The Board's subcommittees handle critical issues for the company and oversee proper management practices. In 2023, a new Investment Committee was added, serving solely as a recommending body.

In 2023, 11 Board committee meetings were held, and in 2024, 22 meetings took place, with an average attendance rate of 100%.

■ Enforcement Committee

As part of our oversight system, we established a specialized committee focused on enforcement issues, meeting at least once a year. Its role is to review and adapt the enforcement framework to the Group's needs, while considering our unique structure, areas of activity, and applicable legal and regulatory changes. The Board appoints an internal compliance officer responsible for coordinating enforcement efforts and providing an annual report to the committee. This role includes preparing an annual work plan developed in collaboration with the Chairwoman and the CEO.

■ Audit Committee

Responsible for overseeing the Group's internal audit framework, ensuring the proper implementation of the internal auditor's work plan, and handling legally mandated issues. The Audit Committee includes four directors with accounting and financial expertise. In 2023, three meetings were held, and five meetings took place in 2024, with an average attendance rate of 100%.

■ Financial Statements Review Committee

Meets at least quarterly to review financial statements and provide recommendations to the Board regarding their approval. The external auditor participated in all committee meetings during 2023-2024.

Starting in 2022, we began making our reports accessible, establishing this as the standard for all future reports as part of our commitment to equality.

■ Compensation Committee

This committee operates in accordance with the law, examining the terms of employment and compensation of the company's officers. In 2023, two meetings were held, and in 2024, six meetings took place, with an average attendance rate of 100%.

■ Investment Committee

In 2023, we expanded our committees by establishing an Investment Committee. It is clarified that this committee functions solely as an advisory body without decision-making authority, providing professional recommendations to the Board in this domain.

2023

11

Board of Directors
Committee Meetings,
with 100% attendance

2024

22

Board of Directors
Committee Meetings,
with 100% attendance

Proper Management

Comprehensive Internal Control System

The Azrieli Group maintains a comprehensive internal control system, constantly monitored by management and the Board. This system encompasses all aspects of financial reporting and disclosure within the corporation. The external auditors' report to the Group's shareholders confirmed that, as of December 31, 2023, and December 31, 2024, the company effectively maintained all audited control components in all material respects.

In 2022, we launched a comprehensive competition law compliance program, adopting several procedures derived from the Economic Competition Law, 1988.

Procedures for Proper Management

To ensure proper management, the Azrieli Group has established procedures addressing corporate governance and other key areas, including:

- Board and committee operations
- Master procedure – transactions with related parties (including identification, classification, and approval processes with interested parties)
- Immediate reporting (evaluating materiality and reporting requirements for various events)
- Prohibition of insider trading
- Whistleblower procedures
- Code of Ethics
- Officer shareholding guidelines
- Group membership rules
- Activity delineation procedures

These, along with additional procedures, create a comprehensive framework regulating the activities of all company bodies. During 2023, updates were integrated into the annual training day for managers and employees, completing the program's implementation.

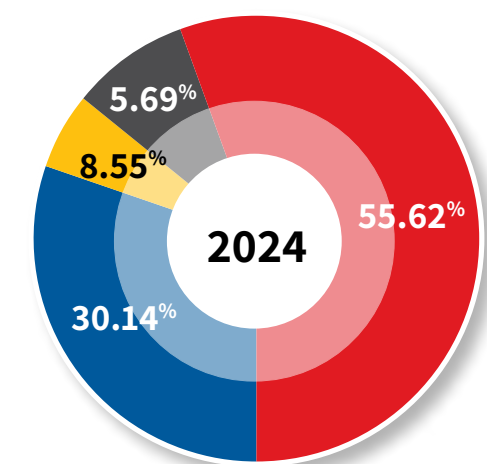
Shareholders

According to official reports, the Azrieli Group is controlled by three women: Sharon Azrieli, Naomi Azrieli, and Danna Azrieli.

Below is a breakdown of the holdings of the company's stakeholders:

Breakdown of Shareholdings in the Group (%)

- Azrieli Holding
- Public
- Azrieli Foundation
- Azrieli Foundation (Israel)



Whistleblower Procedure to Prevent Corruption

Integrity and fairness are uncompromising core values at the Azrieli Group, and we reflect this belief in our behavior. We condemn any unethical activity, including bribery and corruption, and recognize that the nature of our operations exposes us to risks of fraud and embezzlement. To address this challenge, we have developed an internal "Whistleblowers" procedure, providing a clear framework for reporting and investigating suspected legal violations, including cases of fraud and embezzlement. The procedure provides confidential and anonymous mechanisms for employees to file complaints at any time, either to their direct supervisors or to the legal counsel. We are committed to refraining from any retaliatory actions against whistleblowers as a result of their reports. During 2023-2024, no reports of fraud or embezzlement were received.

The procedure incorporates robust protective mechanisms for employees reporting legal violations, misconduct, breaches of integrity, or corrupt acts. These principles are integral to our work protocols and the ethical code guiding employee behavior, discipline, and workplace ethics. The Whistleblower Procedure is included in every employee's employment agreement. Additionally, as part of the internal control effectiveness review and the work of the internal auditor, periodic checks are conducted to evaluate the effectiveness of fraud prevention mechanisms. As of this report's publication, no corruption incidents have been reported within the Group. In 2024, a formal [anti-bribery and anti-corruption policy](#) document was developed and published. The updated [Code of Ethics](#), which now includes this policy, was also revised in 2024.

¹¹ With the exception of directors who receive compensation in accordance with the Remuneration Regulations.


¹² Mr. Ariel Goldstein has served as the Group's Chief Financial Officer since May 2023, succeeding Ms. Irit Sekler-Pilosof.

¹³ Note 29 to the 2023 Financial Statements.

Clear, Detailed, and Responsible Compensation Policy

The company's compensation policy outlines the guiding principles for compensating senior officers within the Group, addressing fixed components, variable components, bonus thresholds, incremental steps, and maximum caps. The policy was updated and approved by the Group's shareholders during 2024.

The variable component tiers in the compensation structure are performance-based with a long-term perspective, ensuring alignment between the variable component and the Group's overall performance. While ESG metrics are not explicitly mentioned in the official compensation policy, they are emphasized within the organization's internal culture.

 For more information on [the compensation policy](#).

Method of Determining Officer Compensation

The ratio between the cost of officer compensation and the wages of other company employees, particularly in relation to the average and median salaries of employees, is carefully considered:

Role	Ratio Relative to Average Salary	Ratio Relative to Median Salary
Active Chair of the Board	12.3	22.2
CEO	22.9	38.9
Other Officers ¹¹	Not over 3.7	Not over 7.1

The Compensation Committee and the Board of Directors conducted an assessment at the time of approving the compensation policy. They determined that the ratios are reasonable, considering, among other factors, the nature of the company, its workforce composition, and the responsibilities of the executives relative to the general workforce. This ratio is not expected to affect labor relations within the company.

Clear Procedures for Preventing Conflicts of Interest

To prevent any form of conflict of interest as stipulated by law, we adhere to the "Activity Segmentation" procedure, which limits the activities of directors and controlling shareholders. This procedure establishes criteria to prevent directors from participating in activities that could create conflicts of interest domestically or internationally. It also specifies the types of activities that directors and controlling shareholders are prohibited from engaging in, both in Israel and abroad, and outlines the process for disclosing and approving such transactions. Additionally, our Code of Ethics provides employees with guidance on avoiding conflicts of interest with business partners, relatives, or acquaintances.

Risk Management

Given the risk factors to which the group is exposed – macroeconomic, financial, and those specific to the real estate and construction industries – we conduct regular financial risk assessments and manage these risks while weighing cost-benefit considerations. Our CFO, Ariel Goldstein¹², oversees financial risk management for the group. We have developed a strategy to address financial risks in various scenarios¹³, including extreme situations. Furthermore, the Financial Statements Review Committee annually discusses the group's exposure to financial risks in the market and the measures taken to mitigate them. In 2024, we began integrating climate risk management into our risk management framework, following the TCFD methodology, as detailed in the [Environmental Chapter](#) of this report.

A Board That Encourages Innovation and Entrepreneurship

The group's Board of Directors dedicates special attention to strategy and the development of key growth drivers for the group. As part of this focus, periodic discussions are held on business development, identifying opportunities in new markets, and shaping long-term strategy. The Board consults external advisors to identify global trends and conduct market analyses. Additionally, emphasis is placed on optimizing internal organizational processes through the use of advanced technologies and innovative methodologies. The Board encourages employee-driven innovation, allocating resources within the company's work plans for the development and implementation of creative ideas that can contribute to the company's growth and enhance its competitive position in the market.

2024

The year we began integrating climate risk management into our overall risk management framework, in accordance with the methodology of the TCFD

Ethics

Our Ethics Philosophy


The Azrieli Group is committed to ethical conduct in all aspects of its operations. We take pride in the high ethical and moral standards upheld by our employees and strive to reflect these values in every business process and action.

Code of Ethics: Our Moral Compass

Our Code of Ethics serves as the foundation for the proper conduct expected of all company employees. It defines our relationships with stakeholders while emphasizing our environmental and social responsibilities.


The Code of Ethics is rooted in the company's vision and values, acting as a "compass" for appropriate behavior in all our business activities. It consolidates the guidelines for our interactions with stakeholders and embeds ethical norms into our operations.

Originally drafted in 2010, the Code of Ethics was updated in 2018 and again in 2024 to ensure its relevance in the ever-evolving business landscape. 100% of the company's employees completed a refresher on the updated code of ethics.

 Read more about our [Code of Ethics](#) here

Compliance Procedures

Employees involved in or exposed to unethical behavior are required to report such incidents through internal reporting channels, which include mechanisms for anonymous and confidential submissions. In exceptional cases, reports can be made directly to the CEO. Additionally, the "Whistleblower Procedure" provides clear guidelines for reporting irregularities. Each year, the company holds an ethics workshop, featuring training sessions focused on ethical reporting, on topics such as anti-corruption and compliance on business ethics, and addressing ethical dilemmas. Starting in 2024, a learning module on the Ethics Code was introduced, which employees must complete annually to remain updated on the Code of Ethics. This complements the initial ethics training provided to new hires.


 Read more about our [Code of Ethics](#) here

Human Rights Policy

We are dedicated to upholding human rights and ensuring respectful treatment for all stakeholders, including employees, managers, tenants, residents, suppliers.

We operate in compliance with the Law for Increased Enforcement of Labor Laws, 2011, and ensure that our contractors respect workers' rights, including conducting annual payroll audits by an external reviewer.

Between 2023 and 2024, no significant ethical violations were recorded. All complaints of harassment or ethical breaches were addressed in accordance with established procedures.

 Learn more about our [Human Rights Policy](#) on our website.

Comprehensive Regulatory Compliance

Given our diverse activities, we adhere to numerous laws and regulations, including the Securities Law and related regulations, the Planning and Building Law, environmental protection laws, the Senior Housing Law, the Consumer Protection Law, the Economic Competition Law, and municipal bylaws in each local authority where we own assets.

As of the report's publication, no instances of non-compliance with regulatory requirements or the imposition of significant fines or sanctions were identified. For further details, refer to our financial reports for 2023-2024.



Information Security



Information Security and Privacy: A Top Priority

We place the utmost importance on safeguarding information, ensuring oversight, and enforcing privacy and information security – for our group, employees, customers, and business partners.

As a publicly traded company, we comply with all ISOX and ITGC regulations, including information and cybersecurity protocols covering permissions, sensitive data management, documentation, vendor data access, cyberattacks, and more. Beyond the regulatory requirements, we implement internal information security procedures for engagements with vendors and business partners.

As of the report's publication, no complaints of privacy violations or cybersecurity incidents were reported. All organizational systems are regularly reviewed to enhance protection.

Resilience Testing

Every 18 months, we conduct penetration tests and security assessments through an external company. The most recent test was performed in 2024, and all identified gaps are being addressed. Additionally, we underwent a privacy protection audit conducted by the company's internal auditor. Following this thorough and complex process, we developed a new set of relevant procedures.

Organizational Structure

Our information security and cybersecurity framework includes a chief information security officer (CISO) as the primary external advisor. Additionally, a designated employee from the group's information security department oversees implementation. This approach ensures feedback and oversight of the information systems, which, while not legally required, is implemented to enable more effective, accurate, and efficient prevention, monitoring, and application through separate entities. Information security is presented to the board at least once a year, and reported to the Board's audit committee as part of the internal audit findings on this subject.

Information Security and Cybersecurity Training

We conduct annual information security and cybersecurity training for all employees, updating the content based on emerging threats and technological changes. While not all employees completed the 2023 training, which often occurs towards the end of the year, due to the Swords of Iron war, the mandatory training was fully completed during 2024. At the end of 2024, we introduced additional training and launched an e-learning course for information security. This course, mandatory for employees who have not completed the training, with access to organizational resources (e.g., computers, phones), provides guidance on safe practices against online fraud and internal information leaks.

This year we also conducted a phishing email test to identify vulnerabilities and assess employee awareness of cybersecurity risks.

Reporting protocols for information security incidents are well-documented and communicated to all employees. Suspected incidents are promptly reported

and investigated. We observe growing awareness of cybersecurity risks, with more employees proactively seeking guidance. Moreover, we are in the advanced pilot phase of testing a system that identifies and alerts on intrusion attempts before they escalate.

Information Security Infrastructure Upgrades

In 2023–2024, we strategically upgraded our information security infrastructure to enhance organizational security and adapt to global cybersecurity challenges. These upgrades included:

- Transition to a secure Office 365 solution.
- Upgrading core systems like ERP (Enterprise Resource Planning).
- Adding a Check Point protection layer to scan incoming files and block those deemed risky.
- Implementing Multi-Factor Authentication (MFA) for login processes.
- Deploying an advanced Check Point Firewall with enhanced protection capabilities.

Disaster Recovery

This year, we completed the migration of backups to the cloud to ensure business continuity and resilience in extreme scenarios. Additionally, we installed a ransomware detection system. Backups are tested annually, and we continue to develop disaster prevention systems to fortify organizational readiness.

Future Goals

- Conducting a risk assessment on information security
- Completing the implementation of a Cyber Incident Response (IR) framework
- Performing penetration tests for organizational applications and websites
- Finalizing the implementation of the Security Operations Center (SOC) system
- Continuing to optimize digitization processes within the company to reduce paper usage and sustain energy savings

100%

of employees completed
information security
training in 2024

Innovation and Technology

Leading in Innovation

Innovation within our organization is a core business philosophy, viewing creative, fresh, and forward-thinking approaches as a strategy in itself. This mindset drives the company forward and enables business achievements.

Consequently, innovation for us is both a value and a daily practice involving all organizational levels—from the Chairwoman of the Board to every employee.

Our innovation department is tasked with looking ahead, identifying future needs and challenges, and already now creating the necessary infrastructure to provide an effective response.

The department operates across two main dimensions:

1.

Internal Innovation:

Promoting an internal culture of innovation that fosters independent innovation engines within each business unit.

2.

Open Innovation:

Identifying external technological solutions and integrating them into the group's operations.



Internal Innovation – Empowering Employees

Our innovation department serves as a cross-functional unit that identifies the core needs of the group and its stakeholders, devising creative and efficient solutions.

Each area within the organization has a designated innovation leader, who acts as a liaison between their department and the innovation team, helping to highlight needs and develop advanced solutions. This structure not only encourages creativity among employees but also provides a safe environment for experimentation and learning — including from failures — fostering a culture of innovation and entrepreneurship.

In 2023–2024, our internal innovation program focused on the emergence of artificial intelligence (AI). A specialized training program was launched, providing tailored tools according to employees' roles within the group. The program included workshops and training sessions throughout the year. Additionally, an internal communication channel was established, offering all employees access to information on new developments, technological projects, and trends.

A key integration has been between innovation and sustainability: the innovation team collaborates closely with the sustainability department on digital transformation projects for ESG and sustainability metrics. These projects consolidate data, such as water and electricity usage, to present insights and improvements to tenants.



Open Innovation – Technological Collaborations

Azrieli Group takes pride in supporting the growth of innovative Israeli startups in the global market as a Design Partner.

In March 2022, we launched our first innovation program for startups, Azrieli Innovation Sprint, and in 2023, we continued our commitment to fostering breakthrough Israeli startups while addressing key challenges relevant to the group's operations.

The Sprint program includes proof-of-concept (POC) processes in various fields, with an emphasis on finding advanced technological solutions to enhance customer experience and operational efficiency across the group's assets.



Azrieli Group (AG) has proven to be a true partner on our journey, embodying a professional and supportive approach. Adopting a robot-based service is far from a straightforward decision, yet AG entrusted us with the opportunity to pilot the service across an entire office building. AG's innovation and marketing teams have demonstrated exceptional expertise and responsiveness, fostering a productive and forward-thinking collaboration. Our partnership is marked by a high degree of transparency and continuous dialogue, striking a balance that allows us to experiment, learn, and make joint decisions about the way forward. Furthermore, AG shows remarkable flexibility in adapting to our evolving needs, consistently offering fresh ideas and innovative strategies to strengthen our collaboration. Their proactive mindset is evident in their efforts to explore new ways of increasing adoption among businesses while also raising awareness and encouraging building employees to engage with the service. This strong sense of mutual trust serves as the foundation of our relationship, enabling us to achieve outstanding results together.

Gilad Sahar, Karry CEO





Key developments include:

It is a great pride for us to support the growth of innovative Israeli startups in the international market as a Design Partner.



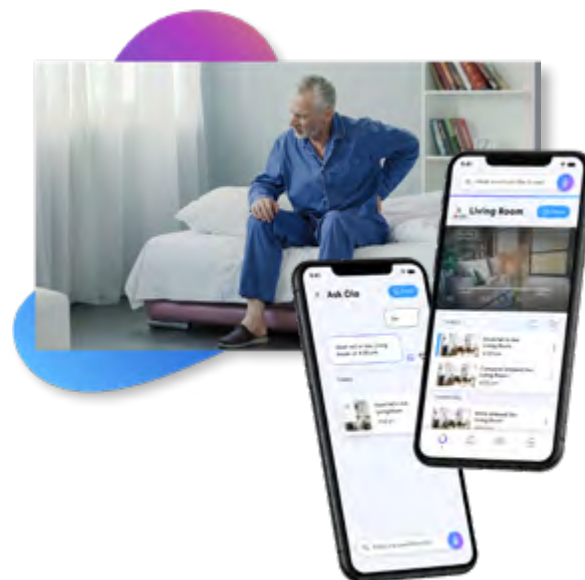
Tisar

As part of the Sprint, we advanced an operational project focused on improving the maintenance of electromechanical systems within our properties. During the pilot phase, we implemented an advanced system developed by Tisar, which utilizes fault prediction and predictive maintenance technology. The system employs specialized sensors to measure resonance in systems such as escalators and HVAC units, transmitting the data to the cloud for machine learning based analysis. The system provides alerts and maintenance recommendations and includes a data archive spanning over 30 years to enhance the fault detection model. The project, which began as a pilot, successfully met all defined KPIs and has progressed beyond the pilot stage.



OLA

The OLA system is an innovative solution for detecting signs of distress and preventing falls among residents in senior housing facilities. Through this system, we successfully implemented advanced technological solutions for fall prevention, including a dashboard for real-time data display and personalized alerts. The system monitors room and bathroom entries and exits, issues alerts for getting out of bed, falls, and more. The pilot phase met its targets satisfactorily and has advanced to broader implementation.



Structure-pal

In green construction, we emphasized reducing concrete usage to lower carbon emissions and decrease building costs. As part of this initiative, we integrated the AI-powered Structure-pal system, which enables architects and structural engineers to optimize building frame designs, reduce the amount of concrete and steel used in projects, quickly compare structural schemes and design alternatives, and optimize construction planning. The pilot is currently in the planning stages, and we look forward to implementing it at the right time.



DPM

As part of the Sprint project to accelerate startups, a system was launched in the income-generating properties sector to enhance customer experience in the group's parking facilities. The system addressed the challenge of the "customer journey," focusing on improving parking management, particularly for guests and employees. The proposed solution, DPM, provided a management interface for guest registration by the group, a user-friendly experience with guidance to reserved parking spaces for customers, and monthly monitoring. However, the pilot was discontinued due to failure to meet the predefined KPI targets.



Karry

A robot that delivers food from restaurants and stores located in the Azrieli tower, directly to the employees in their offices. The robot, developed by the startup Karry. ai, integrates with the speed gate and elevator systems, completing the entire route autonomously. In the next stages, the robot will collect food deliveries from couriers (such as Wolt and Ten-Bis). Instead of couriers distributing the deliveries throughout the building, the robot will take over this task, reducing courier movement within the tower.



The Smart Building

A key core project we are undertaking focuses on developing a Systems of Systems framework that will integrate all building systems into a single centralized system. This integration will enable controlled and intelligent property management, execution of data-driven business processes which will contribute to reducing carbon emissions, optimizing labor resources, and enhancing the customer experience. This flagship initiative establishes the foundational infrastructure for the smart building.

The Ecosystem and Our Role

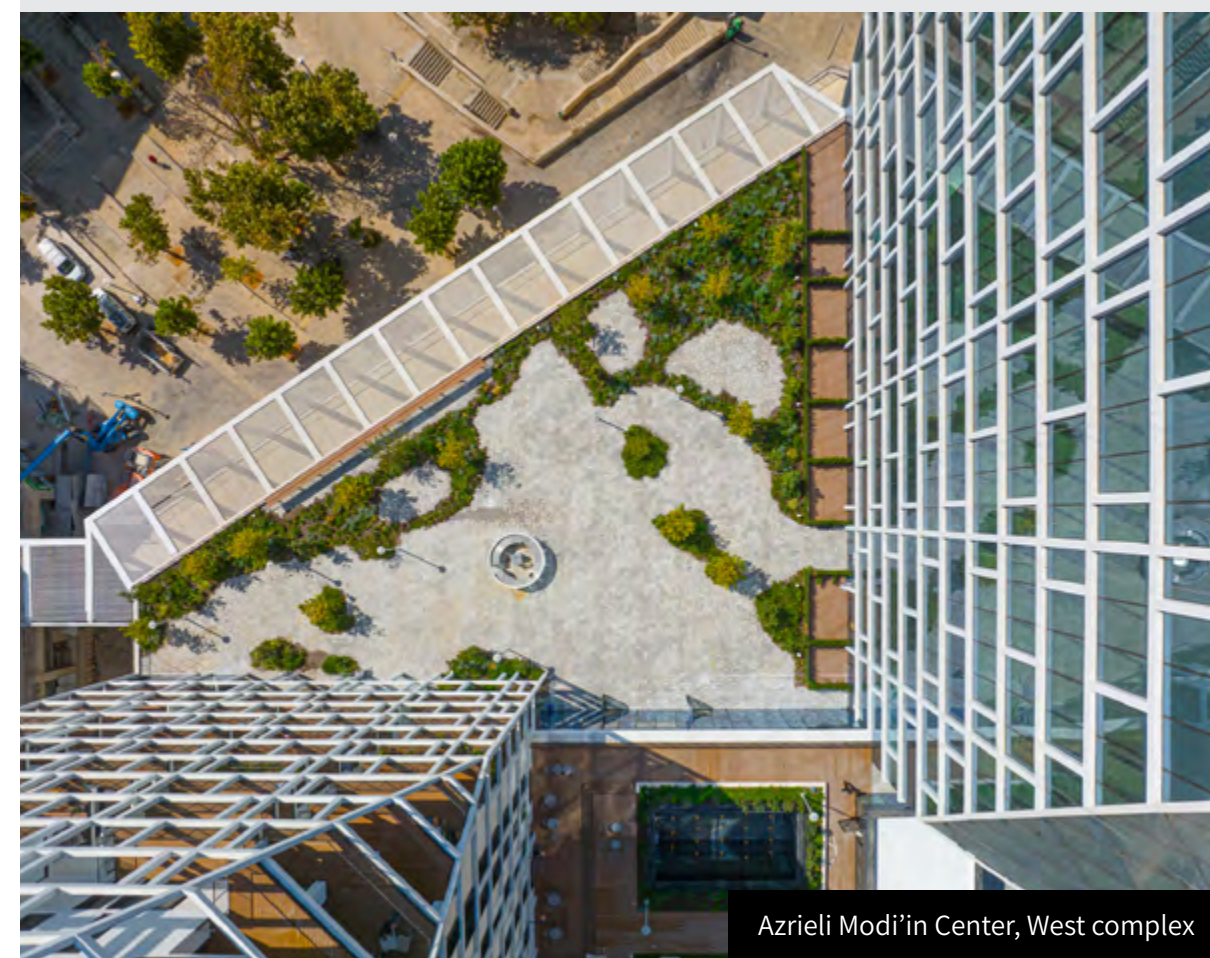
The Azrieli Group maintains ongoing connections with academic institutions focused on the growing intersections between technology and real estate. We actively involve students in projects within this domain. Among our initiatives: we hosted the Reichman University's Real Estate Club, our experts delivered lectures in courses at the College of Management, and we hosted an innovation course in the field of real estate which emphasized green architecture and sustainability.

During these engagements, we showcased the group's flagship projects, such as "The Spiral," alongside cutting-edge technologies, designed to reduce carbon footprints and optimize construction processes. This collaboration laid the groundwork for future developments, and we look forward to continued partnerships in this field.

We maintain deep and ongoing engagement with the Israeli ecosystem, particularly with venture capital funds. We organize dedicated events to showcase advanced technologies, assist in evaluating market fit, and act as a Design Partner for startups that align with our business needs.

Future Goals

- **In 2023**, we achieved several key milestones we had set for ourselves. At the Sarona Center we launched a new concept integrating artists. The center also hosted an open-to-the-public AI lecture and a photo exhibition related to October 7th, showing support for the families of hostages. Additionally, we introduced an internal program to deepen the knowledge of innovation leaders, and a cross-organizational innovation forum operated at full capacity. Furthermore, we conducted another Sprint focused on green building, which yielded positive results.
- **In 2025**, we will focus on building the infrastructure to transform our properties into "smart" assets powered by innovative technologies. This effort aims to enhance our operational efficiency and provide a seamless and advanced user experience. We will continue to train our employees in cutting-edge technologies, creating a fertile environment for creativity and breakthrough developments.

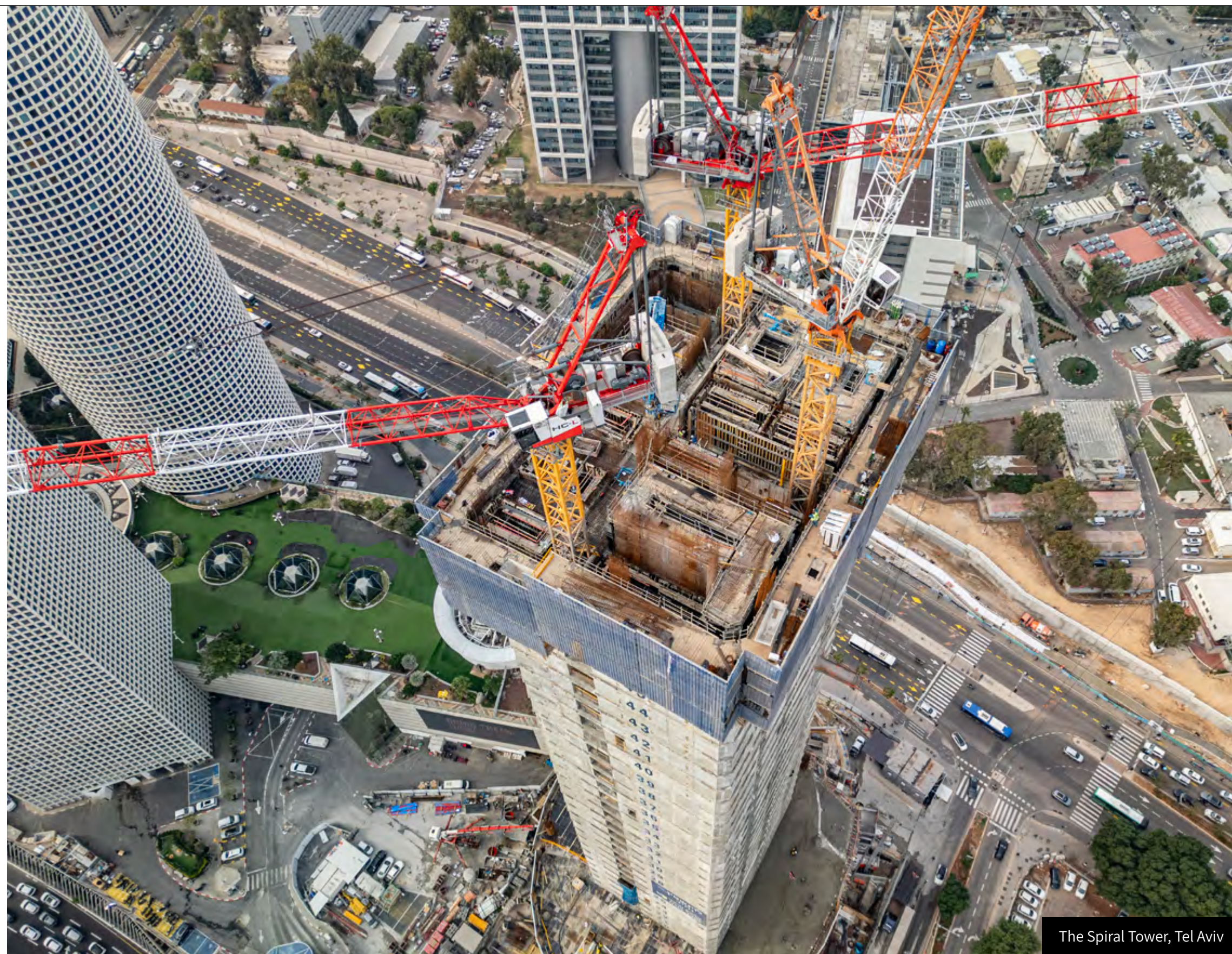


Azrieli Modi'in Center, West complex



Chapter
5.

ABOUT THE REPORT & INDEXES



The Spiral Tower, Tel Aviv

About the Report

This report is Azrieli Group's third ESG report. This report has been prepared in accordance with the reporting guidelines of the Global Reporting Initiative (GRI), based on the Universal Standards 2021 and, while incorporating reference to topics covered by SASB, GRESB, and EPRA.

The report focuses on the Group's income-producing real estate activities in Israel in the following sectors: retail centers and malls, office and other spaces for leasing, and residences in Israel, which, as of 2024, constitute approximately 82% of the Group's operations.

In the process of formulating the report we held interviews with the Chairwoman of the Group's board, the CEO, VPs, managers and employees, visits in Company premises, collection of documents, meetings with the ESG Forum, collection of data in various fields, drafting of policy documents, background studies, tours in the field, real estate benchmark study, review of international standards, collection of analyst metrics to improve the score, etc. Azrieli Group intends to report its ESG activity regularly and transparently, once every two years. In accordance with the GRI reporting standard, we performed a materiality analysis with stakeholder engagement and validation vis-à-vis management, while updating the Group's material topics since the previous ESG report. The topics were approved by the ESG Forum, representatives from all of the departments and the highest management.

This report was prepared with the assistance of Good Vision – Corporate Responsibility Consultants, 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 has not undergone third-party assurance.

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We would like to take this opportunity to thank all those who invested their time and helped with the data collection, analysis, drafting and design of the report.

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Translation into English: **Legal Translations Ltd.**

Our Material Topics

In 2024, in order to update the Group's material topics since our previous ESG report, we conducted a materiality analysis, engaging with stakeholders and validating the process with management. We place great importance on periodically updating

material topics to guide the company's operations and emphasize the issues with the most significant impact on its activities. It is also important to us to fully engage our stakeholders in the process, as part of our sustainability and ESG strategy as a company.

Report Topic	Chapter	Pages
Sustainable design	Environmental Responsibility	29-40
Green building	Environmental Responsibility	29-40
Sustainable operation	Environmental Responsibility	41-56
Energy management	Environmental Responsibility	33,42-45
Embodied carbon management	Environmental Responsibility	31-32
Waste Management	Environmental Responsibility	31,50-54
Reduction of Greenhouse Gas Emissions	Environmental Responsibility	46-48
Optimal and Responsible Real Estate Site Selection	Environmental Responsibility	21
Risk Management and Climate Change Preparedness	Environmental Responsibility	22-28
נגישות	Safety and Accessibility	96-98
Employee and customer health and safety	Our People	65
	Safety and Accessibility	92-95
	Community Engagement	69-81
Community Engagement	Our Tenants, Residents and Customers	90
	Innovation and Technology	107
Human Resources Development	Our People	60-68
Information security and customer privacy	Corporate governance, ethics and information security	104
Corporate governance and ethics management	Corporate governance, ethics and information security	100-103
Stakeholder Dialogue	About the Group	18

GRI Index

	GRI /Standard Other Source	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation
General disclosures						
GRI 2: General Disclosures 2021	2-1	Organizational details	5-16			
	2-2	Entities included in the organization's sustainability reporting	109			
	2-3	Reporting period, frequency and contact point	109			
	2-4	Restatements of information	109			
	2-5	External assurance	109	This report has not undergone external quality assurance		
	2-6	Activities, value chain and other business relationships	5-16,109			
	2-7	Employees	60-68			
	2-8	Workers who are not employees	65			
	2-9	Governance structure and composition	100-101			
	2-10	Nomination and selection of the highest governance body	100-101			
	2-11	Chair of the highest governance body	3, 100-101			
	2-12	Role of the highest governance body in overseeing the management of impacts	15-16, 22-23, 100-101			
	2-13	Delegation of responsibility for managing impacts	15-16, 22-23, 100-101			
	2-14	Role of the highest governance body in sustainability reporting	15-16, 22-23			
	2-15	Conflicts of interest	102-103			
	2-16	Communication of critical concerns	102-103			
	2-17	Collective knowledge of the highest governance body	100-101			
	2-18	Evaluation of the performance of the highest governance body	100-101			
	2-19	Remuneration policies	102			
	2-20	Process to determine remuneration	102			

	GRI /Standard Other Source	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation
General disclosures						
GRI 2: General Disclosures 2021	2-21	Annual total compensation ratio	102			
	2-22	Statement on sustainable development strategy	3, 4,7,15-16			
	2-23	Policy commitments	99-104			
	2-24	Embedding policy commitments	15-18, 99-104			
	2-25	Processes to remediate negative impacts	101			
	2-26	Mechanisms for seeking advice and raising concerns	99-103			
	2-27	Compliance with laws and regulations	21,103, 104			
	2-28	Membership associations	13			
	2-29	Approach to stakeholder engagement	18			
	2-30	Collective bargaining agreements	64			
Material topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	109			
	3-2	List of material topics	109			
Corporate governance and ethics management						
	3-3	Management of material topics	100-103			
Sustainable Design						
	3-3	Management of material topics	29-40			
Optimal and Responsible Real Estate Site Selection						
	3-3	Management of material topics	21			
Green Building						
	3-3	Management of material topics	29-40			

GRI Index

	GRI /Standard Other Source	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation
Material topics						
GRI 3: Material Topics 2021	Embodied carbon management					
	3-3	Management of material topics	31-32			
	Sustainable Operations					
	3-3	Management of material topics	41-56			
	Energy Management					
	3-3	Management of material topics	33,42-45			
GRI 302 Energy 2016	302-1	Energy consumption within the 302-1 organization	42-45			
	302-2	302-2 Energy consumption outside of the organization	42-45			
	302-3	Energy intensity	45			
	302-4	Reduction of energy consumption	33,42-45			
	302-5	Reductions in energy requirements of products and services	33			
GRI 3: Material Topics 2021	GHG emissions					
	3-3	Management of material topics	46-48			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	47-48			
	305-2	Energy indirect (Scope 2) GHG emissions	47-48			
	305-3	Other indirect (Scope 3) GHG emissions		Information unavailable/incomplete		As part of the work on our GHG emissions reduction plan, emissions will also be reported under Scope 3.
	305-4	GHG emissions intensity	48			
	305-5	Reduction of GHG emissions	46			

	GRI /Standard Other Source	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation
Material topics						
GRI 3: Material Topics 2021	Waste Management					
	3-3	Management of material topics	31,50-54			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	31,50-54			
	306-2	Management of significant waste-related impacts	31,50-54			
	306-3	Waste generated	54			
	306-4	Waste diverted from disposal	52,54			
	306-5	Waste directed to disposal	52,54			
GRI 3: Material Topics 2021	Risk Management and Climate Change Preparedness					
	3-3	Management of material topics	22-28			
	Human Resources Development					
	3-3	Management of material topics	60-68			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	60,64			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	63			
	401-3	Parental leave	64			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	66			
	404-2	Programs for upgrading employee skills and transition assistance programs	64,66			
	404-3	Percentage of employees receiving regular performance and career development reviews	66			

GRI Index

	GRI /Standard Other Source	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation
Material topics						
GRI 3: Material Topics 2021	Employee health and safety					
	3-3	Management of material topics	65, 92-95			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	65			
	403-2	Hazard identification, risk assessment, and incident investigation	92-95			
	403-3	Occupational health services	63,65			
	403-4	Worker participation, consultation, and communication on occupational health and safety	65			
	403-5	Worker training on occupational health and safety	63, 65-66			
	403-6	Promotion of worker health	65			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65			
	403-8	Workers covered by an occupational health and safety management system	65			
	403-9	Work-related injuries	65			
	403-10	Work-related ill health	65			
GRI 3: Material Topics 2021	Customer health and safety					
	3-3	Management of material topics	92-95			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	92-95			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	92-95			
GRI 3: Material Topics 2021	Community Engagement					
	3-3	Management of material topics	69-81, 90, 107			

	GRI /Standard Other Source	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation
Material topics						
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	69-81			
	413-2	Operations with significant actual and potential negative impacts on local communities	31-33			
GRI 3: Material Topics 2021	Accessibility					
	3-3	Management of material topics	96			
	Stakeholder Dialogue					
	3-3	Management of material topics	18			
	Information security and customer privacy					
	3-3	Management of material topics	104			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	104			
GRI 201: Economic performance 2016	Economic performance					
	201-1	Direct economic value generated and distributed	10			
	201-2	Financial implications and other risks and opportunities due to climate change	22-28			
GRI 205: Anti-corruption 2016	Anti-corruption					
	205-1	Operations assessed for risks related to corruption	10			
	205-2	Communication and training about anti-corruption policies and procedures	22-28			
	205-3	Confirmed incidents of corruption and actions taken	102-103			
GRI 303: Water and Effluents 2018	Water and effluents					
	303-5	Water consumption	49			

GRI Index

	GRI /Standard Other Source	Disclosure	Location	Requirement(S) Omitted	Reason	Explanation
Material topics						
GRI 304: Biodiversity 2016	Biodiversity					
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	21			
	304-2	Significant impacts of activities, products and services on biodiversity	33			
GRI 308: Supplier Environmental Assessment 2016	Supplier environmental assessment					
	308-1	New suppliers that were screened using environmental criteria	57-58			
GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunity					
	405-1	Diversity of governance bodies and employees	62,100			
	405-2	Ratio of basic salary and remuneration of women to men	62			
GRI 406: Non-discrimination 2016	Non-discrimination					
	406-1	Incidents of discrimination and corrective actions taken	65			
GRI 415: Public Policy 2016	Public Policy					
	415-1	Political contributions	76			

Legal Disclaimer

This document was prepared by Azrieli Group Ltd. (the “Company” or the “Group”) solely for the purpose of presentation of the Company’s ESG in connection with the activity thereof and the activity of its subsidiaries. This report is the third ESG report released by the Company, and naturally does not exhaust all of the topics handled by the Company.

The report includes several topics that the Company has chosen to highlight, but the inclusion of a certain detail in the report or the non-inclusion of other details does not indicate the materiality or immateriality thereof nor does it create any representation on the part of the Company with respect to the gamut of its activity. It is emphasized that the report is based on business data that are relevant to the Company's activity, and the data herein are no substitute for the data released in the financial statements of the Company and/or its subsidiaries. Accordingly, with respect to financial data or data regarding volume of operations, profitability, forecasts, etc., only the data specified in the financial statements are binding on the Company, and in any case of a discrepancy, the data in the financial statements are conclusive. This document does not constitute an express or implied representation or undertaking, and no reliance should be placed on the accuracy, integrity or veracity of the information or opinions included herein. Neither the Company nor any of its employees or representatives shall bear any liability (whether due to negligence or otherwise) for any loss deriving in any manner from use of this document or its content or otherwise in connection with this document. The future activity reports of the Company and its results of operations are subject to risk and uncertainty which may lead to a material change in actual results versus anticipated results. Therefore, no reliance should be placed on this report for any forward-looking projection.



Azrieli Business Park Holon



Tel Aviv's main business center



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