

Alony Hetz 2022 ESG Report



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Introduction



Letter to our Stakeholders

It is our pleasure to present our inaugural Environment, Social, Governance (ESG) report which encompasses our cross-portfolio impact and achievements.

At Alony Hetz we have always held a long-term strategic vision, investing in the highest quality real estate assets that provide their tenants with a premium experience, preserve property value and improve long-term returns. It is only natural that our approach to ESG has the same focus for achieving excellence.

We recognize the need for buildings that align with the resource pressures of the future and work to actively reduce our GHG footprint in partnership with building tenants and at all stages of the building lifecycle. We are proud to work with outstanding real estate companies that are market-leaders in green building development around the world:

In Israel | The Amot Atrium Tower was the first office building to achieve LEED platinum status in the country.

In the US | Carr continues its ongoing commitment to reduce energy consumption with 80% of their portfolio containing LEED or ENERGY STAR certifications. This year, their Midtown Center was awarded a Fitwel 2 Star Rating – the world's leading healthy building certification.

In the UK | Brockton Everlast's Dovetail Building, set to open in 2028, is targeting net zero carbon in construction and operation in accordance with industry best practice guidelines¹

We believe in contributing to a sustainable future and are proud to support the generation of renewable energy through the founding and continuous investment in Energix. Working closely with local stakeholders, their clean energy projects promote healthy growth that minimizes harm and helps combat the impacts of climate change.

Since our founding we have been dedicated to giving back to the local communities where we operate. In 2022, we continued the important work of supporting youth through partnerships with a variety of non-profit organizations around the world. These include Desert Stars (Israel), Access Aspiration (UK), Washington Jesuit Academy (US) and many others. We care deeply about ensuring that all youth have access to meaningful opportunities to grow, learn and fulfill their potential.

We believe that responsible business management and transparency are key to building strong relationships with our investors and stakeholders and view this report as an extension of our reliable reporting practices. We invite you to learn more about our ongoing ESG journey and initiatives throughout this report.

Avi Wertheim
Chairman of the Board

Natan Hetz
CEO

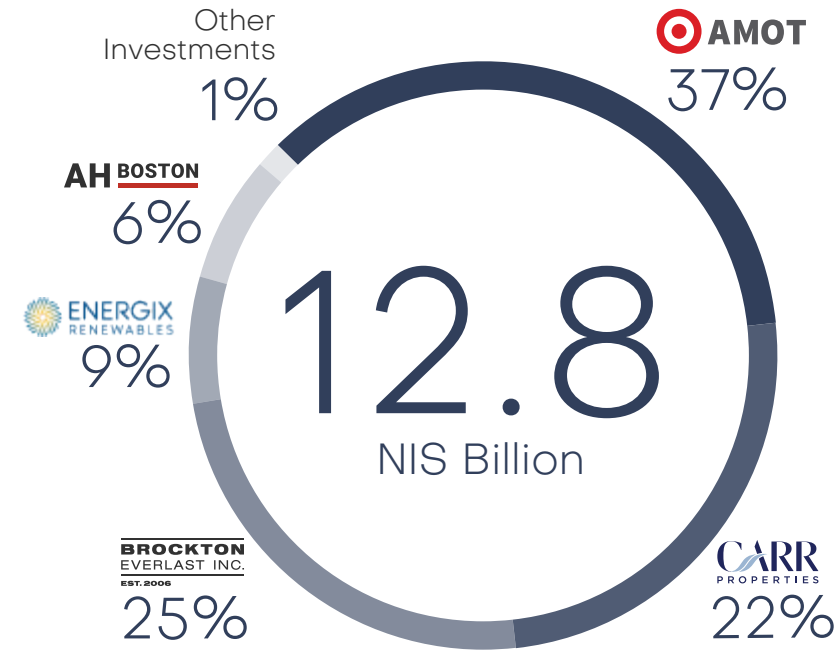
¹ As per best practice guidelines set by the UK Green Building Council and London Energy Transformation Initiative

About Us

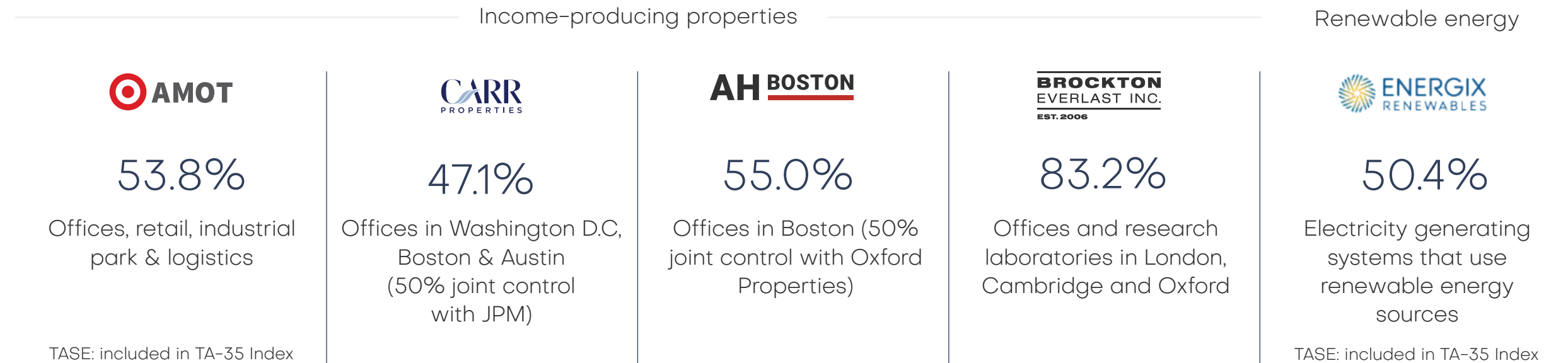
Established in 1989 by Mr. Nathan Hetz who continues to lead the company, Alony Hetz Properties & Investments Ltd. is one of Israel's largest real estate investment companies. Partnering with leading real estate and renewable energy platforms, we own and operate superior commercial properties and renewable energy projects around the world. The Group currently includes: Amot Investments Ltd (Amot), Carr Properties (Carr), AH Boston, Brockton Everlast Inc. (Brockton) and Energix Renewable Energies Ltd. (Energix). The investee companies' properties are located in downtown and metropolitan areas and include office buildings, laboratories, logistics, industrial and retail real estate.

Alony Hetz is publicly traded on the Tel Aviv Stock Exchange under ALHE. The company has a conservative financial management approach and generates constant, stable and long-term cash flows for its shareholders. Throughout this report, any reference to "our" or "the company" indicates a reference to Alony Hetz Properties & Investments Ltd while a reference to "the Group", "our portfolio" or "the investees" is in reference to the abovementioned investee companies (Amot, Carr, AH Boston, Brockton, Energix).

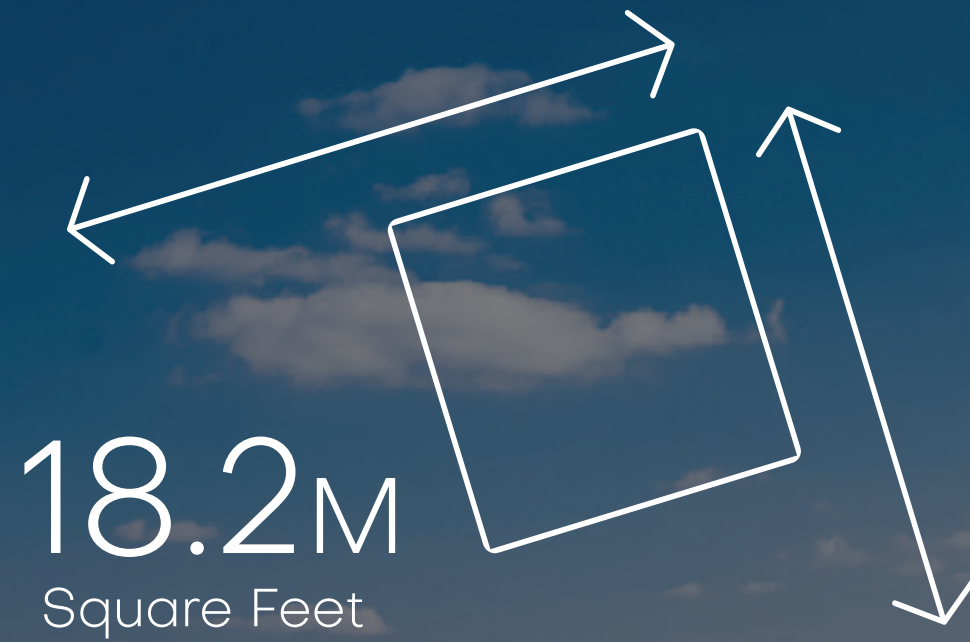
Alony Hetz's main investments as of December 31, 2022:



Holdings Structure as of publication date of this report:



2022 at a Glance



Alony Hetz Sustainability Principles

Ethical Corporate Governance

- High standards of ethical business conduct
- Consistent, transparency and reliable disclosure and reporting toward shareholders and creditors
- High rate of director independence in public companies
- Diversifying the investment portfolio in line with sustainability initiatives

Promoting safety and wellbeing

- Providing healthy indoor environments for tenants and guests
- Advancing employee health and wellbeing
- Prioritizing safety on construction sites

Forging a low carbon future

- Building highly efficient low emission properties
- On-site and off-site renewable energy
- Renewable energy generation
- Located near current and future transportation hubs
- Infrastructure for EVs and alternative transportation

Supporting local communities

- Supporting at risk youth
- Active communication with local communities
- Spurring economic growth for local communities through project development



Our Material Impact Areas

The material topics were determined based on an industry wide benchmark analysis, the ESG reporting standard- Global Reporting Initiative (GRI), the UN Sustainable Development Goals and dialogue with stakeholders at the Group level. The topics were reviewed and finalized by senior management.

Environment

- Carbon footprint (embodied and operational)
- Water Consumption and Savings
- Building Material Usage
- Environmental Impact
- Waste Management and Reduction
- Renewable Energy Security and Accessibility
- Connection to Sustainable Transportation

Social

- Employee Wellbeing
- Community Engagement
- Safety and Health in the Supply Chain

Governance

- Responsible Business Conduct
- Ethics and Anti-corruption
- Transparent and Reliable Financial Reporting
- Compliance and Regulation

Pursuing the **UNSDGs**

Our commitment to the UN Sustainable Development Goals

Alony Hetz is committed to **promoting the United Nations' Sustainable Development Goals** calling for action to address the major global challenges. The Group's business activities and operations in real estate development and renewable energy generation promote the following SDGs:



Good Health and Well-Being

ensure healthy lives and promote well-being for all at all ages

We recognize that the indoor environments we create affect people's health and wellbeing. The Group's buildings are designed and upgraded to make sure we take the best care of tenants and guests. Many of the Group's buildings are leaders in the healthy building movement, receiving the top rankings for healthy building certifications.

The Group's buildings around the world have worked to keep people safe and protect them throughout the pandemic and moving forward.



Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Through social investment initiatives, Alony Hetz and the Group have built long term relationships supporting non-profits that increase youth access to quality education and skills training. By supporting youth education programs, we strengthen inclusive quality education and learning opportunities for disadvantaged children and teenagers in Israel and around the world.



Gender Equality

Achieve gender equality and empower all women and girls

We ensure equal opportunities for women throughout the Group. Aiming to close the gender gap, we continuously work on creating a positive working environment for women in the Group.



Affordable and Clean Energy

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

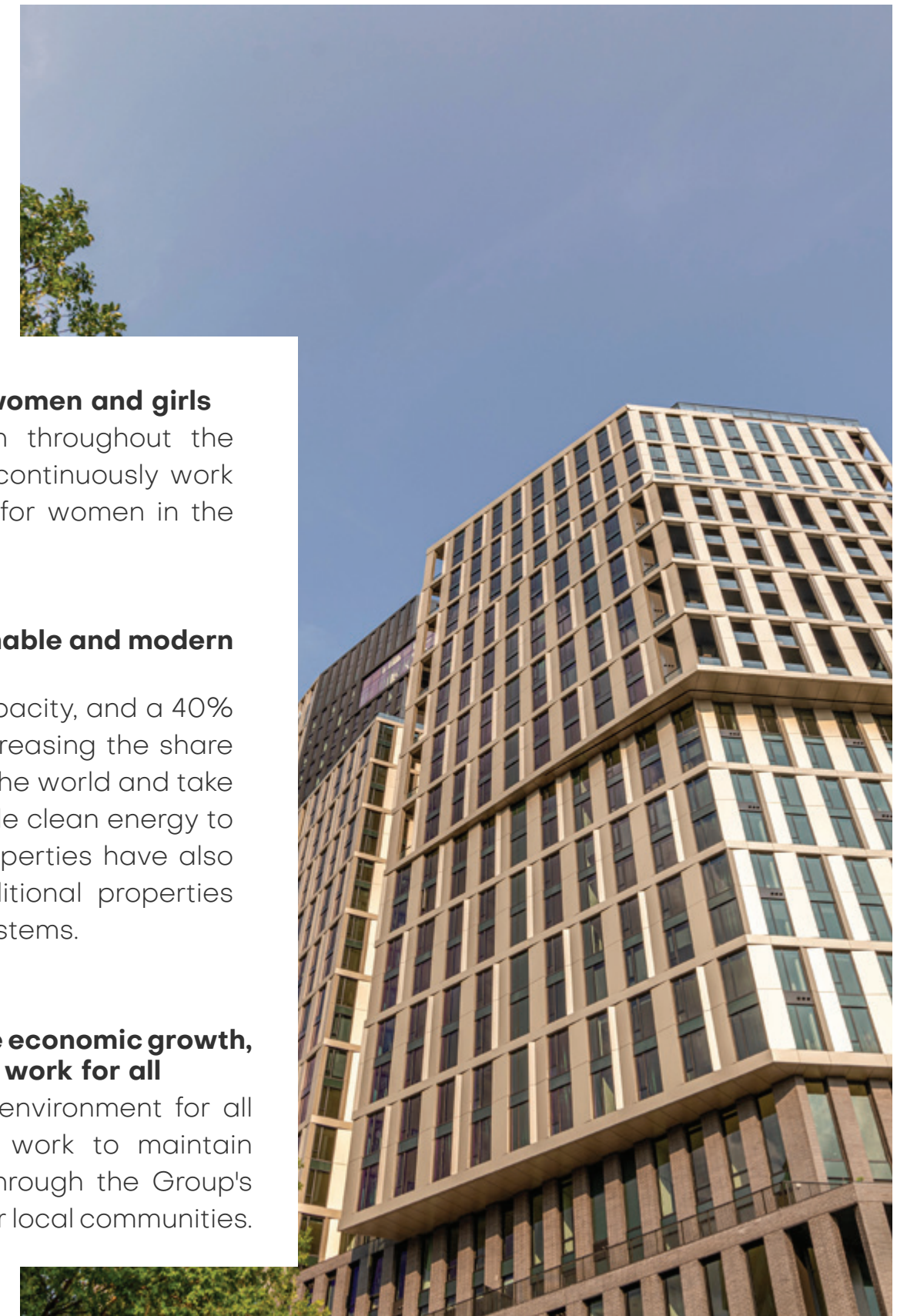
With the 855MW of renewable generation capacity, and a 40% annual capacity growth, we contribute to increasing the share of renewables in the local energy mix around the world and take an active role in the effort to provide affordable clean energy to all. A selection of the Group's real-estate properties have also installed solar energy capabilities, with additional properties under review for adding renewable energy systems.



Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

To ensure decent work and a safe working environment for all employees, we have set and continuously work to maintain high quality jobs and protect labor rights. Through the Group's operations, we aim to spur economic growth for local communities.



Pursuing the **UNSDGs** (continued)



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

The Group's real estate projects transform urban spaces and improve city development. By implementing green construction standards of buildings, located in proximity to public transport opportunities, the Group reduces the environmental impacts of cities. The Group's properties create urban green spaces, improving air quality, reducing urban heat and creating a livable environment in densely populated areas.

The Group's clean energy production reduces the pollution levels in urban areas and provide cities and communities with a reliable and affordable flow of green energy.



Responsible Consumption and Production

Ensure sustainable consumption and production patterns

During construction of projects, the Group use recycled materials and source environmentally sustainable energy generation platforms. The Group supports sustainable consumption by clients and customers, by encouraging water use reduction, improvement of recycling rates and green energy usage.



Climate Action

Take urgent action to combat climate change and its impact

With operations, the Group directly contributes towards achieving global climate goals. Producing clean renewable energy is part of the Group's core business, thereby minimizing the production of GHG emissions. Through improving the energy efficiency across the property portfolio, the Group works toward reducing building energy consumption.



Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, reverse land degradation and halt biodiversity loss

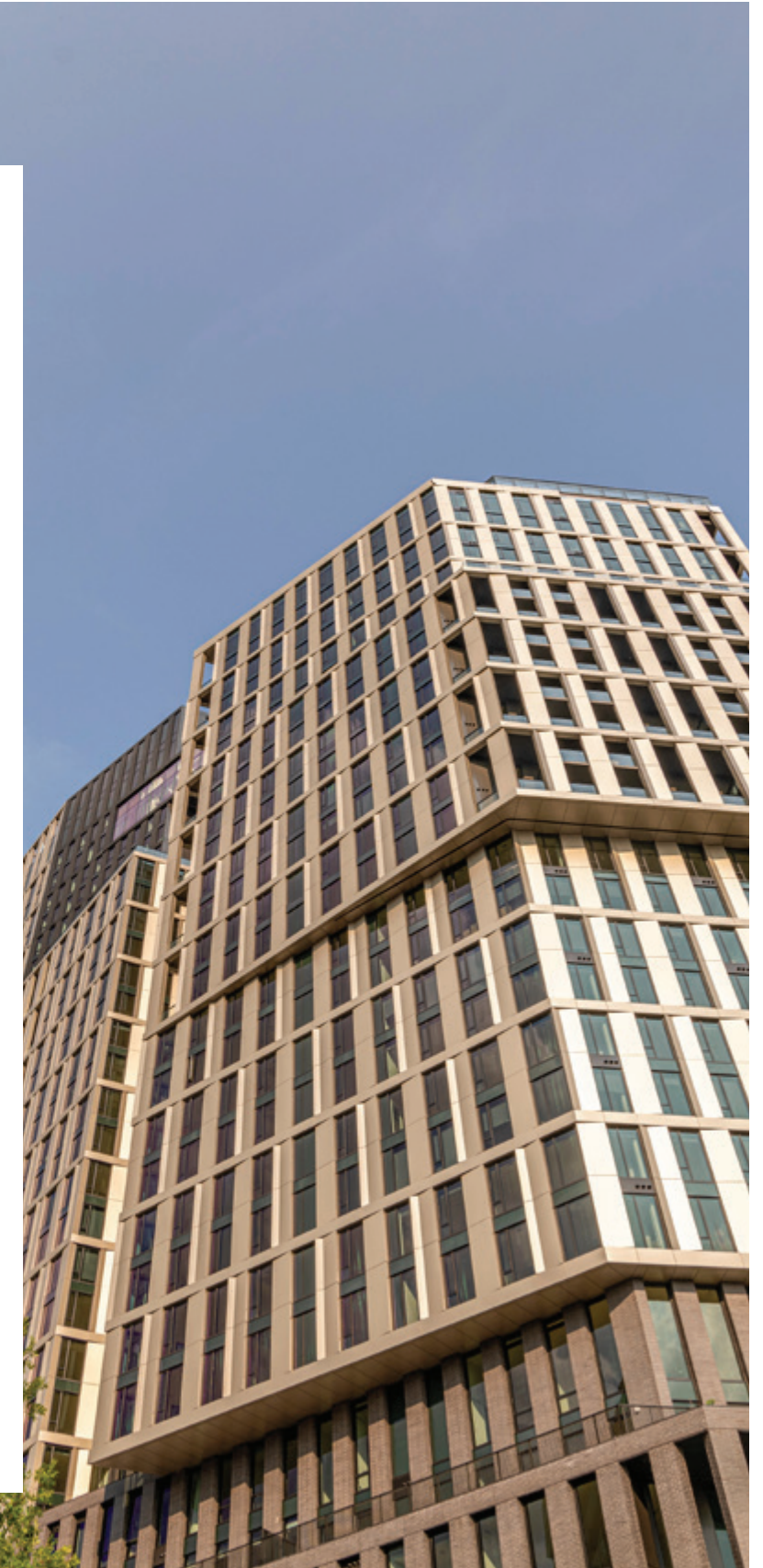
The Group maintains and supports local ecosystems and biodiversity throughout operations. Energix's renewable project sites greatly invest in wildlife protection and landscape preservation. Across the portfolio, the Group's properties install green spaces and vegetation to promote natural ecosystems in urban environments.



Partnerships for the Goals

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

The Group facilitates opportunities for tenants to achieve their own sustainability performance goals through sustainably ranked buildings. Active engagement in industry, governmental and community organizations helps to build partnerships and increase collective aspirations in reaching the UNSDG goals.



Stakeholder Engagement

As an international holding company **Alony Hetz is committed to considering the various perspectives of stakeholders and finding solutions that integrate their needs.** Engaging with peers and stakeholders ensures the ability to create the most effective and successful projects both for business and also for the people impacted along the way. Alony Hetz and the Group engage with all our shareholders including employees, suppliers, contractors, local authorities, local communities, NGOs and other stakeholders throughout development stages and continue those dialogues as needed once projects are complete.

Alony Hetz prioritizes transparency and goes above and beyond compliance in our communication with investors. To ensure consistent and up-to-date communication we publish quarterly corporate reports and presentations in addition to our financial reports and hold regular conference calls. We have an open communication channel with all our investors. Between stakeholder conferences and period conference calls, shareholders and analysts are kept updated on important trends and business developments of the Group. Highlights from our most recent stakeholder conference include a presentation from CEO Natan Hetz as well as presentations from our investee companies' leadership. These presentations are published online and can be found [here](#). Additionally, the investee companies are progressing their own ESG initiatives and communications. Their latest reports can be found here: [Amot](#); [Carr](#); [Energix](#).

The Group is also committed to engaging with stakeholders in the Group's local communities. **The Group engages with community liaisons and is involved in many community, industrial and governmental leadership organizations**, see 'Memberships and Participation' (next page) for full list. Through these, the Group creates relationships with local leadership and integrates community needs within company initiatives. We support local initiatives, and particularly focus on contributing to educational activities for at-risk youth. More information about how Alony Hetz and the Group engage with our communities can be found in the Supporting Local Communities [section](#).

Industry Memberships and Participation

Sustainable and resilient building and renewable energy are key drivers of the real estate industry today. We believe effective change requires industry-wide cooperation, creating the collective momentum necessary to achieve our sustainability goals. We are proud to be members of a broad array of organizations across construction, development and renewable energy.

Green Energy Association of Israel



Building Owners and Managers Association (BOMA)



Chesapeake Solar & Storage Association



U.S. Green Building Council (USGBC)



Polish Wind Energy Association



Apartment and Office Building Association (AOBA)



European Public Real Estate Association



National Association of Real Estate Investment Trusts (NAREIT)



Solar Energy Industries Association



Urban Land Institute (ULI)



The Standards Institution of Israel



Better Buildings Partnership



UK Green Building Association



Environmental Impact

2022 Environmental Highlights

98%

Of real estate properties are accessible by **public transport**



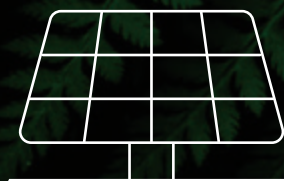
42%

of our real estate assets are certified **LEED²**



4.98 million kWh

from self-production of **renewable energy** on the rooftops of the company's properties



Avoided 1,018,377 tons CO₂e emissions

Through Energix's renewable energy generation in 2022, equaling to the sequestration of 16.8 million tree seedlings grown for 10 years.



Targets for 2023

We are working with our investee companies to set long and short term KPI's which align with our environmental principle of forging a low carbon by end of 2023. The targets will be established using 2022 as base-year.

² LEED status was measured per square meter of floor space certified to LEED standards

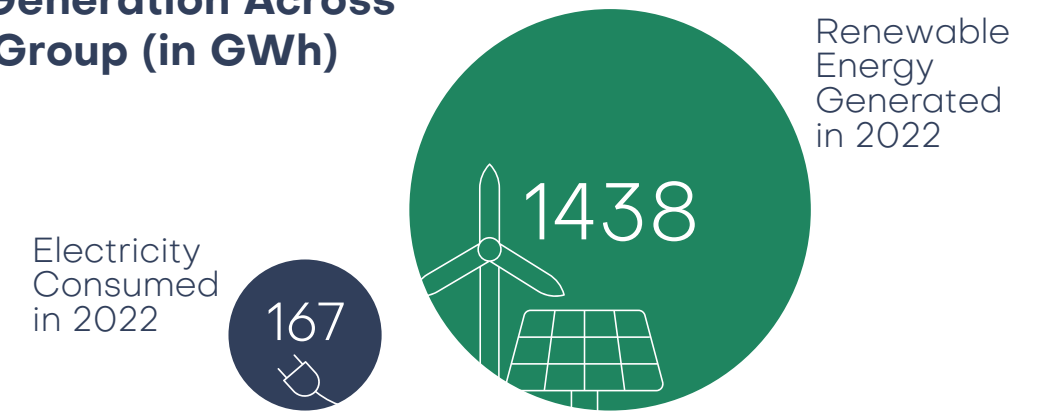
Shaping a Low Carbon Future

Alony Hetz is committed to developing its portfolio of companies in an environmentally responsible manner that helps facilitate the transition to a low-carbon future. Our leadership team has always remained steadfast in its focus on developing a resilient business that supports economic growth and the health of surrounding communities. We recognize that clean energy and highly efficient buildings are the key to a health future for people, planet and business.

Energy is key to business operations, and we recognize that both using energy efficiently and generating renewable energy are critical to combating the impact of climate change and creating a resilient business. We are proud that in 2022 the Group generated nearly eight times³ cleaner, renewable energy than it consumed throughout the properties.

³ Renewable energy generated equaled 8.6 times greater than electricity consumed in properties where energy was measured. See about this report for environmental data boundaries breakdown.

Electricity Consumption vs. Generation Across the Group (in GWh)



Energy Efficiency

Throughout the Group's property portfolio, we implement a wide range of initiatives to improve building energy efficiency and reduce year-on-year energy usage. The Group's energy reduction initiatives are based on ENERGY STAR Portfolio Management and other industry standards. The Group uses innovative meter technology to precisely map energy usage trends, optimize against extraneous usage, plan for peak load response, and more. Examples of the steps taken to reduce energy consumption include:

Collect and analyze energy data in real-time via Energy Intelligence Software (EIS)

Reduce customer resource consumption through Green Leases

Support tenant customer's sustainability goals, sharing energy reduction strategies, and increase customer awareness of savings and climate impact reductions

Complete internal and external energy audits

Retrofit older light bulbs to LED and fluorescent fixtures in common areas

Between 2017 and 2021, Carr replaced 12,000 older light fixtures with high-efficiency fixtures, resulting in an annual savings of approximately 2 million kWh and \$240,000 USD in electricity costs.

On-site Energy Generation & Zero Energy Building

On-site solar power generation allows for clean and efficient energy creation. The Alony Hetz property portfolio, currently generate in 2022, 4.98 million⁴ kWh of clean renewable energy. The team regularly assesses the potential for further solar, geothermal, and battery storage options for the existing and future portfolio.

In 2022 4.98 million kWh from self-production of renewable energy on the rooftops of the company's properties

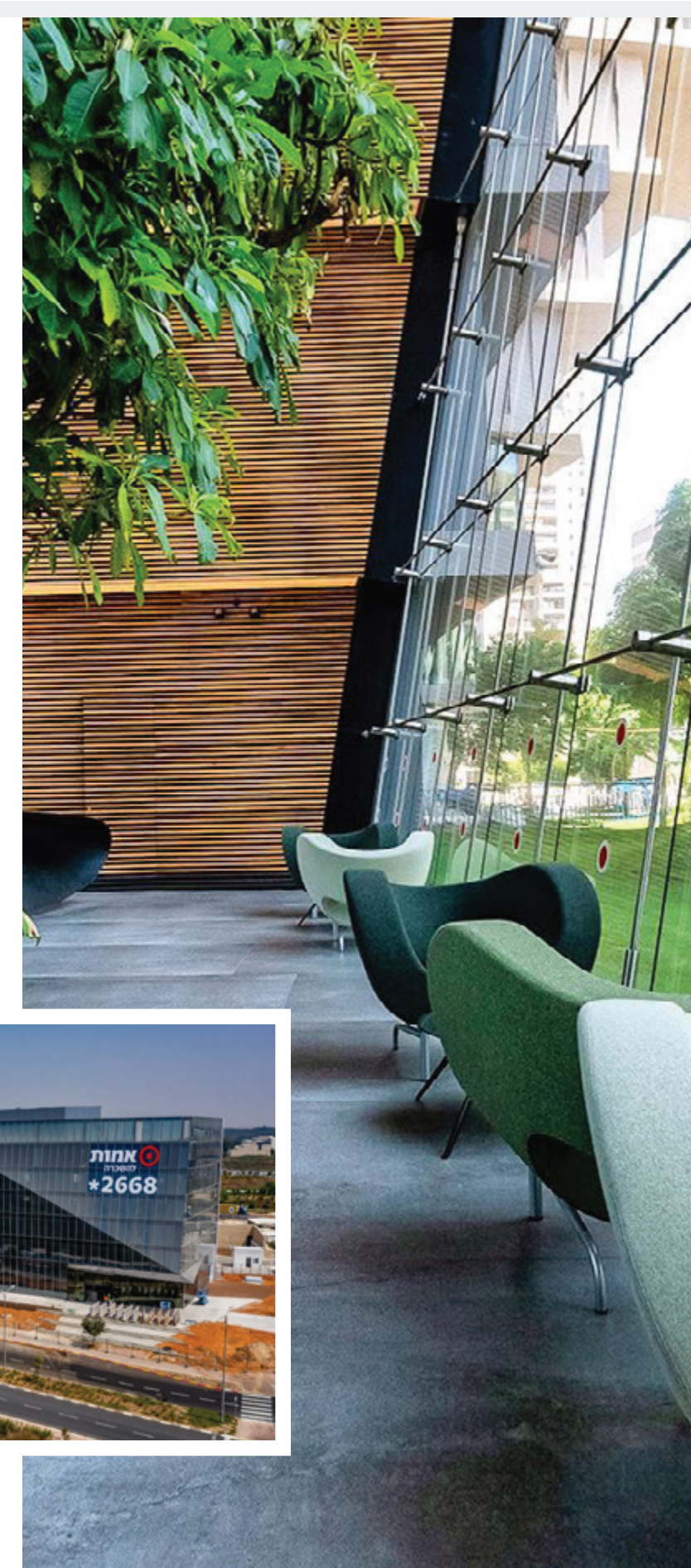
Zero-energy buildings are independently self-powered by carbon-neutral renewable energy. Continuously striving to improve its sustainability performance, Amot now has two projects planned to achieve zero-energy construction. This includes an office building which was chosen by the Ministry of Energy to serve as a case study on cutting-edge energy reduction methods to be further promoted across the country.

Amot View Modi'in LEED Gold

Amot Modi'in Logistics Center located in Modi'in Technology park, was finalized throughout 2022 with expected occupancy in the offices in Q1 2023 and the logistic center to follow. The project, a partnership with leading Israeli retailer Shufersal, includes a logistics center with an area of 43,000 sqm, and an office building with an area of 9,500 sqm. The office building is being built according to the LEED GOLD standard. The office building continues Amot's sustainability goals.



⁴Self-generated refers to solar panels on properties' roofs that are either self-managed or are on-site but managed by an external service provider. Amot, Carr and Brockton have rooftop solar energy capacity.



Developing a Greener Future

In 2022, Carr Properties announced their ongoing commitment to climate change mitigation and environmental sustainability. The company already boasts 80% of their portfolio containing LEED and ENERGY STAR certifications. As a high-performance company dedicated to healthy buildings, Carr Properties continues to provide market-leading and healthy environments for their customers through sustainable, energy and water efficient buildings.

Most recently in January 2023, Carr Properties' development, Midtown Center in Washington, DC, was awarded a Fitwel 2 Star Rating – the world's leading healthy building certification system. This certification is awarded to buildings who have integrated the concepts of sustainability in their design and operation. They were also recertified as a LEED GOLD building at Columbia Center and 1875 K Street. These certifications highlight Carr Properties' commitment to designing and operating healthy buildings for people and the planet.

Adapting Energy Storage Systems

In 2022, Tadiran Group notified the Tel Aviv Stock Exchange of its contract to supply energy storage systems to Energix. After winning the Israel Public Utility Authority for Electricity tender to produce electricity from photovoltaic technology integrated with storage capacity, Energix bought these energy storage systems that will be adapted to their needs.

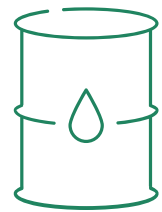


Renewable Energy

In 2022, Energix provided its customers in Israel and Poland with **1438 GWh of reliable clean energy**. In total since its founding, they have generated an impressive 3,120 GWh from solar and wind energy. They are consistently ramping up their generation to meet business and consumer needs, with an average 40% annual

increase in energy generation capacity. In addition to powering businesses and households directly, Energix supports other businesses' renewable energy commitments and improves the sustainability of their operations through the sales of Renewable Energy Credits (RECs).

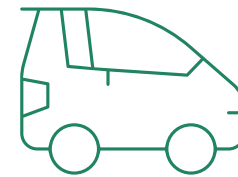
1,438 GWh of **clean energy** helps avoid*:



Consuming
2,357,077
barrels of oil



The amount of water
required to produce
23,744
metric tons of rice



Driving
226,777
miles

Greenhouse Gas (GHG)

Alony Hetz is resolute in our drive to reduce greenhouse gas (GHG) emissions across our portfolio. In 2022 Alony Hetz's portfolio company's total measured Scope 1 and 2 GHG emissions were 47,999⁵ tCO₂e.

We recognize the challenge that the Group's real estate investees face in measuring energy consumption under a wide variety of operational and ownership models and are evaluating mechanisms

to increase overall data coverage and drive consistency in reporting across the Group's companies. We view comprehensive and accurate data as a key first step to reducing emissions and are working with our investee company's to increase and enhance measuring practices. Additionally, our leadership team is currently assessing appropriate targets for achieving net zero GHG emissions, with plans to release our portfolio-wide target in 2023.

⁵For full breakdown of data boundaries by company, please refer to 'About this Report'.

*GHG and water equivalency calculations were based on the Greenhouse Gas Equivalencies Calculator | US EPA And Global Food Report



Alternative Transportation and Electrification



Walkable and bikeable urban locations that promote **alternative transportation**



240 of EV charging stations



1,500+ bicycle parking spaces

Alony Hetz recognizes that cities thrive when they offer a wide range of accessible transportation options. The Group's properties are designed and selected to offer multi-mode transportation options including walking, biking, public transportation, and EV vehicles. These alternatives help reduce carbon emissions, improve air quality and public health and promote local businesses.

Alony Hetz is future-oriented and works diligently to meet the evolving urban needs for electric vehicle infrastructure. Electrification is a key enabler of a carbon-neutral future and meeting future customer demand.

Transitioning Company Vehicles and Encouraging Alternative Commuting

Our holding companies go beyond providing alternative infrastructure to their tenants and lead by

example within their own organizations, utilizing and promoting alternative vehicles and transportation methods.

We are working to increase hybrid and electric vehicle capacity across the Group. Currently, at Amot and Energix the companies' vehicle fleets comprise at least 48% hybrid and electric vehicles. Meanwhile, all our holding companies have plans to increase the proportion of electric and hybrid vehicles in the coming years as well as to continue to encourage employees to use alternative transportation options. In order to encourage commuting by bike, properties offer over 1,500 bicycle parking spaces and dozens of shower facilities for tenants' employees with plans to add multiple additional facilities in the coming three years. These initiatives help cyclists feel comfortable and keep their bikes securely protected.



Promoting Urban Green Spaces and Preserving Biodiversity

Alony Hetz is committed to protecting local biodiversity and natural habitats throughout our business investments' operations. Our holding companies work to support the natural environment in a wide variety of ways including:



Promoting urban green spaces & gardening that supports biodiversity



Preserving biodiversity & natural habitats



Driving **water conservation**



Using recycled building materials & managing construction waste

Promoting Urban Green Spaces

Urban green spaces are an important attribute of healthy cities. Pockets of vegetation and open areas offer numerous benefits for the environment, citizens and cities' economic development.



Environmental benefits

- Plants improve air quality
- Vegetation helps balance out the urban heat island effect, and thus also reduces the need for energy intensive air-conditioning use



Social benefits

- Being surrounded by greenery helps improve mental health and reduces stress
- Green spaces calm us down and improve productivity



Economic benefits

- Beautification through green spaces increases the property value
- Green spaces also increase attractiveness, thereby promoting local economic development

Our real estate portfolio companies are located in urban and suburban areas. The plots of land surrounding building complexes offer ideal spaces for creating oases of nature in these urban environments. The tended gardens, trees and leisure corners serve as protective spaces for local plants, urban wildlife and pollinators and as enjoyable spaces for the employees in office buildings and passers-by.



At **Amot's award-winning ToHa 1** tower in Tel Aviv, over 83% of the building grounds are dedicated garden area. In addition, at their "Holon Campus" property, an impressive eucalyptus grove adjacent to the building complex was preserved in the heart of the city's expanding business center. The tree grove serves as the basis for a plant garden, lawns and natural water pool enjoyed by employees and the local community alike.



Reducing Urban Heat

Alony Hetz recognizes that cities thrive when they offer a wide range of accessible transportation options. The Group's properties are designed and selected to offer multi-mode transportation options including walking, biking, public transportation, and EV vehicles. These alternatives help reduce carbon emissions, improve air quality and public health and promote local businesses.

Alony Hetz is future-oriented and works diligently to meet the evolving urban needs for electric vehicle infrastructure. Electrification is a key enabler of a carbon-

neutral future and meeting future customer demand.

Carr Properties' commitment to including green roof features in all future developments is an excellent example of the steps taken to protect cities' environment from UHI. The green roofs have the added benefit of helping Carr manage its water usage, and in the future, some rooftops will even produce vegetables and herbs for on-site use by retailers. The plans to install vegetable gardens on the rooftops of their buildings have already been initiated in several cases.

Optimizing Land Use

Our holding companies integrate their properties and operations into the surrounding environments as seamlessly as possible and minimize any adverse impacts on the landscape. All of the real estate construction areas are in previously developed sites, thus avoiding new sealing of natural land or cutting of vegetation for construction.

Energix optimizes land usage across all renewable energy sites and preferably utilizes land which cannot serve any other purpose. The solar project Ne'Ot Hovav in Israel, for example, is a 500,000 m² large site, which was constructed on contaminated land close to an industrial zone. After the rehabilitation of several toxic pools on the land, 400,00 photovoltaic panels were set up, providing electricity for 180,000 people.



Preserving Biodiversity & Natural Habitats

Our investees continuously work to act against climate change by reducing their GHG emissions and investing in long-term nature conservation in order to mitigate the threat that climate change poses biodiversity. When planning and operating projects, our investees implement many measures to reduce demand for natural resources and therefore create less intrusion into natural habitats for resource extraction.

For example, Energix has invested \$5.5 million USD in robust ecological conservation at their renewable energy sites for landscape preservation and wildlife protection efforts. All projects undergo a thorough ecological survey before construction is initiated, including the creation of detailed conservation plans for the whole project lifecycle. Energix's efforts to minimize adverse impacts on the local ecosystems include establishing animal crossings, building birdhouses, accommodating flight paths, and more. As of 2022, they have built 711 animal crossings at their sites, helping to avoid harmful segmentation boundaries to the habitat of migrating species. They also regularly invest in advanced bird and bat detection technologies to reduce the risk of collisions with wind turbines.

Examples from Energix:



\$5.5m USD
in ecological conservation



711
animal crossings

Preserving Forests around Solar Production Sites

In Banie, Poland, Energix elected to take extra steps to preserve the forest, despite receiving local authorization to cut down the trees from the forested area. In order to keep the forest undisturbed and protect its biodiversity, they installed a 4 km cable underneath the forest and an additional 30km underneath the ground.

Promoting Urban Pollinators

Urban environments provide important habitats for a variety of local plant and animal species. At "Signal House", Carr installed a rooftop beehive, supporting the endangered and highly valuable local species. Honeybees provide a crucial ecosystem service by pollinating flowers, vegetables and fruits, which account for one-third of global human food supplies.



Resource Use and Waste Management

The Alony Hetz portfolio are pioneers in green construction and renewable energy and act to reduce waste through the introduction of advanced technologies and stakeholder communication. All of the Group's new development projects are certified with green construction standards LEED or other green building standards. Meeting these standards not only translates into large energy savings during development and operation, but also drives improvement in resource efficiency and waste diversion.

Protecting Water Resources

Water Savings in Numbers



Amot achieved over **50% water savings** at leading properties through reuse of water for irrigation and sanitation water in 2021.



Carr decreased their buildings' water consumption by **41% between 2016 to 2020**⁶



Energix Saved 38,742 mega liters of water through renewable energy production relative to other forms of energy production in 2021.

Alony Hetz is committed to substantially reducing water consumption in the Group's buildings and protecting freshwater sources on energy project sites. Following sustainability building standards, the Group's properties implement a range of onsite measures to reduce water demand including greywater usage, rainwater collection, and detailed water monitoring.

Water reduction initiatives used by Amot throughout their properties include collecting and recycling water condensation from air conditioning for use in irrigation and toilet systems. Using this method and other techniques, the Atrium tower in Tel Aviv saves over 50% on water usage.

⁶Out of those, 34% were realized in 2019 – 2020 due to COVID related lower occupancy

Renewable Energy and Water Use Reduction

Throughout its overall operations, our investee company Energix reduces global water consumption. Renewable energy production reduces energy usage compared to fuel-based energy, which is water intensive and produces large amounts of wastewater. For example, **in 2020 the use of Energix' renewable energy production conserved 38,742 megaliters** relative to other forms of energy production. Beyond the water savings inherent in the use of renewable energy, Energix strives to utilize water resources efficiently, including optimizing water consumption in the photovoltaic panel cleaning protocols. Energix strictly follows local regulations related to water quality and water conservation to protect wetland ecosystem and water sheds.



Water Reduction and Monitoring

Carr Properties uses the Energy Star Portfolio Manager to monitor and benchmark the properties' water usage to achieve their reduction targets. Measures include installing WaterSense low-flow fixtures in 90% of the existing buildings and for all of the development projects. New buildings feature advanced stormwater retention elements, which collect water from rain and condensate from air conditioning units to be used for sanitary and irrigation needs of the building complexes. **The Midtown Center project in Washington D.C. includes a water cistern** with a capacity of more than 90,000 gallons of water collected from stormwater and condensate water that is used for cooling the tower makeup water. Carr has further set itself the ambitious goal of further reducing its water intensity by 17% until 2025.



Reducing Waste & Increasing Waste Diversion

We understand that a crucial part of environmental protection is the productive management of resources and the reduction of waste ending up in landfills. Alony Hetz is committed to reducing landfilled waste during construction and operation by advancing the recycling and reuse of materials.

All of the Group's properties actively communicate their recycling policies and work to increase waste diversion through various initiatives such as periodic waste audits and e-cycling events. These efforts not only help

to reduce thousands of pounds of waste, but also increase awareness, education, and participation in the importance of waste reduction.

The Group's real estate companies' buildings are constructed with the extensive use of green building materials, such as materials made from recycled contents. **For example, Amot's office towers Holon Campus and Atrium in Tel Aviv exemplify this by utilizing 20% and 25% recycled building materials respectively.**



Social Impact

Social Highlights



39%
of all the Group's employees are women



\$2.1 million

total donations across Alony Hetz and the Group in 2022



35%
of the Group's mid-level management are women



10+ non-profits

Long standing partnership with 10+ non-profits around the globe



Focus

Across the group on ensuring safety in the supply chain

Promoting Well-being and Protecting Health and Safety

We believe that employee and customers' health, safety and well-being are the source of our groups' vitality. Alony Hetz and the Group has adopted a comprehensive approach to safeguard health throughout building operations and supply chain operations of project sites.

Healthy Buildings

We are committed to designing, constructing and operating office buildings with exceptional quality health and safety performance. It is our purpose to offer the occupants of the Group's buildings a work environment that promotes their health, well-being and high cognitive functioning. With that goal in mind, the Group has adopted a range of healthy building design elements across our real estate portfolio. All new developments focus on promoting initiatives such as:

- Maximize **natural light**
- Create comfortable **acoustic conditions**
- Improve **air quality** control with significant circulation of fresh air
- Ensure **water quality** control
- Install **shaded gardens** in outside areas
- Enable maximized **landscape views**
- Promote shared spaces for **socialization** and community

To enhance and automatize the benefits to customers' health, the Group proactively adopt modern technologies in biidings, ranging from air ventilation and filtration systems and natural light systems to no-contact access.

As part of the healthy buildings program, the Group also offers tenants health and wellness on-site amenities and services. These include first-class fitness centers, quality and versatile in-building food options, partnerships with healthy food providers as well as alternative workspaces and rooftop terraces to provide a comfortable productive and creative environment. The buildings also include accessible transportation options such as a bicycle locker room; spaces available for public use such as cafés, free Wi-Fi and other amenities, community lectures, workshops and more.

The Group's engagement for the health and well-being of building occupants and the overall quality of the healthy buildings program is reflected by certified standards. Alony Hetz's high performing buildings are awarded with a number of occupant-focused, evidence-based, third-party rating certifications including WELL Health and Safety, UL Healthy Building certification and FITWEL certification. The certifications rate in-place hygiene, emergency preparedness, health service resources, air and water quality management, stakeholder engagement, education and innovation.

Using Innovative Technology to Promote Health & Wellbeing

Carr Properties has taken a range of steps to promote indoor health that is above and beyond. By installing leading technologies such as bi-polar ionization and UC-C contaminate control they are able to increase indoor air quality throughout their buildings. Additionally, their partnership with Senseware an innovative IOT platform with customizable indoor air quality monitoring solutions they are able to real-time data to the building stakeholders. Their forward-thinking initiatives have helped them achieve an impressive 86% rate of WELL Health and Safety rating certification across their portfolio.



COVID-19

Our commitment to take responsibility for the health and well-being of the Group's customers was demonstrated by the Groups' response to the COVID-19 health crisis. Each of Alony Hetz' companies developed and managed comprehensive COVID-19 health security and communication plans and adapted to the required hygiene guidelines and various restrictions applied to buildings. Additionally, the Group's facility management ensured that the fresh air ventilation and filtration were increased and the air quality closely monitored.

Employee Health and Safety

We greatly appreciate our employees as highly valuable asset in all areas of the Groups' business operations. It is Alony Hetz' top priority to ensure our people's well-being, health and safety at their work place at all times. Therefore, we have adopted a robust safety governance and management system and provide a comprehensive social safety net and healthcare programs.

Employee Well-Being

We are committed to looking after employee overall wellbeing and creating a positive work experience at the company. As a respected employer, we offer stable and attractive jobs and professional development opportunities to everyone who works with us. We value diversity and growth and incorporate ethical policies that ensure employee health and safety.

AlonyHetz and the Group furthermore provides a comprehensive pay and benefits program giving our employees several opportunities to focus on their financial, mental and physical wellness. We maintain paid vacation, appropriate payment during parental leave and healthcare options, in accordance with local regulations.

Building a thriving work environment

Looking ahead, many of our investees have goals to increase their employee well-being programs. For example, Energix plans to double the amount of hours invested in employee and contractor safety training, double its employee training hours in personal and professional development and increase the representation of women in senior management by 2025. Through these programs we hope to promote employee wellbeing and create a supportive work environment.



Occupational Safety in the Supply Chain

Via our investees, Alony Hetz is involved in the development and maintenance of various real estate properties and renewable energy projects. The Alony Hetz' group is deeply committed to protecting the life, health and safety of the people executing the construction of building projects.

Safety requires focus and continuous effort. Thus, we have promoted the Group's companies to establish robust safety governance and management systems to maintain a culture of precaution and maintaining a high standard of safe working environments. Their safety policies exceed the regulatory requirements in the countries where they operate and we continuously invest in improving safety frameworks and workers' capabilities.

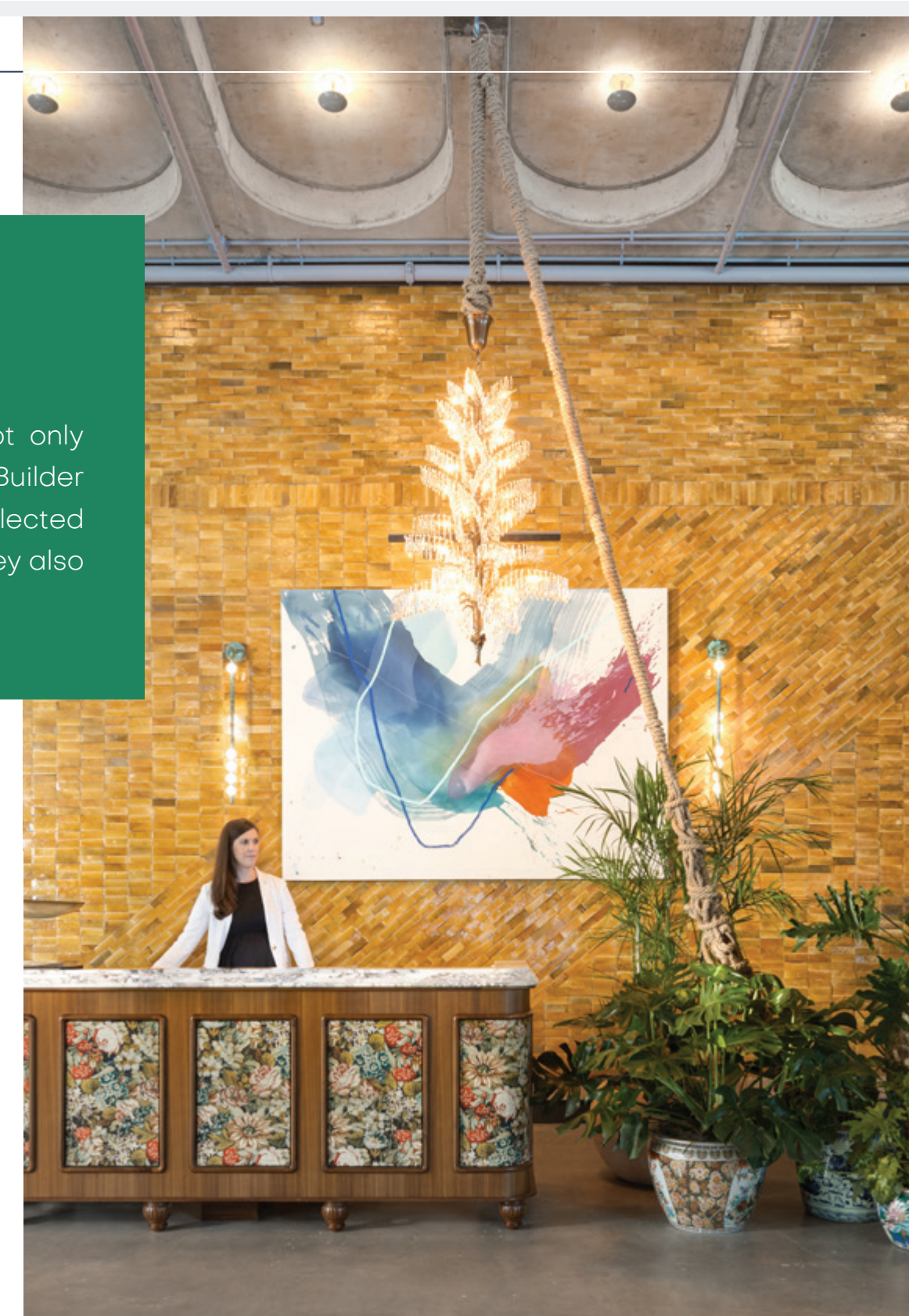
The construction of projects is under responsibility of independent contract companies. Alony Hetz' ensures the implementation of safety policies throughout the supply chain and across contractors. The Group engages only with prime contractors who we can trust with safety regulations and employ supervisors to inspect the various project sites and conduct random inspections of the contractors' adherence to the safety procedures regularly. On the construction sites we safeguard employees and contractor's health and safety through an extensive and comprehensive set of safety protocols and procedures. All workers and contract companies' workers are bound to adhering to the policies by contract. Internal supervisors and external experts from safety consulting firms are commissioned to oversee the companies' safety management and discuss any improvement potential, possible safety issues and their solutions at the various sites.

Working with the Best Suppliers to Ensure Safety

In order to protect workers throughout its supply chain Amot only engages with contractors who are members within the Israel Builder Association highest level of "safety stars". This ensures that selected suppliers meet strict safety conduct at all construction sites. They also appoint a safety supervisor who conducts in field inspections.

Safety Training

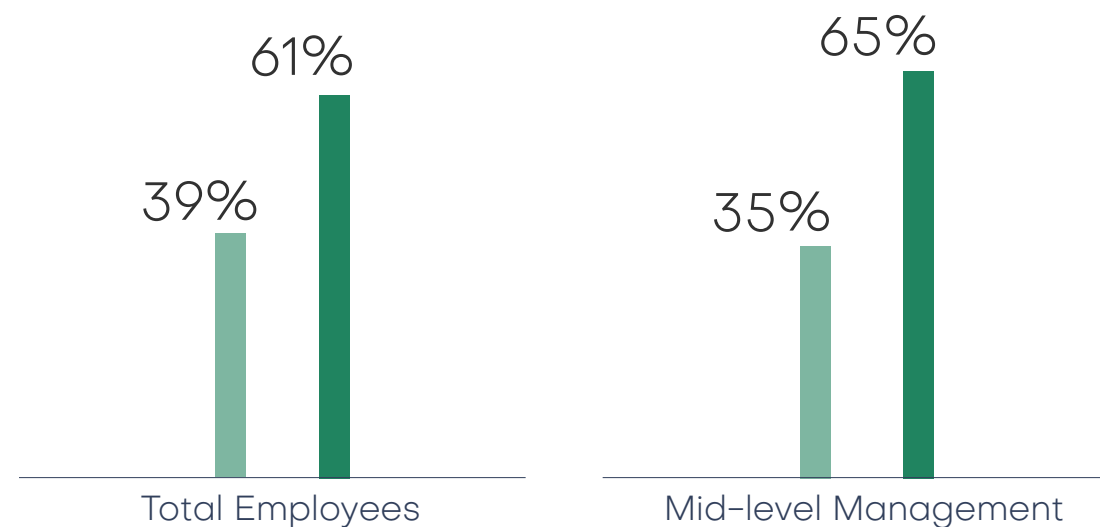
In occupational security, precautionary measures are the first and most important step. The Group greatly invests in providing employees and contract workers with regular trainings to receive the knowledge and skills required to carry out their work on the construction sites safely. All workers obtain an on-site general safety training from company internal and external safety experts upon hiring and construction begin. If certain construction activities impose a specific and higher risk level, workers are prepared in specialized in-depth training. If safety incidences occur strict procedures to investigation to identify root causes and improve safety procedures and trainings are followed.



Diversity and Inclusion

One of Alony Hetz’s most important assets is its employees. As such, we believe that a diverse and inclusive work environment is key to our success. Only through developing a work environment with diverse perspectives and people, can we truly become our best. As such, hiring is based on skill, competence, and experience regardless of gender, race, religion or sexuality.

2022 Gender Representation



Many of our investees utilize professional development training programs for their employees with the goal to assist and are beginning to incorporate unconscious discrimination and bias trainings in their US offices. All of the investees have sexual harassment policies and offer employee training and professional development resources. Additionally, we are proud to report that there were no cases of sexual harassment or

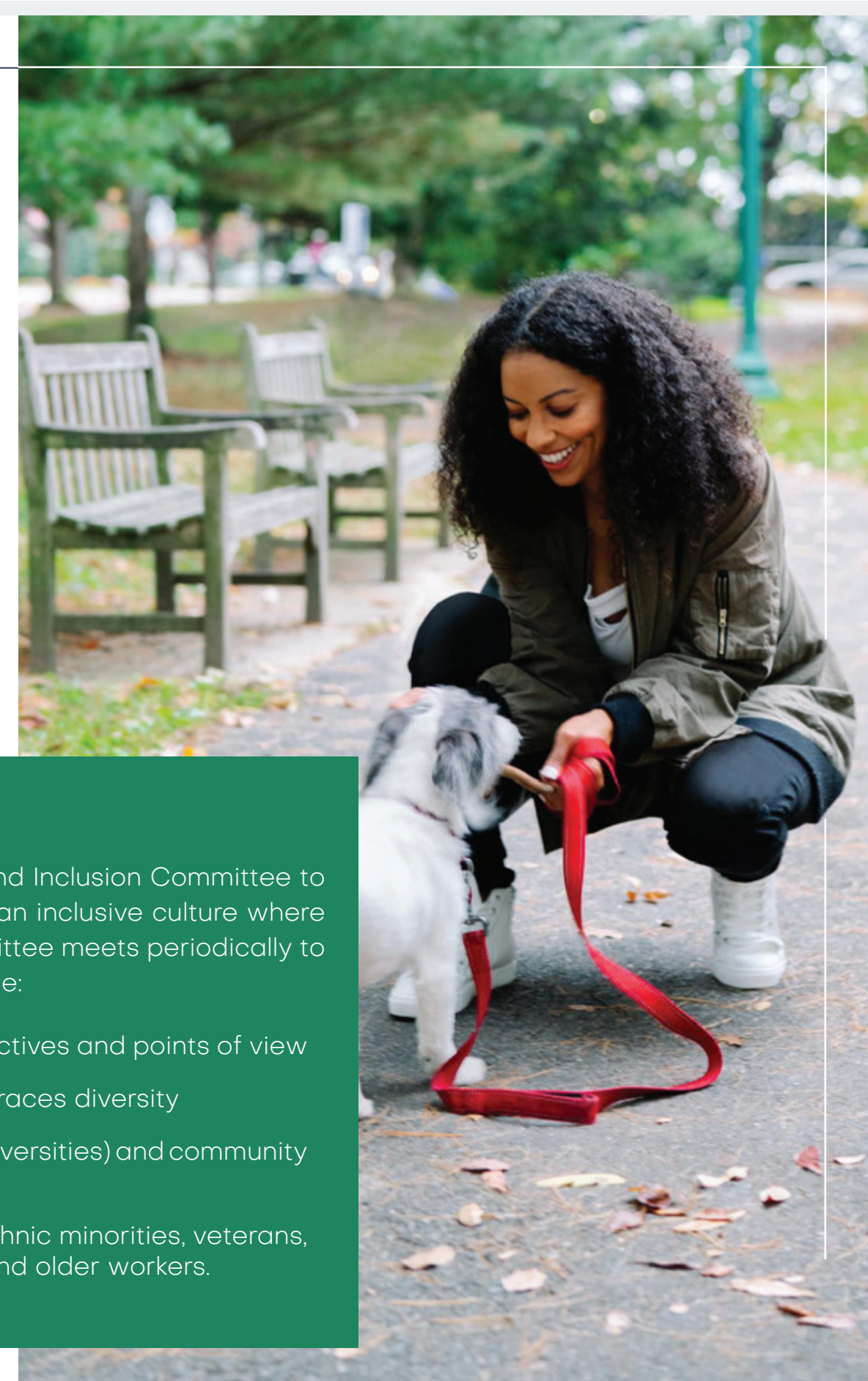
whistleblowing across the Group's entities in 2022.

To highlight their commitment to employee development, in 2022 Energix Renewables invested 370 hours in personal development training for its employees. In addition, it also dedicated 195 hours to diversity and inclusion training for its employees and over 110 hours toward compliance training. Brockton also has an extensive training program for its employees, dedicating both monthly topical training sessions and weekly afternoon training sessions for its employees to continue their learning.

Encouraging Diversity and Inclusion

Real estate entity, **Carr Properties**, has created a Diversity and Inclusion Committee to oversee its commitment to creating, nurturing and sustaining an inclusive culture where all employees feel valued, respected and engaged. This committee meets periodically to ensure that the organization meets its objectives. These include:

- Actively seeking out and **encouraging diverse ideas**, perspectives and points of view
- Establishing an inclusive environment that respects and embraces diversity
- Partnering with local universities (including historically black universities) and community colleges
- Posting job openings on over 25 diversity job sites to reach ethnic minorities, veterans, women, individuals with disabilities, the LGBTQ community and older workers.



Supporting Local Communities

Alony Hetz strives to support and enrich the local communities where our investee companies reside, with a special interest in supporting at-risk youth. We engage surrounding communities through active communication, building ongoing local programs and community resources, spurring economic growth within our communities, and promoting inclusive infrastructures.

We understand that the first step toward building a supportive relationship with local communities involves open communication and healthy dialogue with local stakeholders. To ensure this best practice, the investee companies designate community liaisons to create relationships with local leadership and integrate community needs within company initiatives.

Targets for 2023:

We are working with our investee companies to set long and short term KPI's which align with our principles of supporting local communities and promoting safety and wellbeing by end of 2023

Community Programs Uplifting Youth

Alony Hetz values being an active member of its local communities and believes in the necessity of uplifting at-risk youth as a means to transform the entire community. From supporting the education of underserved youth in Washington, DC to fostering leadership programs for Bedouin youth soldiers in Israel, the Group's entities demonstrate their commitment to advance the education and leadership skills of youth across the world.

As part of this initiative, employees from all of our entities donate their time to volunteer with local communities. In 2022, the Group's employees donated hundreds of hours toward local communities with a particular focus on youth. As we work to formalize our ESG approach, we are looking to put in place mechanisms to better promote and track volunteer hours and impact.



Desert Stars Engaging Bedouin Youth

As part of its commitment to uplift underserved youth and serve the local communities in which they operate, Energix works closely with Desert Stars, a leadership program for Bedouin youth and promote both a thriving Bedouin community and a strong Israeli society. Through its efforts, Energix's employees held professional workshops for Desert Stars participants, build meaningful relationships with them and provide them with tools to succeed in a modern working environment.



Building an Inclusive Real Estate Industry

Brockton Everlast, our real estate entity in the UK, designed a program to mentor disadvantaged youth and help them enter the real estate industry. They work closely with a leading employability program that supports Londoners from low socio-economic backgrounds in order to break down the barriers to education and fulfilled employment through sector-wide partnerships. Brockton has collaborated with Access Aspiration since 2018 to form a partnership that not only offers work experience for a wide range of students, but also creates a long-lasting impact through webinars, mock interviews, mentorship opportunities and case study site visits to major commercial projects across London.



Additionally, we are proud to partner with many leading NGOs supporting youth around the world including:



HetzUmatara (Energix)



Desert Stars (Energix)



Nirim (Energix)



Yad Lebanim (Energix)



Taasiyeda (Energix)



Youth Leading Change (Amot)



The Jaffa Institute (Amot)



HaShomer HaChadash (Alony Hetz)



Washington Jesuit Academy (Carr)



Yad L'Yeled (Energix)



Access Aspiration (Brockton)

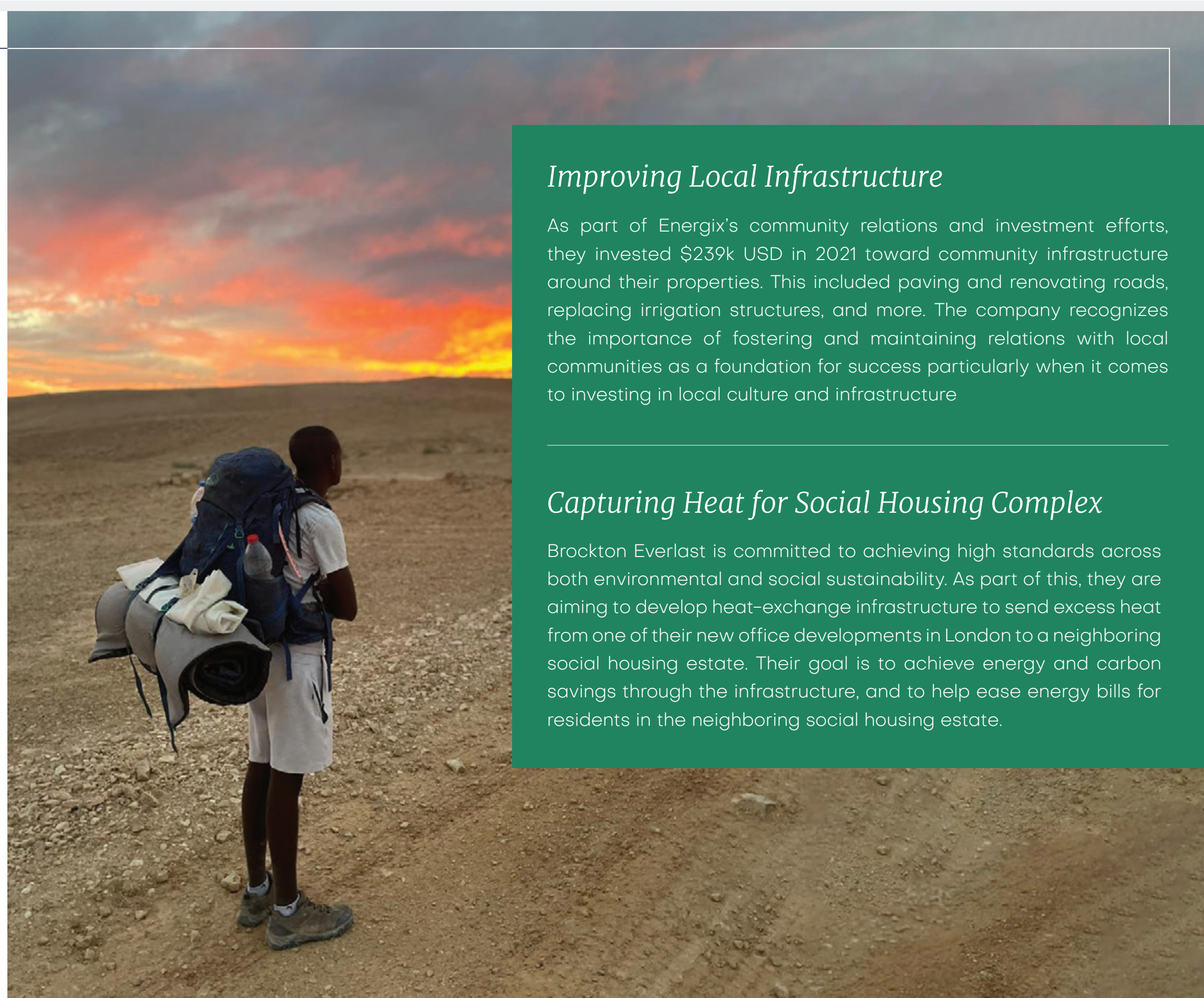
Charitable Donations

Alony Hetz is proud to have a company donation policy that indicates a regular allocation of up to 1.4 percent of the Group's annual profits for contributions to the community that are mainly intended for supporting, educating and helping disadvantaged youth. Additionally, the Group's companies also partake and donate within their own communities furthering our collective global impact. In 2022, Alony Hetz and its investees collectively contributed 2.1 million USD to youth focused and other non-profits and organizations.

Promoting Local Infrastructure

The Group's properties enrich local communities by promoting inclusive infrastructures available for public use and contributing to the healthy development of local neighborhoods. Many of the Group's infrastructures incorporate open areas shared with the public including urban green spaces and commercial spaces.

In addition to making buildings accessible to the local population, some of our entities also work to improve neighboring infrastructure.



Improving Local Infrastructure

As part of Energix's community relations and investment efforts, they invested \$239k USD in 2021 toward community infrastructure around their properties. This included paving and renovating roads, replacing irrigation structures, and more. The company recognizes the importance of fostering and maintaining relations with local communities as a foundation for success particularly when it comes to investing in local culture and infrastructure

Capturing Heat for Social Housing Complex

Brockton Everlast is committed to achieving high standards across both environmental and social sustainability. As part of this, they are aiming to develop heat-exchange infrastructure to send excess heat from one of their new office developments in London to a neighboring social housing estate. Their goal is to achieve energy and carbon savings through the infrastructure, and to help ease energy bills for residents in the neighboring social housing estate.

Governance

Strong responsible governance is essential to our success. Our large and stable portfolio and our commitment to highly qualified management practices minimize risk for shareholders. Our timely, reliable, above and beyond compliance further help build trust with stakeholders.

ESG Leadership

ESG is integrated into our Board of Directors and leadership decision-making. Our dedication to a sustainable future is reflected in the diversification of assets through our investment in Energix. We continue to evaluate opportunities and further dialogue at all levels of the company to insure our ongoing leadership in environmentally responsible and healthy properties.

In 2022 we held a 'Sustainability and the Built Environment' Workshop at our internal leadership conference that brought together leadership from throughout the Group to engage in learning, inspiration and dialogue.



Board of Directors

The Board at a Glance



7
Board Members



57%
Independent Directors



12
Meetings



94%
Board Meeting Attendance Rate



3
Committees with 100% Attendance Rate

Board Members 2022



Chairman of the Board
Aviram Wertheim



Independent Director
Prof. Zvi Eckstein



Independent Director
Amos Yadlin



Founder President & CEO
Nathan Hetz



Director
Adva Sharvit



External Director
Shlomi Shuv



Director
Rony Patishi-Chillim

Board of Directors (continued)

Our Board of Directors helms our strategy across all areas of our business, establishing and maintaining our strong financial integrity and social sustainability character. The

Directors are the active representatives of our shareholder, ensuring that their interests are followed responsibly and transparently.

Our overall business approach is to maintain a well-adjusted and balanced strategy by investing in mature Western economies while minimizing financial risk. We manage a large & diversified property portfolio and are committed to highly qualified management practices.

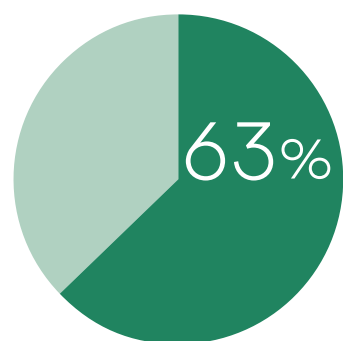
Our Board of Directors is elected to supervise the management of the Alony Hetz Group, ensuring the company's success through long-term strategy making. Our Board of Directors is composed of Israel's leading business pioneers and experts with extensive financial and accounting knowledge. Collectively, their professional expertise include backgrounds in economics, academia and research, public administration, corporate law and more. Their varied expertise equips the board members for the responsible leadership of the company. Alony Hetz believes it is important to have diverse perspectives on the board and is dedicated to having representation from different sectors of knowledge.

Our executive Board members are Chairman Avi Wertheim and Founder, President and CEO Nathan Hetz. We are proud

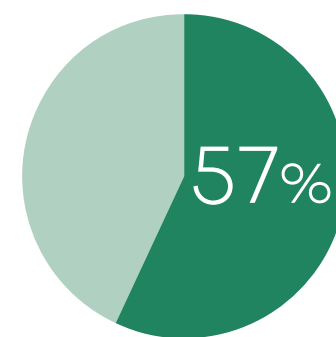
to have a highly independent board that goes above and beyond compliance with a 57% independence rate. We know we are stronger with a diverse perspective and are committed to promoting leadership on the Board and throughout Alony Hetz management. The Percentage of females on the Board is 28%, with 2 women and 5 men serving as Directors.

2022 Board Independence

■ Independent



Alony Hetz Group



Alony Hetz publicly traded Investees

In 2022, 11 meetings on the Board of Directors were held throughout the year. Our director's steadfast dedication is evident in our strong attendance rate of 92%. Our Board of Directors is dedicated to a high standard of efficacy and is guided by a procedure policy which outlines rules regarding documentation, internal auditing controls, confidentiality and other pertinent topics.

Our Board of Directors set an example for investees, and we are pleased that our investees adhere to our values of high board member independence and gender diversity. Alony Hetz publicly traded investee companies' boards have an average independence rate of 63 percent.



Board of Directors Continuing Education

The Alony Hetz board recognizes that consistent professional growth is critical in a rapidly changing world. Our 'Board of Directors Continuing Education Policy' outlines the procedures for promoting the directors ongoing professional development in the topics of economics, accounting, legal matters and beyond. Continuing education options offered to the directors include participation in recommended university courses, suggested seminar events and the options to select outside coursework's

approved at the discretion of the legal department. Additionally, Alony Hetz holds an annual one day seminar which brings together the board members and selected management from Alony Hetz and its holding groups. Data on the courses and participation of the directors is collected by the legal department annually.

Board of Directors Committees

The Board of Directors is composed of three committees which advise on the boards' different areas of responsibility:

- 1 The Audit Committee** has a critical role in maintaining Alony Hetz's high standards of transparency and ethical conduct. It is responsible for the supervision and control of the financial and regulatory reporting and approval of the company's long-term business strategy. In 2021, there were three board members on the committee and the chairman was the external director Professor Zvi Eckstein.
- 2 The Financial Statement Examination Committee** is tasked with the approval of the Group's financial statements and maintains the quality of financial reporting. The Chairman is external Director Shlomi Shuv.

- 3 The Remuneration committee** is responsible for setting the bi-annual remuneration and determining the annual bonuses of company officers and VP's, ensuring they are aligned with the long-term benefit of the company.



Ethics and Integrity

Our Code of Ethics

Our Code of Ethics establishes our commitment to fair, moral and appropriate business conduct. The Code applies equally to the company's directors, managers and employees to act in accordance amongst themselves as well as in their relationships with third parties. It covers expectations that include:

- **Respect all people** without prejudice whether they are clients, colleagues, partners, suppliers, competitors, shareholders, creditors or governmental representatives.
- **Refrain from** (sexually-) **harassing**, abusing or any other improper behavior towards all people
- **Refrain from discriminating** employees on the basis of their religion, race, gender, outlook, sexual orientation, limitation or other and instead reach employment decisions based on objective considerations such as expertise, performance and suitability for position
- **Abstain from fraud** and deception and instead foster business and interpersonal relationships based on mutual trust
- **Sustain** the company's contractual and business obligations and fulfill all business ventures
- **Refrain from breaching** competitors' property rights and the use of other illegal conduct in order to harm competition
- **Act and make decisions** on behalf of the company's interests and accordingly refrain from taking any actions that could raise concerns over a conflict of interest between his/her position in the company and his/her personal affairs.

Ethical Training

At Alony Hetz, our Code of Ethics is communicated to our new employees upon hiring and its compliance strengthened through periodic reviews and trainings on the standard. We continue to adapt and improve our Code of Ethics and its implementation in our group.

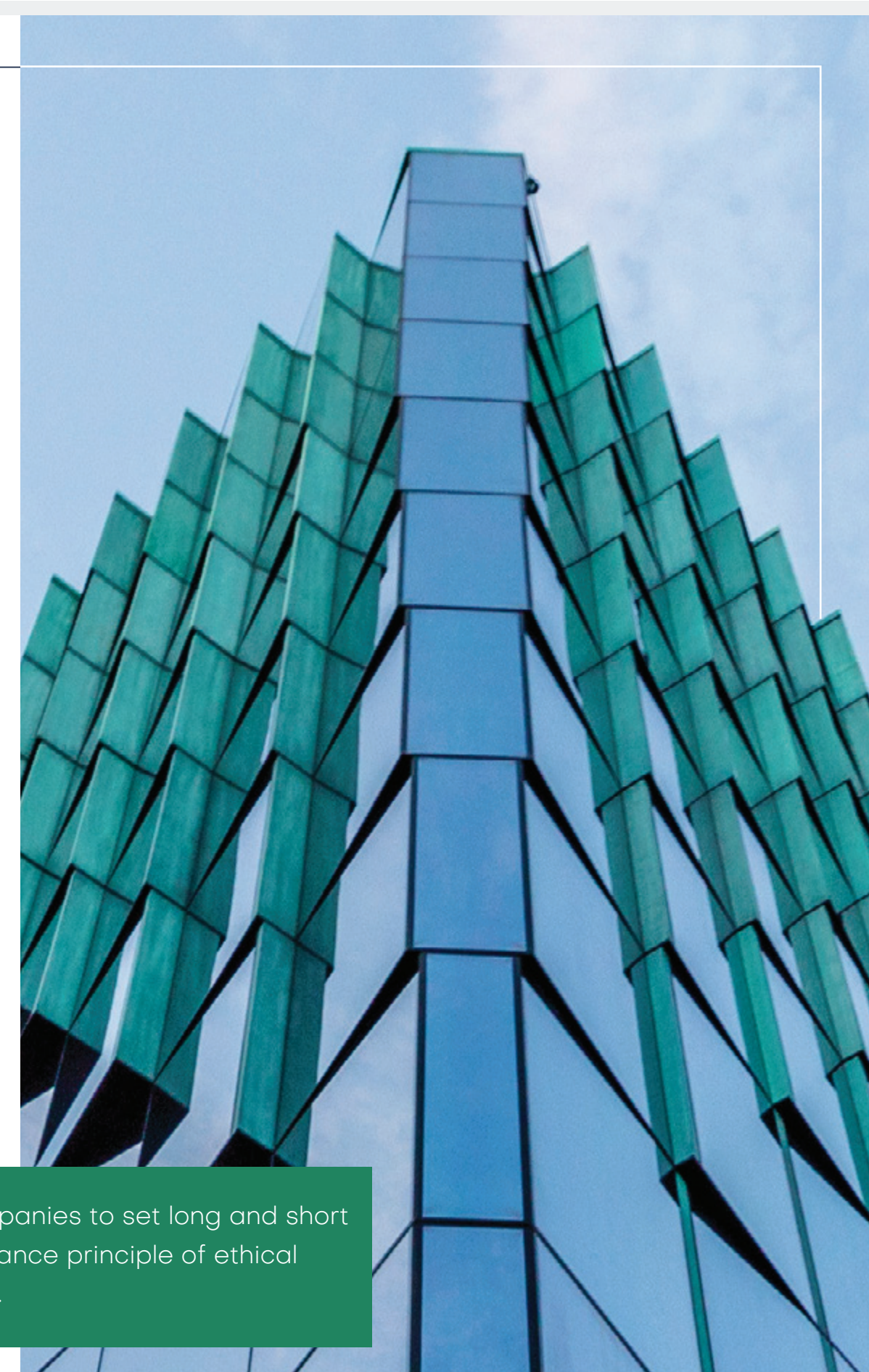
All employees within our investees either received training on and/or had to sign the Code of Ethics in 2021 or 2022.

Whistleblower Procedure

Employees are encouraged to report any suspicions of unethical or illegal conduct, may it be violations of the law, guidelines of certified bodies or the company's Code of Ethics. Any employees wishing to raise concerns about infringements, are advised to directly approach the chairman of the company's audit committee or the body in charge of the Code of Ethics in person or via anonymous channels. We are committed to the thorough investigation of any violations and guarantee the anonymity of anyone reporting suspected behavior. Any breaches of the Code of Ethics can have serious consequences, including the dismissal of the employee or in severe cases criminal charges.

Targets for 2023

We are working with our investee companies to set long and short term KPI's which align with our Governance principle of ethical corporate governance by end of 2023.



Our Approach to Risk Management

Alony Hetz engages with risk management and resilience seriously and takes preventative measures to mitigate any risk factors that are found. The Company's CEO and CFO regularly monitor developments in relevant markets. In the event of unusual developments in the currency and interest markets, they study the data, and occasionally reach decisions to perform actions in the derivative markets in order to protect against interest and exchange rate risks.

All of Alony Hetz's entities have set up systems for ongoing monitoring of regulatory developments to ensure that all regulatory standards are being met. These systems are overseen by our entities' management teams and are designed to identify and mitigate risks to create a stronger and more resilient business.

In terms of environmental risks, our entities carefully examine all risk factors so that appropriate measures can be taken to remove or reduce an identified risk. In some cases, this includes readiness to carry out land restoration operations as part of new development work. Additionally, our portfolio's policies outline the importance of minimizing environmental risk and to the best of their knowledge in compliance with all environmental regulations required for the receipt of permits to operate our facilities.

Recognizing the need to strengthen environmental risk management in activities and as part of its distinct policy on this issue, Amot decided to formulate an internal environmental enforcement plan through its legal advisers who specialize in environmental law and accompanied by environmental consultants. The plan is designed to ensure that activities are carried out in accordance with the requirements of environmental regulation and to reduce exposure to environmental risks.

As of the date of this report, the Alony Hetz Group is not a party to a significant legal or administrative proceeding related to the environment to which the Company or any of its officers is a party, and as of the date of this report, no amounts were ruled or provisions recognized in the financial statements and no other environmental costs apply to the Group. Furthermore, according to the Group's assessments, as of the reporting date, no event or issue exists related to activity in the Group that caused or is expected to cause environmental harm for which it had or is expected to have a significant impact on the Group.



Privacy and Cyber Security

The Alony Hetz group takes privacy and cyber security very seriously. Each of the Group's companies works to secure the information accumulated in their systems and, for that purpose, is assisted by information security consultants. The Group companies work to implement technological and organizational measures, including work procedures for the purpose of securing information from unauthorized discovery, use and loss of information, including dealing with cyber-attacks and recovery in the event of an attack.

Keeping Energy Data Safe

Energix understands that damage to their informational technology systems, communications and data processing systems may expose Energix to delays and disruptions in the supply of renewable electricity generated. It has engaged in strengthening the resilience of its information security system, through methods including;



The implementation of an identification and response system for cyber events



24/7 monitoring and notification service



Two-step verification mechanism for remote access to Energix systems and communication




Malware detection solution and a system for detecting and preventing phishing attempts

About this Report

Alony Hetz Properties and Investments is proud to present its **first group-wide ESG Report**. This report contains an overview of Alony Hetz Properties and Investments environmental, social and governance (ESG) projects and activities for 2022 and relevant background years.

The report covers the collective impact and activities of all our investee companies. Our investees consist of Amot Investment, Brockton Everlast, Carr Properties, Energix Renewables and AH Boston and have operations in Israel, US, UK and Poland. The report covers the employee metrics of Amot Investment, Brockton Everlast, Carr Properties and Energix Renewables. The report covers approximately 51% (weighted by companies' square meter) of the Groups environmental footprint with the breakdown of data currently available by company as follows:

Environmental Data Boundaries

 AMOT	12 properties which are under full operations of the company. Limited availability of water and waste data.
 BROCKTON EVERLAST INC.	97% floor space covered for energy and water consumption. GhG footprint coverage of all landlord and HQ portion of portfolio.
 CARR PROPERTIES	85% coverage of portfolio footprint.
 ENERGIX RENEWABLES	Absolute Footprint across Israel and Poland sites.
 AH BOSTON	Absolute Footprint Across 100% of portfolio.

This report is written in reference to the Global Reporting Initiative **(GRI) Standards**.

Looking ahead we plan to publish an ESG report biannually to provide transparency and easily comparable data on our performance. Through the reporting process we aim to encourage dialogue with all our stakeholders and inform on our improvements over time.

Statement from Good Vision, Sustainability Advisors Fahn Kanne & Grant Thornton Group:

Good Vision supported Alony Hetz in the writing of this report. Good Vision is a member organization of the GRI Gold Community working to empower businesses, corporations and decision makers everywhere to act towards a more sustainable economy and future through ESG initiatives and stewardship.

We wish to thank all the people and entities involved in the collection of data, writing and production of this report. If you have any questions or comments about this report, please contact:

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Annex

Environmental Data for Alony Hetz and the Group ¹

Topic	Indicator	Unit of measure	2022
LEED	Percentage Properties built to LEED standards (by square area)	percentage	45%
Green Construction	Percentage buildings accessible by public transport	percentage	98%
Energy Consumption & Production	Total Electricity Consumption	GWh	167
	Electricity Consumption from renewable sources	GWh	23
	Percentage Electricity from renewables at Real Estate Portfolio Sites (including Self-generated energy)	percentage	16%
	Total Self-generated Renewable energy	GWh	1,438
GHG Emissions	Scope 1 GHG emissions	tCO2e	1,273
	Scope 2 GHG emissions	tCO2e	46,727
Water	Total volume of water used	Liter	264,113,001
Waste	Total Waste Generated	tons	4,170
	Total Waste Diverted (recycled/reused)	tons	611
	Total Waste Diverted %	percentage	15%
Green Transport	Number of electric vehicles charging stations	Number	240

¹For data boundaries, please refer to About this Report on page 39.

Annex

Social Data for Alony Hetz and the Group²

Topic		Indicator	2022
General		Total Number Employees	493
		Full-time Employees (%)	96%
		Part Time Employees (%)	4%
Gender Diversity	Employees Total	Women	39%
		Men	61%
	Executive Management	Women	26%
		Men	74%
	Mid-Level Management	Women	35%
		Men	65%
	Non-Management	Women	41%
		Men	59%

Governance Data for Alony Hetz and the Group³

Topic		Indicator	2022
Board Structure		Number of Board Members	37
		# of Independent Board Members	14
		Board Independence Rate	38%
Legal Compliance and Corruption		Significant instances of non-compliance with laws/regulations during reporting period resulting in fines	0
		Significant instances of non-compliance with laws during reporting period not resulting in fines	0
		Confirmed incidents of corruption and actions taken	0
Political Contributions (\$)		Political Contributions made by the company	0
Customer Privacy		Total number of substantiated complaints received concerning breaches of customer privacy	0
		Total number of identified leaks, thefts, or losses of customer data	0

²Covers: Amot Investments, Brockton Everlast, Carr Properties and Energix Renewables ³Covers: Alony Hetz Properties and Investment, Amot Investments, Brockton Everlast, Carr Properties and Energix Renewables

GRI Index

Governance

GRI Standard Title	GRI Disclosure Number	GRI Disclosure Title	References / Response
Organization and its reporting practices	2-1	Organizational Details	Introduction
	2-2	Entities included in the organization's sustainability reporting	Introduction
	2-3	Reporting period, frequency and contact point	Introduction
	2-4	Restatements of information	NA- This is the first report published
Activities and Workers	2-6	Activities, value chain and other business relationships	About Us
	2-7	Employees	Diversity and Inclusion, Annex
Governance	2-9	Governance structure and composition	Our Board of Directors
	2-10	Nomination and selection of the highest governance body	Our Board of Directors
	2-11	Chair of the highest governance body	Our Board of Directors
	2-14	Role of the highest governance body in sustainability reporting	Our Board of Directors
	2-15	Conflicts of interest	Ethics and Integrity
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance
	2-19	Remuneration policies	Refer to our Annual Financial Report
	2-20	Process to determine remuneration	Refer to our Annual Financial Report
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Alony Hetz Sustainability Principles
	2-23	Policy commitments	Pursuing the UNSDGs
	2-26	Mechanisms for seeking advice and raising concerns	Ethics and Integrity
	2-27	Compliance with laws and regulations	Ethics and Integrity, Annex
	2-28	Membership associations	Industry Memberships and Participation
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Stakeholder Engagement
Disclosures on material Topics	3-1	Explanation of the material topic and its Boundary	Material Topics
	3-1	List of material topics	Material Topics
	3-3	Management of material topics	Material Topics
Economic Performance	201-1	Direct economic value generated and distributed	Refer to our Annual Financial Report

	GRI Standard Title	GRI Disclosure Number	GRI Disclosure Title	References / Response
Environment	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	Our Approach to Risk Management
	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Supporting Local Communities Promoting Local Infrastructure
	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Ethics and Integrity
		205-3	Confirmed incidents of corruption and actions taken	Annex
	Materials	301-2	Recycled input materials used	Resource Use and Waste Management, Annex
	Energy	302-1	Energy consumption within the organization	Shaping a low carbon future , Annex
	Water	303-5	Water consumption	Resource Use and Waste Management Protecting Water Resources
	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Promoting Urban Green Spaces and Preserving Biodiversity
		304-2	Significant impacts of activities, products and services on biodiversity	
		304-3	Habitats protected or restored	
Emissions	305-1	Direct (Scope 1) GHG emissions	Shaping a low carbon future Greenhouse Gas, Annex	
	305-2	Energy indirect (Scope 2) GHG emissions	Shaping a low carbon future Greenhouse Gas, Annex	
	305-4	GHG emissions intensity	Annex	
Waste	306-1	Waste generation and significant waste-related impacts	Resource Use and Waste Management Reducing Waste & Increasing Waste Diversion	
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated		
	306-4	Waste diverted from disposal	Resource Use and Waste Management	
Social	Occupational Health and Safety	403-1	Occupational health and safety management system	Health and Safety Occupational Safety
		403-4	Worker participation, consultation, and communication on occupational health and safety	
		403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	Employee Well-Being	
	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Diversity and Inclusion
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Supporting local communities	
Public Policy	415-1	Political contributions	Annex	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and Cyber Security, Annex	

An aerial photograph of a wind farm in a lush green landscape. Three large white wind turbines are visible, with the closest one in the foreground on the left. The terrain is a mix of vibrant green fields and brown, tilled earth. The sky is blue with scattered white clouds. A white rectangular text box is overlaid on the right side of the image.

Thank You!

The logo for AlonyHetz, featuring the company name in a white serif font above a red graphic element that resembles a stylized arrow or a lightning bolt pointing downwards and to the right.

AlonyHetz

Properties & Investments Ltd